

I, Guy G. Gabrielson, Jr., Chairman of the Board of Nicolet, Inc., formerly Nicolet Industries, Inc., hereinafter referred to as "Nicolet," do hereby state that:

1. Upon information and belief, Turner & Newall Limited (hereinafter "T&N"), a major international asbestos company in the United Kingdom, in the 1930's acquired all the outstanding shares of Keasbey & Mattison Company (hereinafter "K&M"), a U.S. corporation with headquarters in Ambler, Pennsylvania; T&N now owns all the shares of K&M until the dissolution of the latter in 1967; and until 1967 K&M functioned as the principal U.S. arm of the world-wide asbestos mining and manufacturing enterprise T&N.

2. Upon information and belief, the Anti-Trust Division of the United States Department of Justice in the late 1940's initiated a prolonged investigation of the affairs of K&M; U.S. counsel to K&M advised the officers of T&N not to visit the United States during the five or six years that the investigation continued; and the officers of T&N, during that time, were puzzled and annoyed by the apparently interminable investigation and were frustrated in their efforts effectively to manage the United States subsidiary.

3. Upon information and belief, in the winter of 1961 or 1962 or in the spring of 1962 T&N negotiated a sale of the assets of the Asbestos Cement Pipe Division of K&M (the largest division of K&M, consisting of five plants geographically dispersed across the United States) to Certain-Land Products Corporation, a U.S. company, in exchange for shares of the latter; and, having agreed to sell a major share of the assets of K&M, T&N on April 13, 1962 caused the Board of Directors of K&M to recommend the dissolution of K&M, a recommendation which then was accepted by

the resolutions are attached as collective Exhibit 11.

4. In mid-May of 1962, I heard references to the decision to liquidate K&M. On May 17, 1962 I telephoned K&M and was told by George Barge, Vice-President, that a decision to liquidate had indeed been reached and that, as of that time, the assets of the corporation had been or would be disposed of as follows:

(1) the five plants and other assets of the Asbestos Cement Pipe Division had been or would be sold to Certain-teed Products Corporation;

(2) the assets of the Roofing Division in Perth Amboy, New Jersey had been or would be sold to Bird & Sons, Inc.;

(3) the assets of the Asbestos Textile Division in Nashua, New Hampshire had been or would be sold to American Asbestos Textile Corporation; and

(4) operations at the Building Materials Division in Ambler, Pennsylvania had been discontinued some months earlier, some of its machinery and equipment already had been sold and removed from the plant, while title to its land and buildings was, or shortly would be, subject to a contract of sale.

Mr. Barge concluded by saying that the only assets remaining for disposition were the assets located in Ambler, Pennsylvania related directly to the manufacture of industrial products (asbestos papers and boards, monolithic asbestos cement boards, compressed asbestos sheet packing and thermal insulation) and that if I were interested in the possible acquisition of any portion of these assets by my company, Nicolet, I should discuss the matter, not with him, but with a representative of T&M.

5. Because my company, Nicolet, was afflicted by a chronic problem of excess asbestos paper and millboard manufacturing capacity, it seemed logical to consider acquiring at least the asbestos paper and board manufacturing facilities of K&M for the purpose of withdrawing them from production and in the hope of being able to capture some of the customers which they

... certain of the land, but ...
ventories, supplies, patents, trademarks and pertinent parts
of the K&M Industrial Products Division.

9. In trans-Atlantic telephone conversations with Mr. Bateman of T&H on June 29th and July 3rd, 1962, substantial agreement was reached on the terms of a Nicolet purchase of a
defined assets of the K&M Industrial Products Division, including
agreement on the purchase price formula, subject to certain conditions to be later satisfied.

10. The specified conditions were satisfied, on September 25, 1962 an agreement of sale was executed by Nicolet and K&M (a copy of the agreement is attached as Exhibit II), and the transaction was closed on September 28, 1962. As noted above, the Board of Directors of K&M had recommended the dissolution of the corporation and the stockholders had approved that recommendation prior to the commencement of negotiations with Nicolet. A commitment to dissolve was not one of the conditions of the agreement of sale or of the bill of sale, though in paragraph 11 of the agreement of sale K&M did "affirm its intention to cease to do business and dissolve".

11. On September 28, 1962, Nicolet purchased only a portion of the assets of the K&M Industrial Products Division. It did not purchase the substantial K&M assets located in other parts of the country, and it did not purchase in Ambler, Pennsylvania the head office building, the building, products plant, the office building/auditorium, the research and development building or the pipe plant.

12. On September 28, 1962, Nicolet also purchased sales accounting, production, research and engineering files, records drawings and data, research and pilot plant equipment, raw materials, supplies, work in process and salable finished goods, but only as related to business which had been or thereafter could be conducted with the machinery and other physical facilities acquired (bill of sale is attached as Exhibit III).

13. On September 28, 1962, K&M assigned to Nicolet various patents, tradenames and trademarks (in some cases subject to a similar right in others), but only those which might be

and other facilities acquired (copies of the assignments are attached as Exhibits IV, V and VI).

14. Upon information and belief, the assets of K&H purchased by Nicolet were producing less than 20% of the total revenues of K&H and less than 5% of total profits.

15. Upon information and belief, Nicolet at the time of the purchase hired less than 25% of the former employees of K&H while other companies hired 70% or more of those employees.

16. The assets transferred to Nicolet were acquired for total consideration of \$1,145,000 consisting of cash, delivery a note and mortgage on the real property acquired, and an assignment of a mortgage on premises located in Lansdale, Pennsylvania theretofore owned by Nicolet; and the note and mortgage on the assets acquired later were transferred by K&H to Turner & Newall Overseas, Ltd., an affiliate of T&N.

17. Pursuant to the agreement of sale, K&H, on September 28, 1962, assigned to Nicolet and Nicolet accepted certain materials supply contracts, fabricator/distributor ("servicer") agreements, a trucking agreement, a warehouse lease, a playground lease, and a consignment agreement (copy of assignment is attached as Exhibit VII); and Nicolet, by accepting the assignment agreed to honor the agreements assigned, subject in all significant instances to the right of Nicolet to cancel on short notice.

18. In the 1962 transactions Nicolet did not purchase or assume the general or product liability insurance policies of K&H and such policies, therefore, were not considered in establishing the purchase price.

19. In view of the foregoing, the only obligations assumed by Nicolet in its 1962 transactions with K&H were:

(1) To close on the agreement of sale and to pay the prescribed purchase price for the assets acquired

(2) To fulfill, subject to the right of cancellation by Nicolet, the contract obligations specifically assumed by Nicolet pursuant to acceptance of a written assignment at closing. (See Exhibit VII).

Nicolet was careful to assume no other obligations

and of particular care in this regard because of the anti-trust problems of K&M. K&M retained all liabilities not specifically assumed by Nicolet, including, among others, the obligation to fund accrued retirement benefits of those K&M employees who had been employed by Nicolet.

20. In the agreement of sale dated September 25, 1962 K&M consented to the use by Nicolet of the name "Keasbey & Mattison Company", subject to a similar right in Certain-teed Products Corporation and, therefore, both companies possessed the right to use that name after September 28, 1962.

21. Although from the closing date (September 28, 1962) Nicolet uniformly referred to the acquired facilities as "the Ambler Plant of Nicolet Industries, Inc.", it adopted, for marketing and certain other limited purposes, the trade style "Keasbey & Mattison Company, Division Nicolet Industries, Inc." and created, under a Nicolet executive, a special marketing group to sell those products which Nicolet theretofore had not manufactured. Within a few months following the asset purchase, Nicolet marketing personnel concluded that the Keasbey & Mattison name did not enjoy a favorable reputation and, therefore, use of the trade style gradually was phased out as packaging, stationery and printed forms were exhausted. After the Keasbey & Mattison name had been eliminated, the special marketing group was disbanded.

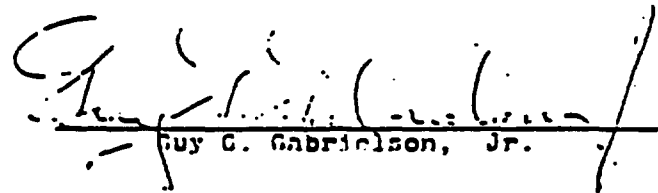
22. From September 28, 1962 through 1963 engineering, product development, market research and cost studies were undertaken to determine whether or not Nicolet should continue its high pressure (molded) thermal insulation business; on December 12, 1963 it was decided, on economic grounds, to abandon the business; on December 26, 1963 Nicolet sold to Baldwin-Kurt-Hill Incorporated its inventory of calcium silicate insulations, its stock of molded insulation raw materials, and its calcium silicate receivables; and the last shipment of thermal insulating materials from the Ambler plant was made on October 15, 1965.

23. Upon information and belief, at about the time of the purchase of certain K&M assets by Nicolet, K&M and at least one of its officers or former officers were indicted for violations of the federal anti-trust laws and, at a subsequent trial, were

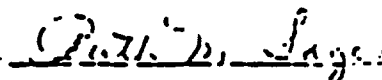
acknowledged.

24. Pursuant to decision confirmed by stockholder action on May 4, 1962, K&M, on December 11, 1962, filed a Certificate of Election to Dissolve with the Corporation Bureau of the Department of State of the Commonwealth of Pennsylvania; but K&M continued in existence until March 10, 1967 when a Dissolution Certificate was issued by the Department of State of Pennsylvania (copies of Certificate of Election to Dissolve, Articles of Dissolution dated February 14, 1967, and a Certificate of Dissolution dated March 10, 1967 issued by the Department of State, together with a certificate from the Secretary of the Commonwealth certifying said certificates are attached as collective Exhibit VIII).

25. Upon information and belief, although K&M was dissolved in 1967, T&M, the ultimate seller of the assets acquired by Nicoret in 1962, continues in existence to this day as a multinational corporation and the second largest asbestos company in the world, doing business in the United States for many years after 1967 (and, in effect, continuing a major portion of the business which it conducted through K&M) as the largest single stockholder of Certain-Loc Products Corporation, and currently doing business in the United States through at least one subsidiary or various distributors or sales agents.


Guy G. Gabrielson, Jr.

Sworn to and subscribed
before me this 16th day
of November, 1978.


Ruth M. Sage

RUTH M. SAGE, Notary Public
Whisper Twp., Montgomery Co.
My Commission Expires Sept. 13, 1982