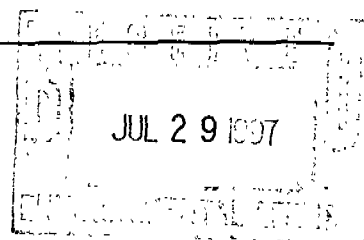




CHEMICAL MANUFACTURERS ASSOCIATION



July 28, 1997

Dear Vinyl Chloride Health Committee Members:

The next conference call for the *Vinyl Chloride Health Committee* is scheduled for *Wednesday, July 30th from 10:30 a.m. to 12 noon*. In preparation for that phone call, the following materials are attached:

- A Tentative Agenda;
- Research Report and Budget Request from J. Swenberg;
- VCHC Activities Matrix;
- AEI Interim Report 7 (July 8, 1997);
- Letter to H. Shah, from A. Staple, dated June 27, 1997, re: PETA allegations against Princeton Research Center;
- IRRC Animal Testing Survey; and
- Brochure on IRRC;

For your information, I am enclosing some marketing materials from Huntingdon. Please note that on Tuesday, July 28th you will receive by fax a copy of the latest VCHC Financial Statement.

As an update on personnel issues related to the VCHC, J. Knaak, of Occidental Chemical Corporation, has agreed to serve as Chair of the Vinyl Chloride Health Committee. Jim is on vacation this week but will participate in the next VCHC conference call. In the "change-of-company-representative" department, Colin Park of the Dow Chemical Company will be taking over for Jonathan Ramlow. Colin will be joining the group for the first time on the July 30th conference call. Please make him feel welcome.

As always, if you have any questions, I can be reached at 703/741-5639.

Sincerely,

Wendy K. Sherman

Wendy K. Sherman
Manager,
Vinyl Chloride Health Committee

Enclosures (7)



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SL 109890

Huntingdon Life Sciences

Dr. Has Shah
CMA
1300 Wilson Boulevard
Arlington, VA

27 June, 1997

Dear Dr. Has Shah:

Re: PETA; allegations against Princeton Research Center

In order to protect the integrity and confidentiality of Huntingdon's research programs on behalf of clients, Huntingdon recently filed a law suit against PETA (People for the Ethical Treatment of Animals) and one of their employees who worked undercover at our laboratory from September 1996-May 1997. The Federal judge reviewing this case has granted our request for a temporary restraining order that prevents PETA from making any further use of the material collected illegally.

Several of our clients have recently received a letter from PETA with allegations concerning the mistreatment of animals and failure to follow standard operating procedures (SOPs). In view of the restraining order that presently is in effect against PETA, I ask that you contact Huntingdon's Counsel Stephen D. Poss at Goodwin, Procter, & Hoar; Exchange Place, Boston, MA 02109 (617-570-1000), in the event you are contacted by PETA.

As a consequence of PETA's actions and their pursuit of publicity three major clients have now completed a very thorough review of our laboratory, the procedures we employ, and their studies. They have confirmed that this laboratory is in full compliance with all USDA regulations. Furthermore, study specific audits have confirmed that all studies were conducted to client specifications and were performed to a very high level of quality.

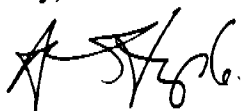
PETA has also lodged allegations with the USDA. The USDA has indicated that, while they are required by law to investigate every complaint made by the public, they have seen nothing in the written, video tape or photographic material provided by PETA that is evidence of any violation of the Animal Welfare Act. The USDA recently completed a five day inspection of the facility in order to begin investigating the complaint made by PETA. *Following this visit I was informed by Dr. Ron DeHaven, the Acting Deputy Administrator of the Animal Care Division at USDA that they had no concerns about the health or well being of the animals at this facility.*

Huntingdon Life Sciences

Furthermore, the USDA inspected this facility in April and their senior veterinarian examined very carefully all regulated animals within the facility. There was no evidence of mistreatment of animals or that animals were maintained in sub-standard condition. The USDA is fully aware of the tactics employed by PETA to damage the legitimate business operations of our clients and ourselves. They have assured me that they will complete their inquiries as quickly as possible and that they will avoid any disruption to our normal operations.

Finally, you should be aware that the Food and Drug Administration (FDA) carried out its bi-annual surveillance inspection during the period December 1996 through February 1997. This inspection covers compliance with Good Laboratory Practices, as well as a review of the facilities and the quality of animal care. The FDA found no evidence to support any of PETA's allegations and confirmed that all studies audited were in full compliance with GLP standards.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Staple', with a stylized flourish at the end.

Alan H. Staple
President, and Chief Operating Officer
Huntingdon Life Sciences, Inc.