9531A-MJC(4)-

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	In Proceedings For A Reorganization Under Chapter 11.
JOHNS-MANVILLE CORPORATION, MANVILLE CORPORATION, MANVILLE BUILDING MATERIALS CORPORATION, MANVILLE FOREST PRODUCTS CORPORTAION, MANVILLE INTERNATIONAL CORPORATION, MANVILLE EXPORT CORPORATION, MANVILLE PRODUCTS CORPORATION, JOHNS-MANVILLE AMIANTE CANADA INC., JOHNS-MANVILLE CANADA INC., JOHNS-MANVILLE INTERNATIONAL CORPORATION, JOHNS-MANVILLE SALES CORPORATION, MANVILLE INTERNATIONAL CANADA, INC., MANVILLE CANADA INC., MANVILLE INVESTMENT CORPORATION, MANVILLE PROPERTIES CORPORATION, ALLAN-DEANE CORPORATION, KEN-CARYL RANCH CORPORATION, MANVILLE IDAHO INC., MANVILLE SERVICE CORPORATION, MANVILLE CANADA SERVICE INC., SUNBELT CONTRACTORS, INC., Debtors.	Case Nos. 82 B Through 82 B Inclusive

AFFIDAVIT UNDER LOCAL RULE XI-2

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

James F. Beasley, being duly sworn, deposes and says:

1. I am an officer of Manville Corporation, Johns-Manville Corporation and certain of their affiliates (collectively "Manville") and am fully familiar with the assets and liabilities and businesses of such corporations and all of

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their affiliates.

2. The information contained herein is on a consolidated basis for Manville and is submitted in connection with the chapter 11 petitions of the above-captioned debtors (collectively the "Debtors") filed simultaneously herewith.

3. There is no other or prior bankruptcy proceeding pending.

4. Pursuant to Interim Bankruptcy Rule 1007(a)(1), the Debtors have annexed hereto and made a part hereof as Exhibit "A" a list of their largest unsecured creditors, excluding insiders.

5. Filed simultaneously with the within chapter 11 petitions is a schedule of law suits pending against the Debtors.

6. There is no property of the Debtors in the possession or custody of any public officer, receiver, trustee, assignee for the benefit of creditors, mortgagee, pledgee or assignee.

7. Annexed hereto and made part hereof as Exhibit "B" is a schedule of certain leases.

8. Manville Corporation has publicly held shares of stock and debt as set forth below. None of the other Debtors herein has publicly held shares or debt.

(a) There are authorized 50 million shares of common stock of which approximately 24 million are outstanding in the hands of approximately 27,000 holders.

(b) There are authorized 10 million shares of cumulative preferred stock of which approximately 4,600,000 shares are outstanding in the hands of approximately 25,000 holders.

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(c) There are outstanding 9.70% senior debentures due in 1985 in the aggregate face amount of $100 million in the hands of approximately several hundred holders.

(d) There are outstanding 7.85% sinking fund debentures due in 2004 in the aggregate face amount of $75 million in the hands of approximately several hundred holders.

9. Annexed hereto and made a part hereof as Exhibit "C" is Manville's Consolidated Balance Sheet (unaudited) as at June 30, 1982.

10. Manville's estimated average monthly operating expenses are approximately $165 million. Manville's annual volume of business is approximately $2 billion.

11. Manville's financial difficulties and the reasons for filing the within chapter 11 petitions are attributable to the following circumstances:

Manville is a diversified manufacturing, mining and forest products company which conducts its business through five principal operating subsidiaries. This corporate structure resulted from the 1981 reorganization of Johns-Manville Corporation which was accomplished to promote improved asset management and to increase public awareness of the businesses comprising Manville Corporation.

Through the operations of its subsidiaries, Manville is recognized as the world's largest producer of diatomite, a mineral used as an industrial filtering agent and filler, one of the world's leading manufacturers and marketers of insulation

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products and fiber glass-asphalt shingles, and a major national producer of beverage carrierboard and cartons, and water and sewer pipe.

Manville's principal manufacturing businesses consist of the manufacture and sale of fiber glass products, non-fiber glass insulations, pipe products and systems, roofing products and industrial and specialty products. The manufacture of fiber glass represents the most significant portion of these businesses. A substantial portion of the raw materials and intermediate products produced by the Company's fiber glass operations are converted to finished products. The balance of these materials are sold, in both domestic and international markets, to other industrial users.

Manville also mines and processes asbestos, diatomite and perlite. Each of these minerals is used in connection with Manville's manufacturing business and is also sold to other industrial users.

The forest products businesses include the harvesting of timber and processing of it into lumber, plywood, particleboard and other materials. These materials are then sold or used by Manville to manufacture unbleached kraft paper and paperboard and paper products used in packaging operations and wood products.

Johns-Manville Corporation and various of the other Debtors (collectively "JM"), were, as of June 30, 1982, defendants

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or co-defendants in approximately 11,000 asbestos health law suits brought by approximately 15,550 individual plaintiffs in numerous jurisdictions throughout the United States in which the plaintiffs alleged damage to their health particularly due to their exposure to asbestos fiber, either during manufacturing operations in which asbestos fiber was used as a raw material or in the course of handling products containing asbestos.

The 1982 figures represent an increase over the December 31, 1981 level of 9,300 cases brought by 12,800 plaintiffs and the December 31, 1980 level of 5,087 cases brought by 9,300 plaintiffs.

During the first half of 1982, JM was the subject of an average of approximately 425 newly-commenced asbestos-related law suits per month instituted by an average of approximately 495 new plaintiffs per month, compared to the 1981 average of 400 new cases and 560 new plaintiffs per month and the 1980 average of 230 new cases and 365 new plaintiffs per month. During the first half of 1982, JM disposed of 698 claims (plaintiffs and potential plaintiffs) at an average cost to JM of $18,690 per claim (excluding defense costs). All disposition cost references exclude legal expenses and court costs. JM disposed of approximately 1,885 claims during 1981 at an average cost per claim of $15,025, while in 1980 470 claims were disposed of at an average cost of $22,710 per claim.

The cumulative average for all asbestos-related claims disposed of through June 30, 1982 (a total of approximately

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3,470 claims) is $16,600 per claim. These disposition costs do not include the verdicts in approximately twenty-three cases which are presently subject to post-trial motions or appeals filed by JM. Including these twenty-three verdicts in historical disposition costs through June 30, 1982 results in an average cost to JM of approximately $20,690 per claim. The current cost for disposition of these cases, including defense expenses, has risen to approximately $40,000.

JM was, for the first time in 1981, found liable by juries for punitive damages in five separate asbestos-related actions. All of these cases are presently subject to post-trial motions or appeals filed by JM. The average of the punitive damages awarded against JM in these five cases (one of which involved eleven plaintiffs) and five cases decided during the first half of 1982 is approximately $616,000 per case.

The majority of the foregoing claims upon which these suits are based allege JM and other defendants failed in their duty to warn of the hazards of exposure to and inhalation of asbestos fiber and dust originating from asbestos containing products. JM anticipates an increasing number of such cases both being commenced and proceeding to trial in the future, and thus there continues to be uncertainty as to whether punitive damages will be assessed against JM.

In early 1981, JM commissioned outside consultants to conduct a study to try to project the future volume of asbestos

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cases. This study has been completed and indicates that commencement of new asbestos-related litigations may well continue for a number of years.

Manville Corporation's Board of Directors, and a special committee appointed by the Board to oversee the review of the consultant's report, have concluded that the potential future impact on JM, Manville and various other of the Debtors which are named or potential defendants of pending and future asbestos cases could and probably will exceed Manville's ability to pay and finance the continuing operation of Manville's businesses.

Further exacerbating Manville's potential financial plight has been a dispute between JM and its primary and excess insurance carriers over the correct interpretation of a number of provisions of the various policies of insurance relating to the claims asserted in the aforesaid cases. Litigation to resolve these questions has been pending in the Superior Court of the State of California for the City and County of San Francisco since March 1980 and no decision is anticipated soon.

The question as to insurance coverage, combined with the continued growth in the number of asbestos cases being filed and the steep rise in the level of the disposition costs of cases, now including punitive damages, have increased the uncertainty concerning the future volume of asbestos cases and the associated disposition costs of present and future cases.

It has been estimated that the financial burden of

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these litigations upon Manville could range from anywhere between $2 billion to many times that amount over the next twenty years. Confronted with such potentially massive liabilities, Manville would have no recourse except to sell, liquidate or otherwise dispose of assets and dismember its businesses in order to continue to pay the costs of disposing of these suits. Not only would a point soon be reached where future successful plaintiffs would be unable to collect the amounts of their judgments or proposed settlements, but all other creditors of Manville would likewise be confronted with the stark realization that they too could not be paid nearly in full.

Therefore, in order to treat all creditors of Manville even-handedly, whether their claims at the present time be liquidated or unliquidated, contingent or non-contingent, mature or unmatured, Manville has reluctantly, but of necessity, deemed the filing of the within chapter 11 petitions to be an economic imperative.

It is only through the financial reorganization provisions of chapter 11 of the Bankruptcy Code that all claims against the Debtors can be liquidated or estimated, and be treated within the framework of a plan of reorganization that will realize more for creditors than would a liquidation but yet will be consistent with Manville's capacity to perform. It is thus Manville's intention to formulate effective procedures to accomplish precisely that in a manner which will not improperly

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favor any creditor over any other creditor similarly situated, be consistent with the fundamental bankruptcy tenet of equality of distribution and permit Manville to emerge as the viable and profitable business it has been and expects to be once again.

S/ James F. Beasley
JAMES F. BEASLEY

Sworn to before me this
26th day of August, 1982.

S/ Mitchel Perkel
Notary Public

MITCHEL PERKEL
Notary Public, State of New York
No. 03-4616831
Qualified in Bronx County
Commission Expires March 30, 19 83