As filed with the Securities and Exchange Commission on May 9, 1979

Registration No. 2-64226

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

## AMENDMENT NO. 1

To

## FORM S-7

### REGISTRATION STATEMENT

Under

### THE SECURITIES ACT OF 1933

# JOHNS-MANVILLE CORPORATION

(Exact name of registrant as specified in its charter)

| New York | 13-0889660 |
|---|---|
| (State of Incorporation) | (I. R. S. Employer Identification No.) |
| Ken-Caryl Ranch<br>Denver, Colorado | 80217 |
| (Address of principal executive offices) | (Zip Code) |

(303) 979-1000

(Registrant's telephone number, including area code)


G. EARL PARKER

*Vice President, General Counsel and Secretary*

JOHNS-MANVILLE CORPORATION

Ken-Caryl Ranch

Denver, Colorado 80217

(Name and address of agent for service)


*Copy to:*

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**Litigation**

The Company is a defendant or co-defendant in numerous legal actions alleging damage to the health of persons exposed to dust from asbestos-containing products manufactured or sold by the Company, and in most cases, by certain other defendants. The number of these actions has increased substantially in each of the last four years. These suits typically allege that the Company and other defendants failed in their duty to warn of the hazards of inhalation of asbestos fiber in dust originating from asbestos-containing products. The Company believes that it has substantial defenses to these legal actions, resulting in part from its prompt warnings of possible hazards of exposure to asbestos fiber emitted from asbestos-containing insulation products following the 1964 publication of scientific studies linking pulmonary disease in insulation workers to asbestos exposure.

The Company is also a defendant or co-defendant in a number of cases brought by some of its own employees and by employees of manufacturing companies which used asbestos fiber in their operations. There has been an increase in these cases in recent years. These suits typically allege that the Company and other defendants failed to warn of the hazards associated with the use of such fiber. The Company believes that it has substantial defenses to these legal actions including the fact that, with respect to employees of other manufacturers, it had no special knowledge not in the possession of the plaintiff's employers which would give rise to a special duty on the part of the Company, and, with respect to employees of the Company, that applicable workers' compensation statutes provide the exclusive remedy r any such injuries.

Of the 290 asbestos health cases tried, settled or otherwise disposed of, the average amount paid by or on behalf of the Company is less than $20,000, with only five cases resulting in damages of more than $100,000 being paid by or on behalf of the Company. During 1978 there was a slight upward trend in the average disposition cost per case in comparison with prior years. As indicated herein, the Company believes it has substantial defenses to each of the above described claims. Twelve cases have been tried; of the last eight cases tried, six have resulted in verdicts for the defendants.

The Company believes that any amounts that it may be obligated to pay as a result of the pending asbestos cases will be adequately covered by applicable insurance with the possible exception in some ses of punitive damages directly alleged against the Company and the direct actions by employees and rmer employees of the Company. With respect to the direct actions by employees and former employees of the Company, it is the Company's opinion that applicable workers' compensation statutes provide the exclusive remedy to such plaintiffs. In a recent decision, a lower court in California has ruled contrary to this opinion. The Company intends to appeal this ruling. With respect to the punitive damages, it is the Company's opinion that such damages, if any, will not be material to its financial osition. The Company believes that any ultimate liability of the Company arising out of the pending bestos cases will not have a material adverse effect on its consolidated financial position or results of operations.

Included within the legal actions described above are a series of indemnity actions, employee actions and six purported class actions which are further described below:

In five cases, former employees of the Company have brought legal actions against a former contract physician of the Company for the alleged failure of the physician to advise that each had contracted a pulmonary disease associated with asbestos fiber. In each case, the physician has cross-complained against the Company seeking indemnity on the plaintiff's actions (each plaintiff seeks $800,000 compensatory damages and $1.5 million punitive damages) and asserting independent causes of action for $12 million damages (including $10 million punitive damages) for breach of contract and misrepresentation.

Direct actions by employees of the Company include two purported class actions. Actions brought by employees of manufacturing companies which used asbestos fiber in their operations include three actions brought by approximately 500 former employees of Raybestos-Manhattan, Inc. In addition to general damages, these plaintiffs also seek punitive damages ranging from $1 million to $50 million per plaintiff. On May 8, 1979, a lower court upheld the Company's position that a complaint purported to be brought on behalf of all past and present employees of the Company at its Waukegan, Illinois plant was not entitled to class-action status. The time to appeal from this order has not expired.


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In addition to the two direct employee purported class-actions mentioned above, the Company is a defendant in five other purported class actions. These cases consist of actions on behalf of all past nd present employees of the Ingalls Shipbuilding Division in Mississippi (seeking $250 million in damages); all past and present employees of the Garco Facility in North Carolina (seeking unspecified compensatory and punitive damages); all past and present employees of the Alabama Dry Dock and Shipbuilding Company (seeking $250 million compensatory and $250 million punitive damages); all past and present employees of the Raybestos-Manhattan Inc. Passaic, New Jersey facility (seeking unspecified compensatory and punitive damages); and a general class action on behalf of all past and present shipyard employees and insulation workers (seeking unspecified compensatory and punitive damages and injunctive relief). With respect to each of the purported class actions, the Company believes there are insufficient grounds to support class-action status and that it has substantial defenses to the claims made. On April 24, 1979 a lower court upheld the Company's position that a complaint purported to be brought on behalf of all past and present employees of Todd Pacific Shipyards, Los Angeles, California, and of Long Beach Naval Shipyard, Long Beach, California, was not entitled to class-action status. The time to appeal from this order has not yet expired.

Johns-Manville is also a defendant in a purported class action commenced May 4, 1979 by one of its shareholders. The complaint charges violations of Section 10(b) of the Securities Exchange Act of 1934 nd Rule 10b-5 under that Act by alleged misrepresentations in or material omissions from the Company's published documents with respect to matters bearing on its potential asbestos-related health claims and liabilities. The complaint also charges that a prospectus issued by the Company in connection with a public offering of its common stock in 1976 violated Section 11 of the Securities Act of 1933 for substantially the same reasons. The class purported to be represented by the plaintiff is all persons who bought Johns-Manville Common Stock between April 1, 1975 and October 15, 1978, including as a sub-class all persons who purchased Common Stock in the 1976 public offering. The damages claimed are in an unspecified amount representing the loss suffered through purchases of Common Stock at market prices allegedly inflated by the Company's violations of the securities laws, followed by a decline in the market value of the Common Stock allegedly resulting from disclosure of relevant facts in October 1978. Johns-Manville denies that it has made the alleged misrepresentatons and omissions.

A committee of the House of Representatives has voted in favor of a proposal to establish a $330 million federal program to detect and remove certain asbestos material from schools and directed the Justice Department to investigate possible recovery of all or parts of such amount from the asbestos industry. The Company cannot predict whether any legislative proposals relating to asbestos materials will become law or the possible effects thereof or of any Justice Department investigation on the Company.


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