EXHIBIT "B"

PLAINTIFF'S EXHIBIT
TN-5345

AFFIDAVIT OF ROBERT R. PORTER

COMMONWEALTH OF PENNSYLVANIA :
: SS
COUNTY OF PHILADELPHIA :

Robert R. Porter, being first duly sworn on oath, deposes and states as follows:

1. That I am 72 years old, in good health, and of sound mind. I am an American citizen and a resident of the State of Florida. I am a United States Naval Academy graduate and have spent much of my adult life in military service or the business sector. My business sector experience has included, among other things, being Chief Executive Officer or a senior executive officer of several large companies including the Boss Glove Company, Consolidated Packaging Company, Norwalk Truck Lines and Keasbey & Mattison Company ("Keasbey"). I am retired at the present time.

2. In the early spring of 1955, I responded to a blind employment advertisement contained in the Wall Street Journal. I was contacted and requested to appear for an interview in New York City. I did so and was interviewed by W. W. F. Shepherd, Chairman of the Board of Turner & Newall Limited ("T & N"). I then learned that T & N was an international asbestos company headquartered in Manchester, England, and that T & N had decided to hire a new president for Keasbey, which was T & N's wholly-owned American asbestos subsidiary. I had no prior experience in the asbestos business and had little knowledge concerning the mineral asbestos itself.

3. After my initial interview with T & N's Chairman of the Board in New York, I was summoned to London, England to interview with other senior executive officers and directors of T & N. Prior to my departure, I was told by T & N's Chairman that he had made arrangements for an advance of my travel expenses from Atlas Asbestos Company (another wholly-owned subsidiary of T & N in Montreal, Canada) if I so

desired. I specifically recall being interviewed by two (2) Deputy Chairmen of the Board of T & N, the Chief Financial Officer of T & N, and Robert Turner, all members of the Board of Directors of T & N. Later that day, I was told that I had been hired as an officer of Keasbey with the understanding that I would assume the presidency of Keasbey after one (1) year. At no time was I interviewed by any officers of Keasbey prior to the time I was hired.

4. Although I later learned from Shepherd that Keasbey's then president Muehleck had employed an individual to be his successor, Muehleck was emphatically admonished by Shepherd that Shepherd would make that decision himself. Muehleck was denied any role in the selection.

5. In July, 1955, I was instructed to report in Manchester, England, to Kenneth Neve who was the Works Director for T & N's asbestos cement company, and I spent practically all of the next seven (7) months reporting to him. Neve's task was to introduce me to the various phases of T & N's asbestos business so that I could transfer that knowledge over to Keasbey when I became president. Although I was on the payroll of Keasbey during that period of time, I had no formal connection with the company.

6. During my seven month period of training from T & N in Manchester, England, T & N's Chairman of the Board told me in 1955 and 1956 that, in his opinion, the asbestos dust precaution standards promulgated by the British government were more stringent than those prevailing in the United States.

8. T & N was a parent holding company which, on information and belief, directly or indirectly held the shares of numerous subsidiary operating companies doing its business throughout the world. T & N's principal business was the mining of asbestos fiber from asbestos mines it owned or controlled in Rhodesia, Kenya, Quebec, and British Columbia. T & N's asbestos mines supplied its various selling

companies (including Keasbey) with the asbestos fiber used in the asbestos product production process. Many different types of asbestos fiber exist, and certain products require a particular type of asbestos fiber. T & N's vertical integration in the asbestos industry permitted it to control production and use of asbestos fiber by its various subsidiaries throughout the free world.

9. Keasbey was a large asbestos product manufacturing company that was headquartered in Ambler, Pennsylvania, and which at one time operated ten (10) plants located in the United States. T & N first acquired its interest in Keasbey in or about 1934 when Keasbey was in financial difficulty and was in debt to more than 60 banks and insurance companies and was, in fact, moribund. I was told by Sir Walker Shepherd, then T & N's chairman and my immediate superior, that T & N's purpose in acquiring Keasbey was to obtain control of the Bell Asbestos Mine in Quebec (containing one of the richest deposits of chrysotile asbestos fiber in the world).

10. At the time T & N acquired Keasbey, Keasbey was not in the asbestos cement pipe business. T & N implanted its own asbestos cement pipe technology into Keasbey. Ultimately, Keasbey's primary businesses included the asbestos cement pipe division (the largest and most profitable business), the building materials division, the industrial products division, and other divisions. The industrial products division was involved in the sale of millboard, gasketing materials, and certain thermal insulation products.

11. T & N's asbestos mines in Africa and Canada produced different quantities and types of asbestos fiber. Certain types of asbestos-containing products required certain types of asbestos fiber. Keasbey was required to obtain its asbestos fiber production requirements exclusively from T & N. I was forbidden to obtain raw asbestos fiber elsewhere. Accordingly, T & N controlled day-to-day asbestos fiber supply requirements for Keasbey. T & N's various operating companies were obliged to accept allocated shares of T & N's

asbestos fiber supply. Because different asbestos-containing products required various types of fiber, T & N controlled decisions concerning which types of products Keasbey would produce and where they would be produced.

12. The price and other terms of all asbestos fiber transactions between T & N and Keasbey were dictated by T & N. The Chairman of the Board of T & N specifically informed me that I was forbidden even to discuss the subject of T & N's asbestos fiber price. I believe that T & N was able to manipulate its earnings in various parts of the world simply by changing the price of its asbestos fiber. During the period of time that I was president of Keasbey (from April of 1957 to April of 1962), I believe that Keasbey paid T & N approximately 10 million dollars (U.S.) for asbestos fiber each year.

13. During the period that I was President of Keasbey, I was informed by Shepherd that T & N controlled Keasbey's policies. Before undertaking any policy action, I was required to have in hand a copy of a minute of a meeting of the T & N Board of Directors, which minute was required to be authenticated by the signature of the Secretary of the T & N Board. One of the first things that I did as President, after obtaining T & N's approval, was to change the Keasbey officer titles from the English management form to the American management form. I was required to obtain the approval from T & N of any hiring or firing of Keasbey officers. T & N was in constant in-person and written communication with Keasbey through me. The Chairman of the Board of T & N and other senior executive officials of T & N routinely visited Keasbey to establish policy. This procedure changed somewhat in about 1958. The U.S. Justice Department, at that time, attempted to serve Sir Walker Shepherd (who was also Chairman of the Board of Keasbey) with Subpoenas for his testimony and for documents from T & N's files. This was in connection with an on-going Anti-Trust investigation of Keasbey and T & N. Therefore, I was instructed thereafter to travel to Montreal, Canada, to meet with Shepherd. Upon Shepherd's death, Ralph Bateman became Deputy Chairman of T & N and Chairman of Keasbey.

Bateman was also concerned about the continuing Anti-Trust investigation and, therefore, on advice of counsel, gave up the chairmanship of Keasbey. I then was elected Keasbey's Chairman as well as President. I was specifically instructed that this would make no change in my reporting relationship to Mr. Bateman. The change in title was simply intended to allow free travel of Bateman in the U.S. without the fear of judicial process with respect to the Anti-Trust investigation.

14. During my tenure as President and later Chairman of Keasbey, I was periodically summoned to Manchester or London, England, for management consultation. Other senior executive officers of Keasbey also conferred in England with T & N executives. Keasbey was audited by T & N's Canadian accountants on an irregular and surprise basis. T & N and Keasbey were in constant written communication. Because of the flood of correspondence with T & N, I was required to employ two (2) full-time secretaries. I was required to report monthly to T & N on Keasbey's financial and production performance in reports running between 25 to 50 pages.

15. T & N had 100 percent control over decision making on policy matters for Keasbey and were in no sense passive stockholders. T & N possessed and exercised the ultimate control and dictated the manner in which the company's capital and resources should be employed. As I indicated previously, T & N had complete control over Keasbey asbestos fiber supply and control as to which products Keasbey made at its various plants. In addition, T & N exercised control as to product lines manufactured by Keasbey. T & N had final approval over whether Keasbey plants would be started up or closed. Plant closing decisions drew severe scrutiny from T & N management. Closing of a plant would eliminate an outlet for T & N asbestos fiber. T & N restricted Keasbey's sales of asbestos-containing products to the United States. Because T & N operated other companies in Canada, including Atlas Asbestos Company, Keasbey was prevented from selling asbestos-containing products in Canada.

16. At the time I became employed by Keasbey, the company had no pension plan. However, selected employees at all levels were occasionally granted so-called "ex-gratia" pensions. Each such payment was paid by Keasbey, but each such grant was made the subject of a specific minute of the T & N Board. All such grants were reviewed annually by the T & N Board as to whether or not they should be continued. Again, such review was made the subject of a specific minute by the T & N Board. Keasbey's Board of Directors had no role in these decisions except to give advice and meet the obligations imposed by T & N. One such "ex-gratia" grant was made to my predecessor, Ernest Muehleck, with absolutely no input or advice from Keasbey.

17. Later I was given authority by T & N to establish a separate pension program for all Keasbey employees. Immediately after the establishment of this program, Shepherd came to Ambler, called all Keasbey directors together, and informed us that T & N had established a so-called "top-hat scheme" which consisted of an insured additional pension for directors of Keasbey only, payable at age 62 in specified annual amounts. Keasbey had neither obligation nor input into this scheme, and all premiums, to my knowledge, were paid by T & N and not Keasbey.

18. Keasbey was forbidden to borrow funds for capital expansion or any other purpose, unless the funds were borrowed from T & N. When such borrowing occurred, T & N dictated the terms of the loan, and Keasbey was prohibited from obtaining loans from other lending institutions. T & N completely controlled the remission of profits from Keasbey to T & N, and accordingly, Keasbey accumulated no retained earnings. For example, when Keasbey opened a new asbestos cement pipe plant in Texas, the facility was financed entirely by loan from T & N in the approximate amount of $5,000,000. T & N dictated the terms of the loans, and the cost of such loans resulted in a reduction of Keasbey's profits and a gain to T & N.

19. When I first became President of Keasbey, I had $15,000 capital expenditure limitation. Before Keasbey could spend money in excess of $15,000 on any one item, Keasbey had to obtain approval from the Board of Directors of T & N. For example, when Keasbey needed new forklift trucks for use at its Santa Clara California, plant, I was required to obtain approval from T & N before the forklift trucks could be purchased. Later, the capital expenditure limitation was increased by T & N to $25,000, with the same restrictions stated previously.

20. T & N supplied Keasbey with product technology (i.e. licenses and trade secrets) and numerous items of process technology for use in Keasbey's production process. For example, Keasbey personnel, including myself, were trained by T & N. In addition, when new asbestos cement pipe machines were designed and built for either T & N or Keasbey, there was a vast exchange of information, drawings, and meetings of engineering personnel between Keasbey and other companies owned by T & N.

21. I understand that T & N has alleged in the American asbestos product liability litigation that it sold Keasbey in 1962 because Keasbey was unprofitable. That is not so. Keasbey was extremely profitable. My compensation, under written contract with T & N for the first several years, consisted of a salary and a bonus of 2 1/2 percent of the company's profits before taxes. Accordingly, from my own personal Income Tax records, I can calculate the approximate profits before taxes for the company, and for the following fiscal years ending in October, these profits were as follows:

1958 - 1959	$331,200.00
1959 - 1960	$1,[illegible]30,000.00

I cannot calculate Keasbey's profits for other years because my bonus did not cover the entire fiscal year. In 1961, Mr. Bateman changed my compensation from the above arrangement to a larger salary with no bonus. However, during the fiscal year 1960 - 1961, based on the partial bonus I received, I believe that Keasbey's profits exceeded those of 1959 - 1960. Keasbey's "financial statement" profitability, however, was affected by the high debt Keasbey always owed to T & N. T & N retained complete control over Keasbey's retained earnings. The amount of earnings Keasbey retained and the amount it paid over to T & N depended upon a variety of factors including operating requirements of Keasbey and the dictates of T & N.

22. During the period that I was Keasbey's President, I received from T & N on a dozen or so occasions in 1961 or 1962, without explanation, individual micro photographs with titles indicating that they were photographs of spicules of asbestos fiber embedded in human tissue. To my recollection, the accompanying documents described the name and age of the individual involved as well as the history of his employment in the asbestos industry. The documents also contained a great deal of medical jargon concerning what was depicted in the photographs. I was directed by T & N not to disclose the information contained in the photographs and documents to anyone else, and I obeyed that instruction. With the possible exception of these communications, T & N at no time provided me with information concerning alleged asbestos health hazards or research conducted by T & N. I have recently been informed that some communications relating to alleged asbestos health hazards passed between my predecessor, Ernest Muehleck, and Mr. Shepherd during the 1940's. However, no such communications ever transpired between myself and T & N while I was President of Keasbey, nor was I ever informed of any previous communications.

23. T & N never instructed Keasbey to label products or otherwise inform product users of alleged health hazards associated with exposure to asbestos.

24. I was told by Mr. Bateman that the reason T & N sold Keasbey in 1962 was because of Keasbey's and T & N's American Anti-Trust problems. The United States Government had commenced an Anti-

Trust Action against Keasbey, JohnsManville, and others. T & N was alleged by the government to be a co-conspirator due to its relationship with Keasbey. T & N's management was advised to stay out of the United States to avoid the subpoena power. As a result, I was required to confer with T & N management in Montreal, Canada, from time to time.

25. I was not consulted about T & N's decision to sell Keasbey. In fact, I was informed by the Deputy Chairman of T & N in a hotel room in New York that T & N was in the process of selling the company. T & N executive officers and directors, not Keasbey's, negotiated the sale of Keasbey's assets. I resigned immediately from Keasbey in April of 1962 when I learned that the company was in the process of being sold. I later learned about some of the details of the sale in the newspapers.

26. At this meeting, I was told by Bateman that Keasbey's Asbestos Cement Pipe Division had been sold to Certain-Teed. I understood that it disposed of the remaining assets of Keasbey to other companies. I understood that Nicolet Industries, Inc., (now known as Nicolet, Inc.) purchased a portion of the assets of Keasbey's industrial products division, including assets that had been used to manufacture certain thermal insulation products. Keasbey's thermal insulation business was probably the least profitable business and may have been losing money at the time the assets were sold. I understand that Ralph Lanz, who was in charge of production planning and quality control, and Keasbey's Research and Development Director, Clyde Hutchcroft, were hired in 1962 by Certain-Teed, not Nicolet. Since Nicolet did not hire Lanz and Hutchcroft in 1962, I believe that its ability to operate successfully the thermal insulation business was thwarted.

27. During my tenure as President of Keasbey, its products were marketed, advertised, and offered for sale in every state of the

United States. It is my belief that Keasbey's products were also sold in every state of the United States and that T & N was fully aware of this.

28. In summary, T & N was in the business of mining and selling raw asbestos fiber. To that end, they owned many captive converting companies, all users and buyers of T & N asbestos fiber. In the case of Keasbey, all such purchases were made from T & N at their direction. While I was required to continue operating some plants that were either marginally profitable or unprofitable, these plants, in any case, bought, consumed, and paid for T & N asbestos fiber on which T & N took a profit at the minehead. In the case of Keasbey's asbestos cement pipe division, all plants were highly profitable, which resulted in continued heavy investment by T & N in the United States. However, with regard to the asbestos shingle product line of Keasbey, I recommended that because of declining sales of this product line, that it be discontinued. Permission was refused, and fiber purchases for this product continued from T & N. In short, the Keasbey & Mattison Company was used by T & N as its United States manufacturing outlet to convert its raw fiber into finished products, at considerable profit to T & N.

FURTHER YOUR AFFIANT SAITH NOT.

Robert R. Porter

Sworn to and subscribed
before me this 5th day
of April, 1983.

Notary Public