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Summary of Deposition of James Reichert February 26, 2016

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| Agreement by which JM sells to JMM and JM A/C says that JMM and JM A/C will not be liable for actions instituted against JM by a former employee of seller or any third party against purchaser and/or seller etc, claims are responsibility of the seller. | 22-23 |
| Claims by former employees of seller who are employed by purchaser shall be pro rated depending on relative percentage of total employment with either party. | 24 |
| JMM knew from the outset that it could be subject to suits by people claiming injury from asbestos disease. | 25-26 |
| 12/10/82 memo lists 7 pending claims against JM. Liabilities occurring after closing are JMM's | 27-30 |
| JMM knew 21 days before closing of the purchase of the Denison and Stockton plants that there were pending asbestos claims and JMM made the decision to continue the a/c pipe operation rather than just shutting it down and running the PVC operation. | 32 |
| 23 Mesothelioma cases occurring in workers at Denison and Stockton. | 37-39 |
| J-MM understood that there was a history of people using power saws in the3 filed to cut A/C/ pipe. (this info after Reichert repeatedly won't answer the question and repeatedly says it was against OSHA rules and JMM policy etc) | 71 |
| JMM continued to use the name "Transite" stamping it on their pipe | 73 |
| June 6, 1983 Memo re training salesmen. The memo tells salesmen to tell customers not to join sections of pipe by "stabbing" one end of the pipe into another "Not recommended." | 71 - 74 |
| The training guide does not list the installation techniques not permitted by OSHA. | 76 |
| Agrees that OSHA permits power saws if techniques are used to reduce exposure to permissible levels plus respirator use. | 77 |
| Kin 1983 JMM knew that EPA was proposing a ban on A/C pipe | 78, 79 |
| Agrees that from day one, January 1, 1983, JMM knew that asbestos could cause mesothelioma. | 79 |
| JMM knew from day one that blue asbestos was more toxic than white asbestos. | 80 |
| In 1983 JMM knew that Johns Manville filed bankruptcy due to 1000s of lawsuits arising out of asbestos disease claims | 80-82 |
| JMM had health and safety concerns that it had to address for both its own employees and for the product it was selling. | 86 |
| Reichert says that JMM put the same amount of effort into caring for their own employees as they did for making sure that they were providing a product they believes was safe and admonishi9ng about safety and health issues for the product (cf the 2014 Reichert depo where he admits that | 87 |

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| JMM exhibits a conscious disregard for safety of its employees) | |
| January 30, 1986, Pronske of JMM re EPA proposed ban. Quotes ACPPA (asbestos cement pipe producers association) statement that no health hazard to those making or installing the pipe. Compare to three years earlier JMM knowledge of 7 mesothelioma cases in employees making AC pipe | 89-94 |
| It was JMM Policy that sales people in the field communicate all admonitions regarding the health and safety issues pertaining to a/c pipe as well as the appropriate work practices. (None of the co-workers or employers of Avila ever saw cautions, warnings, safety brochures or saw any JMM sales person at a job site or had any info re: asbestos dangers communicated to them() | 94 |
| January 18, 1986 memo from the JMM safety guy E.. E. Wang to all plant managers. Says that there is no known exposure level below which carcinogenic effects would not occur. | 96 |
| Never any label on the pipe that said there is no known level under which cancer will not occur. | 100 |
| Testimony about the claimed caution label being 2" x 2" on a 13' section of pipe. Reichert agrees that the label could have been bigger and could have been more prominent and could have talked about cancer. | 112-115<br>116-117 |
| In the Hill case, in which this Reichert depo is taken, there are 5 witnesses who will testify that there was no caution label. | 115 |
| Before 1986 MSDS were provided on request; after 1986 they were supposed to be sent out with the product. JMM then relied on sales people to distribute it. | 122 |
| The 1/16/86 MSDS says that the product may cause "pulmonary disease" and it says nothing about cancer; nothing about fatal disease; nothing about no safe level | 124 |
| Agrees that even a snap cutter creates dust. | 124 |
| The MSDS says don't use power driven saws but it then also says that if you use power driven saws, use exhaust ventilation. | 126 |
| Jan 30, 1987, MSDS says asbestosis, mesothelioma, pleural plaques and lung cancer. First time the cancer info appears on MSDS even though JMM knew about mesothelioma from "day one." | 127-130 |
| The 1987 MSDS mentions that hand tools (in addition to power tools) which may produce or release asbestos fibers should have exhaust ventilation. Reichert doesn't know what hand tools are being referred to. Although snap cutters are the only hand tool he can think of commonly used to cut a/c pipe | 130 |
| Any method of cutting without wetting the pipe down creates dust. | 131-<br>132,<br>134 |
| Agrees that there is dust in the air even if you can't see it with the naked eye. | 134 |
| From the start of running the a/c pipe business JMM knew that it could | 139 |

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| put them at risk from lawsuits from those claiming injury from asbestos disease. | |
| Q. BY MR. PANATIER: All right, sir. I've got a few more questions for you.<br>Based on what we've talked about today and the documents we've talked about today, as of 1983 J-MM understood it was at risk from lawsuits where it would have to pay people for their injuries or their deaths, correct?<br>MR. SKEBE: And I'll object based on form and to the extent it invades any privilege that's the subject of a motion in this case.<br>You can answer.<br>THE WITNESS: That it could, yes.<br>Page 147<br>Q. BY MR. PANATIER: Okay. And as of 1983 J-MM knew that mesothelioma took many years to occur, correct?<br>A. Yes.<br>Q. Okay. J-MM as of 1983 understood that there was a latency period between exposure and when the disease actually appeared, right?<br>A. Yes.<br>Q. Okay. And as of 1983 J-MM understood that if somebody wanted to file a lawsuit for payment of mesothelioma, the company knew that that would occur far into the future, correct?<br>MR. SKEBE: I'll object to form and assert privilege to the extent that it's been litigated regarding a particular issue in this case.<br>You can answer.<br>THE WITNESS: That it could, yes.<br>Q. BY MR. PANATIER: Okay. And I'm not asking you with reference to any documents or anything, just the company knowledge. The company understood that any lawsuits from mesothelioma would generally occur way into the future, correct?<br>MR. SKEBE: Same objection, same assertion of privilege.<br>You can answer.<br>THE WITNESS: That it could, yes. | 146-147 |

BEFORE THE ASBESTOS MDL PRE-TRIAL JUDGE

CAUSE NO: 2014-64317

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AMY HILL, Individually and as Personal Representative of the Estate of JACKIE DEE HILL, Deceased and JACKIE DEE HILL, JR., DAVID WAYNE HILL and DAPHNE ANN LEE,

Plaintiffs,

v.

J-M MANUFACTURING COMPANY, INC. (sued individually and as parent and alter ego to J-M A/C PIPE CORPORATION), et al.,

Defendants.

IN THE MULTI-DISTRICT COURT

11th JUDICIAL DISTRICT

HARRIS COUNTY, TEXAS

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# DEPOSITION OF JAMES REICHERT

At Manion Gaynor & Manning

201 Spear Street, 18th Floor

San Francisco, California

Commencing at 10:01 a.m.

February 26, 2016

CERTIFIED TRANSCRIPT

Michael E. Hyske, CSR 5244