CC UCC {Kent MS} 9/6/72

Niagara Falls, New York
September 1, 1972

Jim:

The situation with Daubert has finally come to a head and there will probably be some very pointed questions raised by Gr. I, perhaps some unpleasant repercussions, at least until they get all the facts.

The Midwest Director of Sales for Gr. I, Bob Wesson, had a "command performance" meeting with Geo. Daubert on 8/16 and I met with him (Daubert) on 8/18. He would listen to none of our arguments or accept our position -- he wanted nothing short of our refusal to sell asbestos to Farco, the German company established by his former employee, to assist him in putting the company out of business. He was quite emotional but not unpleasant.

I met with Pat Morgan and Bob Fusaro on 8/29 and presented the entire story and situation. They felt I had not as yet done anything illegal and should only inform W. R. Grace that we would honor any order they gave us for products covered by our contract. I did this on 8/29 and suggested that they may want to check Farco's credit before accepting an order (we were advised on 8/28 that an order was being processed for 18,400 #HPO - I was able to switch Farco from RG-110). W. R. Grace indicated on 8/30 that they were holding the order; but, on 8/31, their upper management removed the hold.

Mr. Hutter (VP - Daubert) called me on 8/31 to check status. I advised him that I would not and could not refuse an order from our distributor and that an order was pending. He proceeded to let me have it with both barrels, mainly contending that I was hiding behind legality, that I could withdraw the product from Grace, etc. He said he would do everything he could to withdraw all of Daubert's business from UCC. Nothing I could say calmed him at all -- and I tried hard because it seemed he was accusing me of creating their problem. I would not be surprised if Geo. Daubert calls Perry Wilson or Sneath or someone of that status. He is the type to do this.

I have advised Bob Wesson and Frank Mauer of the situation and both are in agreement that we don't need customers like Daubert, and feel that I did the right thing. In yours, Milt's, and (today) Clayton's absence, no one in M&M management knows the final outcome. I told Mrs. Reed if there were any fireworks from anywhere to have them contact me.

Please contact me when you have time to discuss this in more detail.

John L. Myers

/cjb

P.S. It is now 3:30 p.m. and no calls yet -- maybe George is getting soft!

SEP 5 1972

