FILE NAME: Mahoning Valley Supply (MVS)

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JOHNS-MANVILLE
SALES CORPORATION
3101 EUCLID AVENUE • CLEVELAND, OHIO 44115 • TELEPHONE: UTAH 1-6700 • AREA CODE 216

January 5, 1965

Mr. Pete Baxter
Mahoning Valley Supply Company
704 Youngstown-Poland Road
Youngstown 14, Ohio

Dear Pete:

J-M and the Independent Insulation Distributor

With increasing numbers of local distribution points owned and operated by insulation manufacturers it seems timely to state our attitudes on distribution. It is our belief that with equally good management and facilities, independently owned distribution such as your company can provide adequate stocks of goods and distribute them to the trade more efficiently than can Company owned distribution outlets. We, therefore, have a policy of selling our products through independently owned distributors except in those places where we are unable to associate ourselves with effective outlets. The proof of the pudding is the fact that of 225 J-M insulation distributor locations, 204 are independent and 21 are Company owned.

In support of this belief we attempt to have policies that provide as favorable a climate for you as possible. Obviously, the degree to which this is true depends on the overall margin that competition allows you and J-M and the need of complying with the Fair Trade laws. Our hope is that our policies will encourage you to carry adequate stocks and provide top flight customer service for the mutual benefit of both our companies.

In keeping with this general objective, we are making a major revision in our pricing policies as they affect the warm air heating and air-conditioning business. These changes are effective January 1, 1965:

1. The definition of the functional discount has been changed to open a brand new market to you -- the competitive or independent warm air heating and air conditioning supply house.

2. The functional discount will be paid to you on the basis of your selling price, less freight charges out of your warehouse. The complete revision to our policy is attached.

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Thank you for the business and fine cooperation you have given us in 1964. It is our hopes that with these changes we can, by working closely together, develop record volume and profits for both of us in 1965.

S. L. Evans will discuss these changes with you very soon.

Yours very truly,

JOHNS-MANVILLE SALES CORPORATION

W D Gaches

W. D. Gaches
District Sales Manager

WDG/rme

G0055

FUNCTIONAL DISCOUNT
Industrial Insulations

1. Definition

(a) A discount payable to I.C.U.s and P.I.D.s on resales of the J-M materials included in their franchise and listed in Schedule 1 below to insulation contractors (other than J-M I.C.U.s) whose primary function is the sale and application of industrial insulations.

(b) A discount payable to I.C.U.s and P.I.D.s on resales of J-M materials included in their franchise and listed in Schedule 2 below to insulation distributors and/or warm air heating and air-conditioning supply houses (other than J-M P.I.D.'s who are franchised for the product on which the functional is being paid). No functional will be paid on sales to sheet metal shops or air-condition contractors.

An insulation distributor is a firm whose primary function is the stocking and resale of insulations used for application to mechanical systems.

2. Basis of Payment

Discount Applies:

(a) To resales of any quantity shipped direct from factory, service centers or from I.C.U. or P.I.D. warehouse.

(b) And will be paid on the basis of the I.C.U. and P.I.D. resale price (less that portion of the invoice that comprises freight charges added as a separate item).

(c) To only those shipments made into I.C.U. or P.I.D. areas, as defined in the franchised agreement, to whom payment is made. In an area that is not served by an I.C.U. or P.I.D. listed materials may be sold directly to insulation contractors by the Districts at "M" prices.

3. Procedure: See Systems 6833

Claims are to be verified and approved by District Manager or his delegate as authorized in Systems. One credit is to be issued monthly for each I.C.U. or P.I.D. following the form and detailing information as shown in Systems.

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4. Materials and Discount:

Schedule 1

Metal-On, Banroc Blankets & Banroc M	5%
Insulkote	5%
300 Cement	10%
400 Series Spintex	7%
Weatherproof Jackets	5%
Micro-Lok, Metal-Lok	5%
Duct Liners	7%
R Series	7%
Microlite & Microtex, Plain or Faced	7%
Magnesia & Thermobestos Pipe Insulation & Blocks Superex Pipe Insulation	5%

Schedule 2

Micro-Lok	5%
Duct Liners	7%
R-Series	7%
Microlite, Plain or Faced	7%
Microtex, Plain or Faced	7%

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