| NL | INDU | JSTR | IES, | INC. |
|----|------|------|------|------|
|----|------|------|------|------|

Plaintiff,

Case No. 87-1292A

v.

INTERNATIONAL UNION UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA,

Defendant.

CHARLES HAGGERTY, ET AL.,

Plaintiffs,

Case No. 87-1549A

v.

NL INDUSTRIES, INC.,

Defendant.

AFFIDAVIT OF ROBERT BRESSLER

STATE OF FLORIDA)
COUNTY OF)

Robert Bressler, being first duly sworn, deposes and states as follows:

- 1. The following statements are made upon my personal knowledge. I would be competent to testify on the following matters if called as a witness.
- 2. I was Manager of Industrial Relations for Doehler-Jarvis Division of National Lead Company (which changed its name to NL Industries, Inc. in about 1970) from September, 1953 through January, 1972. In that position, I was responsible for labor

relations, personnel, insurance, pension and salary administration matters for Doehler-Jarvis Division.

- 3. I began working as an hourly employee at Doehler Die Casting Company's Pottstown facility in 1936. I worked there until 1941 when I joined the ord nance division of the United States Army. In 1943, I went on active service. I was honorably discharged in 1945.
- 4. After my discharge from the Army, I attended University of Pennsylvania, Wharton School and received a Bachelor of Science of Economics in 1949.
- 5. In about 1945, Doehler Die Casting Company merged with the W.B. Jarvis Company to become the Doehler-Jarvis Corporation.
- 6. After graduating from the University of Pennsylvania, I began working for Doehler-Jarvis Corporation in about September, 1949 at its Chicago facility as an assistant foreman in the Inspection Department. I held that position until September, 1950 when I was promoted to Labor Relations Manager of the Chicago Plant.
- 7. In June, 1953, I was promoted to Assistant Manager of Labor Relations for Doehler-Jarvis and assigned to Toledo. At about the same time, National Lead Company purchased Doehler-Jarvis Corporation and made Doehler-Jarvis a division of National Lead. In September, 1953 I was promoted to Manager of Labor Relations for Doehler-Jarvis. My title was later changed to Manager of Industrial Relations although the job itself did not change.

- 8. The Chicago facility of National Lead was closed in approximately 1954.
- 9. As Division Manager of Industrial Relations, I was responsible for negotiating and administering collective bargaining agreements with labor organizations which represented hourly employees of Doehler-Jarvis, including the UAW and its Locals 257, 1056, 1057 and 1058. It was my job to negotiate terms and conditions of employment as well as employee wages and benefits.
- 10. I was a chief negotiator for Doehler-Jarvis during negotiations for the collective bargaining agreements reached with the UAW and its Locals in 1955, 1958, 1962, 1965, 1968 and 1971. I signed the agreement on behalf of Doehler-Jarvis Division in each of those years.
- Jarvis Division of National Lead Company agreed to provide Company paid retiree medical (hospital, surgical, medical) insurance benefits. I was chief negotiator and spokesman for Doehler-Jarvis in those negotiations. It was the intention of the Company that the retiree medical insurance benefits would last for the life of the retiree. It was never the Company's intention that retiree medical insurance benefits would be limited to the term of any particular collective bargaining agreement. When an employee fulfilled the requirements for retiree medical insurance benefits, he or she was entitled to those benefits for life regardless of what happened to the underlying collective bargaining agreement.

- Industries agreed that NL would not be liable for insurance coverage or premiums during any period of work stoppage or for any period for which there was no contract in effect. This language appears in the 1971 Insurance Program (which is Exhibit B to the 1971 Master Agreement) in two places in slightly different form, Article I, Sections (VIII) and (IX) and Article III, Section 10. This language was intended to apply to active employees. It was not intended to apply to retiree medical insurance benefits.
- negotiated for Doehler-Jarvis, there is a provision in the Insurance Program entitled Financing. In the 1971 Insurance Program, this provision is Article I, Section 2. In subsection (b) of Section 2, the agreement provides that NL's payment of premiums for Blue Cross/Blue Shield or hospital or medical insurance coverage would relieve it of any further liability. This provision has nothing to do with the duration of retiree medical insurance benefits. It means that NL's only obligation is to pay medical insurance premiums. Thus, for example, if NL paid the required Blue Cross/Blue Shield premiums for retiree medical insurance coverage and Blue Cross/Blue Shield thereafter failed to pay a hospital or doctor that had provided services to the retiree, NL would not be liable for those medical expenses.
- 14. In each of the collective bargaining agreements that I negotiated for Doehler-Jarvis, there is a section entitled "Duration of Program." In the 1971 Insurance Program, it is designated as Article I, Section 6. This provision was in

contracts before 1965 when NL first agreed to pay for retiree medical insurance benefits. This provision was never intended by NL to apply to the duration of retiree insurance benefits or to limit retiree benefits to the term of the collective bargaining agreement. It was never designed to limit a retiree's entitlement to lifetime medical insurance benefits.

15. I am currently retired from NL Industries.

16. After leaving Doehler-Jarvis Division in 1972, I established a labor consulting firm. I was in the consulting business for approximately ten years.

17. I have also been a private labor arbitrator since leaving Doehler-Jarvis Division. I am currently affiliated with the National Academy of Arbitrators and the Industrial Relations Research Association. I am on the roster of the Federal Mediation and Conciliation Service and the American Arbitration Association.

ROBERT BRESSLER

Subscribed and sworn to before me on May 15, 1990.

Notary Aublic

My commission expires:

NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES: JUNE 5, 1993.
BONDE

NL INDUSTRIES, INC.,

Plaintiff,

v.

Case No. 87-1292A

INTERNATIONAL UNION UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA,

Defendant.

CHARLES HAGGERTY, ET AL.,

Plaintiffs,

Case No. 87-1549A

v.

NL INDUSTRIES, INC.,

Defendant.

AFFIDAVIT OF DONALD BURKEL

STATE OF NEW YORK)
COUNTY OF

DONALD BURKEL, being first duly sworn, deposes and states as follows:

- 1. The following statements are made on my personal knowledge. I would be competent to testify if called as a witness.
- 2. I was hired at Doehler Die Casting Corporation, a predecessor of the Doehler-Jarvis Division of NL Industries, at its Batavia, New York facility on March 31, 1942. I started as a Time and Operations Checker until about 1949. I then became a

Time Study Steward. After that, I returned to the Time and Operations Checker position.

- 3. In 1962, I became a salaried Clerk for the Cleaning, Foundry and Maintenance Departments.
- In 1966, I was promoted to the salaried position of Assistant Employment Manager at the Batavia plant. I dealt with such things as death and insurance claims and other pension and insurance related matters for hourly employees and retirees. From 1970 through 1973, my title was Insurance Administrator at Batavia. In these positions, I was responsible for handling pension and insurance benefits for the hourly employees and retirees at the Batavia facility. I processed hourly retiree pension applications. In doing this, I checked the eligibility of the applicant for a pension and calculated the amount of the pension benefit. During the exit interview with the retiring employee, I explained the retirement benefits. These benefits included the pension benefit which changed in amount at age 62 and 65, the life insurance benefit and the medical insurance benefits. During these exit interviews, I always stressed that retiree medical insurance was a life-time benefit.
- 5. Robert Bressler, the head of labor relations for the Doehler-Jarvis Division of NL would come to the Batavia facility after the conclusion of collective bargaining negotiations with the U.A.W. to explain the hourly benefit packages. I recall that Mr. Bressler told me that the person handling exit interviews for the Batavia hourly retirees should inform retirees that they

would have medical insurance benefits for the rest of their lives.

- 6. While I was employed as Assistant Personnel Manager, I worked closely with the UAW Local 1056's representative, Joe Oddo, on hourly retirees' pension and insurance matters. he and I discussed retiree benefits often.
- 7. I retired from NL Industries on July 1, 1973 with thirty-one years, three months of service.

| Don | ale Y. | Bur | kıl |
|--------|--------|-----|-----|
| DONALD | BURKEL | | _ |

| Su on | , , , | d sworn to l | before 1990. | | |
|----------|-------------|--------------|-----------------|--|--|
| | lidação 6 | . Dans | A No | SIDNEY A. SHERWIN, JR. stary Public, State of New Y | |
| ИО | tary Public | | | County of Genesee ommission Expires March 30 | |
| My | commission | Count | ty, New | York | |

| NL INDUSTRIES, INC., |
|---|
| Plaintiff, Case No. 87-1292A |
| v. |
| INTERNATIONAL UNION UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, |
| Defendant. |
| / |
| CHARLES HAGGERTY, ET AL., |
| Plaintiffs, Case No. 87-1549A |
| v. Case NO. 67-1545A |
| NL INDUSTRIES, INC., |
| Defendant. |
| · · · · · · · · · · · · · · · · · · · |
| AFFIDAVIT OF KATHRYN S. GEORGE |
| STATE OF OHIO) |
|)ss COUNTY OF LUCAS) |
| |
| Kathryn S. George, being first duly sworn, deposes an |
| says: |
| 1. The following statements are made on my personal |

knowledge. I would be competent to testify to them if called as a

witness.

- 2. I am currently employed by Doehler-Jarvis as Manager, Human Resource Programs. I have held that position since July 25, 1990. Prior to that time, I held the same position for Doehler-Jarvis/Farley, Inc. since March, 1987. I had worked for Doehler-Jarvis/Farley since October 1, 1982 when Farley acquired the Doehler-Jarvis Division of NL Industries.
- 3. I started working for Doehler-Jarvis Division of NL Industries on October 14, 1974 as a Personnel Assistant. In December, 1975, I became an Assistant to the Benefits Administrator. In January, 1979, I became Employee Benefits Administrator, the position I held at the time of the sale of the Doehler-Jarvis Division to Farley, Inc.
- 4. As Assistant to the Benefits Administrator and as Benefits Administrator, my responsibilities included the administration of pension and other retirement benefits for hourly employees. I was trained in these matters by Eddie Murphy and Frank Butler. Mr. Butler was Division Manager of Employee Benefits when I began working for Doehler-Jarvis.
- 5. As part of my responsibilities, I interviewed hourly employees represented by the UAW when they applied for pension and retirement benefits. I calculated the amount of the pension, prepared the required paperwork and described retirement benefits to the retiring employee. If an applicant for retirement inquired about medical insurance coverage, as they often did, I would inform that person that he or she would have medical insurance coverage for the rest of his or her life.
- 6. In 1980, Doehler-Jarvis Division and the UAW negotiated medical insurance coverages for surviving spouses of

retirees until remarriage. After the 1980 negotiations and until long after the Doehler-Jarvis Division was sold by NL to Farley, if an hourly employee who was retiring asked in an exit interview about medical insurance coverage, I informed the applicant that his or her coverage lasted for the rest of his or her life. If the spouse was present at the interview, I told the applicant and the spouse that if the retiree passed away, the spouse would have medical insurance coverage for the rest of his or her life or until remarriage. I also told the spouse that they would have medical insurance coverage at the death of the retiree even if they did not elect the joint and survivor pension option and that this medical insurance coverage would last for life or until remarriage.

- 7. A representative of UAW Local 1058 would often be present during the interviews when I informed hourly employees about the benefits they would have during retirement. Dale Bricker, who was President of Local 1058 in the late 1970's and early 1980's, was present during many interviews when I informed retiring hourly employees that they would have medical insurance benefits for the rest of their lives.
- 8. It was my understanding, during the time I worked in benefits for the Doehler-Jarvis Division of NL Industries, that hourly retirees were entitled to lifetime medical insurance benefits. After the 1980 negotiations, it was my understanding that surviving spouses of hourly retirees were entitled to medical insurance benefits for life or until remarriage.

9. As part of my responsibilities, I communicated with retirees and surviving spouses either over the telephone or by mail. I wrote the letters that are marked Exhibits A through F which are attached hereto. These letters reflect my understanding that hourly retirees were entitled to medical insurance benefits for their lifetimes.

KATHRYN S. GEORGE

Subscribed and sworn to before me this 23 day of Colour, 1990.

MARY BAFYA

NOTARY PUBLIC-STATE OF OHIO MY COMMISSION EXPIRES FEB. 26, 1992

Mary Bafya Motary Public

Doehler-Jarvis Castings

April 20, 1976

Ruth Knestrick R. R. #1 Peirson, MI 49339

Dear Mrs. Knestrick:

In answer to your letter of March 19, 1976, because you have retired under Total Permanent Disability your Blue Cross/Blue Shield insurance will be covered for the rest of your life.

If you have any questions please do not hesitate to either call or write.

Very truly yours,

Kathryn Stevenson

Asst. to Div. Benefits Adm.

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KS/lac

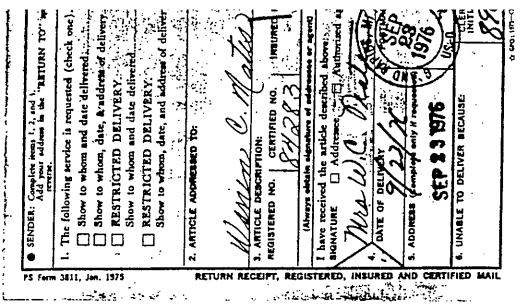


Doehler-Jarvis Castings

September 17, 1976

Warren C. Mates 43 32nd St. S.W. Wyoming, Michigan

Dear Mr. Mates:



Enclosed, Please find your Application for Benefits and Award effective August 1, 1976.

This office is assuming that you wish to elect the surviving spouse option and these calculations reflect this option. However, if we are assuming incorrectly, please advise as soon as possible. In the event, that you do want this option, we will require a copy of your wife's birth certificate and social security card along with a copy of your marriage license. Regardless of your election of this option, we must have a copy of your birth certificate as soon as possible.

As a retiree of Doehler-Jarvis, you may continue your life insurance coverage of \$7,500.00 at a cost of \$3.75 per month. Since you cancelled your life insurance coverage last January, you would owe Doehler-Jarvis Castings \$26.25 for the 7 months that you were cancelled. If you would want this coverage, please send a check for \$26.25 payable to Doehler-Jarvis. The cost as of August 1, 1976, if you do renew this coverage, would be deducted from your pension check monthly until age 65. At age 65, the Company would assume the cost (\$3.75) and the insurance (\$7500) would begin to reduce monthly by \$150.00 until it reached a minimum of \$2,800.00. Your health coverage (Blue Cross/Blue Shield) hospitalization and drug prescription plan will be continued for you and your dependents at no cost to you for your lifetime.

In addition to the above, we can, if you so wish deduct \$1.00 monthly for union dues. Also, an amount allocated by you can be deducted from your check monthly for federal income tax purposes if you so desire. (A form is included for this purpose).

This office would appreciate a reply on the above matters as soon as possible; please sign both sheets of the application where I have check marked and return to me along with your decisions on the above. If you have any questions, please do not hesitate to contact this office.

Very truly yours,
Kathryn A. Stevenson
Kathryn A. Stevenson

Kathryn & Stevenson
Doehler-Jarvis Castings Division/NL Industries, Inc.

General Office: 1945 Smead Avenue, Toledo, Ohio 43691 Tel. (419) 244-9521

Mailing Address: M.P.O. Box 902, Toledo, Ohio 43691 Plants at: Batavia, N.Y., Pottstown, Pa., Toledo, Ohio



Ni 16848

Sent B.C.
Cards also

Doehler-Jarvis Castings

December 7, 1976

Marinus Adama 4746 Yorkton Dr. S.W. Wyoming, Michigan 49509

Dear Mr. Adama:

Enclosed please find an application for your retirement effective March 1, 1977.

I will require a copy of your wife's birth certificate and social security card along with a copy of your marriage license and a copy of your birth certificate as soon as possible.

As a retiree of Doehler-Jarvis, you may continue your life insurance coverage of \$7,500.00 at a cost of \$3.75 per month. This cost would be deducted from your pension check monthly until age 65. At age 65 the Company would assume the cost (\$3.75) and the insurance (\$7,500.00) would begin to reduce monthly by \$150.00 until it reached a minimum of \$2800.00. Your health coverage (Blue Cross/Blue Shield) hospitalization and drug prescription plan will be continued for you and your dependents at no cost to you for your lifetime.

(The above paragraph is in effect only if you continue your premium payments, while you are laid off, To Toledo Plant 1 Personnel's Office.)

You may also decide to have Union Dues of \$1.00 deducted from your pension check. Also, an amount allocated by you can be deducted from your check monthly for federal income tax purposes if you so desire.

I would appreciate a reply on the above matters as soon as possible: please sign both sheets of the application where I have check marked and return to me along with your decisions on the above. If you have any questions, please do not hesitate to contact me.

Very truly yours,

Kathryn S. George

Asst. to Div. Benefits Adm.

ksg

Doehler-Jarvis Castings Division/NL Industries, Inc. General Office: 1945 Smead Avenue, Toledo, Ohio 43691 Tel. (419) 244-9521 Mailing Address: M.P.O. Box 902, Toledo, Ohio 43691 Plants at: Batavia, N.Y., Pottstown, Pa., Toledo, Ohio



1-616-456-8541 #217

Doehler-Jarvis Castings

October 31, 1977

Joseph X. Szczepanek 1545 Pine N.W. Grand Rapids, Michigan 49504

Dear Mr. Szczepanek:

Enclosed please find your Application for Benefits and Award effective January 1, 1978.

This office is assuming that you wish to elect the surviving spouse option and these calculations reflect this option. However, if we are assuming incorrectly, please advise as soon as possible. In the event, that you do want this option, we will require a copy of your wife's birth certificate and social security card along with a copy of your marriage license. Regardless of your election of this option, we must have a copy of your birth certificate as soon as possible.

As a retiree of Doehler-Jarvis, you may continue your life insurance coverage of \$7,500.00 at a cost of \$3.75 (as long as you have paid while on a lay off). At age 65, the Company would assume the cost (\$3.75) and the insurance (\$7,500.00 would begin to reduce monthly by \$150.00 until it reached a minimum of \$2,800.00. (please complete the enclosed yellow card for life insurance).

Your health coverage (Blue Cross/Blue Shield) will be continued for you and your dependents at no cost to you for your lifetime. (Please complete the white and blue cards).

In addition to the above, we can, if you so wish deduct \$1.00 monthly for union dues. Also, an amount allocated by you can be deducted from your check monthly for federal income tax purposes if you so desire. (A form is included for this purpose).

This office would appreciate a reply on the above matters as soon as possible; please sign both sheets of the application where I have check marked and return to me along with your decisions on the above. If you have any questions, please do not hesitate to contact this office.

Very truly yours,

Kathryn S. George
Asst. to Div. Benefits Adm.

ksg

Doehler-Jarvis Castings Division/NL Industries, Inc. General Office: 1945 Smead Avenue, Toledo, Ohio 43691 Tel. (419) 244-9521 Mailing Address: M.P.O. Box 902, Toledo, Ohio 43691 Plants at: Batavia, N.Y., Pottstown, Pa., Toledo, Ohio



NI 16870



May 23, 1978

Ruth C. Knestrick 1 Route Pierson, Michigan 49339

Dear Ms. Knestrick:

In regards to your letter and the letter from Blue Cross/Blue Shield, you would have to notify this office right away if you have applied for medicare. At the time you are enrolled in Medicare, your Blue Cross/Blue Shield coverage is only complimentary to your Medicare. You are correct that you will always have Blue Cross, but at the time you are eligible for Medicare, Blue Cross coverage is only secondary to Medicare.

The only ways that a person is eligible for Medicare is: 1).turning 65 or 2). receiving Social Security Disability (for 2 years). Since you are not 65, this office has to assume that have been receiving Social Security Bisability for more than 2 years. Please send this office a copy of your Social Security Disability letter as soon as possible. (If you do not have one at your home, please ask for one from your Social Security office).

Please complete the attached form, in order that I may enroll you int the Blue Cross Complementary coverage as soon as possible. If you have any questions please do not hesitate to contact me.

Very truly yours,

Kathryn S. George

Asst. to Div. Benefits Adm.

ksg

att.



Doehler-Jarvis Castings

March 7, 1978

Warren South 333 E. Northgate Pkwy. Toledo, Chio 43612

Dear Mr. South:

Enclosed please find your application for retirement effective January 1, 1978. After all paperwork is finalized, you will receive all checks due you since January 1, 1978. The checks will be in the amount of \$117.78 per month. If you would pass away, your wife would receive \$64.78 per month.

Your Blue Cross/Blue Shield coverage will continue as long as you are alive. You also have Travelers life insurance in the amount of \$7,500.00 which you can draw down to \$500.00 at rate of \$150.00 per month. If you would like to draw this down, please advise in writing.

Please sign the attached sheet where indicated and return with the following papers:

- 1. Your birth certificate.
- 2. Your Social Security Card.
- 3. Your wife's Birth certificate
- 4. Your wife's Social Security card.
- 5. Your Marriage License.
- 6. Social Security Disability Award letter or rejection.

If there are any questions, please do not hesitate to contact me.

Very truly yours,

Kathryn S. Œorge

Asst. to Div. Benefits Adm.

ksg

enc.



| NL INDUSTRIES, INC., | | |
|---|----------|----------|
| Plaintiff, v. | Case No. | 87-1292A |
| INTERNATIONAL UNION UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, | | |
| Defendant. | | |
| | _/ | • |
| CHARLES HAGGERTY, ET AL., | | |
| Plaintiffs, | | |
| v. | Case No. | 87-1549A |
| NL INDUSTRIES, INC., | | • |
| Defendant. | _/ | |

AFFIDAVIT OF JACK JOHNSON

STATE OF OHIO) ss COUNTY OF LUCAS)

Jack Johnson, being first duly sworn, deposes and says:

1. The following statements are made on my personal knowledge. I would be competent to testify to them if called as a witness.

- 2. I am currently Manager, Employee Benefits for Doehler-Jarvis. I have held that position since July 25, 1990. Prior to that, I was Division Manager, Employee Benefits for Doehler-Jarvis/Farley, Inc. from October 1, 1982 through July 24, 1990.
- 3. I received a law degree from the University of Toledo Law School in 1969.
- 4. From 1970 through 1977, I was a Trust Officer responsible for the administration of pension trusts at Toledo Trust Company (now Society Bank).
- 5. I was employed at Doehler-Jarvis Division of NL Industries as Division Manager of Compensation and Benefits beginning on February 21, 1977. My title was changed shortly thereafter to Division Manager, Employee Benefits. I continued in that position until October 1, 1982 when Farley, Inc. acquired Doehler-Jarvis Division from NL Industries.
- 6. I was a member of the Pension Board of Administration for the Doehler-Jarvis Division of NL Industries from February, 1977 until NL sold the Division to Farley in September, 1982. This Board was comprised of three Company and three UAW representatives.
- 7. As Division Manager of Employee Benefits at Doehler-Jarvis Division of NL Industries, I was responsible for hourly and salary benefits for the entire Division, including pension, medical insurance, dental insurance, prescription drug insurance, life insurance, disability insurance, accident and sickness insurance, survivor income benefits, supplemental unemployment benefits and savings plans. I supervised between

three and five employees who were benefit administrators or clerks. There were four Division plants under the Master Agreement with the UAW, two in Toledo, one in Pottstown and one in Batavia. The Batavia plant closed in early 1982. The Division Benefits Department was also responsible for administration of pension and medical insurance benefits for the hourly retirees from the Doehler-Jarvis Grand Rapids plant which had been closed before I started at Doehler-Jarvis.

- 8. I participated in collective bargaining negotiations with the UAW on behalf of Doehler-Jarvis Division of NL Industries in 1977 and 1980 and was involved in across the table discussions about employee and retiree benefits. I also was involved in the costing of various UAW and Division proposals presented during bargaining.
- 9. During the 1977 negotiations, there were no discussions or agreements about retiree medical insurance benefits. The language of the prior contract relative to retiree medical insurance coverage continued unchanged in the 1977 Master Agreement.
- employed at the Doehler-Jarvis Division of NL Industries that hourly retiree medical insurance was a lifetime benefit. I never considered retiree medical insurance benefits to be tied to or limited by the term of the collective bargaining agreement with the UAW.
- 11. During the 1980 negotiations with the UAW, Doehler-Jarvis Division of NL Industries agreed to provide company paid

medical insurance coverage for surviving spouses of retirees until remarriage. These benefits were negotiated on the same basis as my understanding about retiree medical insurance benefits, that is, that they were lifetime benefits. With respect to surviving spouses, however, Doehler-Jarvis and the UAW agreed that the benefits would be terminated if the surviving spouse remarried. Otherwise, it was a lifetime benefit.

- Jarvis Division calculated the economic cost of various Company and UAW proposals on a three year basis. Retiree medical insurance benefits as well as pension and supplemental pension allowance benefits were costed on this basis. I provided some of the information for the costing of these benefit and calculated some of the benefit costs. The Division's internal costing procedure during negotiations had nothing to do with the duration of negotiated retirement benefits, including retiree medical insurance benefits.
- 13. I wrote the letters, copies of which are attached hereto as Exhibits A, B and C. My signature appears on Exhibits A and B. A copy of Exhibit A (without the number stamped in the lower right-hand corner) is contained in the personnel file of Mr. Ollie Kurdys which was located in Toledo Plant No. 2 until August 27, 1990 when it was sent to Farley's offices in Chicago. These

letters reflect my understanding that company paid medical insurance coverage for hourly retirees was a lifetime benefit.

JACK JOHNSON

Subscribed and sworn to before me this 23 day of Colober, 1990.

Notary Public

MARY BAFYA NOTARY PUBLIC-STATE OF OHIO MY COMMISSION EXPIRES FEB. 26, 1992

Doehler-Jarvis Castings

June 2, 1977

Mr. Ollie J. Kurdys 3703 Drexel Dr. Toledo, Ohio 43612

Dear Mr. Kurdys:

The following information is provided pursuant to your letter of request dated May 27, 1977:

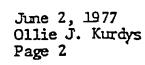
- 1. Benefits accrued in your name Under the Doehler-Jarvis Division Wage Pension Plan we have
 determined a monthly benefit payable to you in the amount
 of \$91.49. You will also be covered under the Blue Cross/
 Blue Shield Group Hospitalization Plan while you are drawing
 benefits under the Pension Plan.
- 2. How vested benefits are determined Your benefit under the Pension Plan is determined by multiplying
 your years of Credited Service (9 years, 11 months) by the
 basic benefit in effect (\$9.00 per year of service). This
 amount of \$89.25 is then reduced by 5% because you have elected
 the Surviving Spouse benefit. Thus the basic benefit is \$84.79.
 To this is added the \$6.70 Medicare Benefit for a total benefit
 of \$91.49 per month.
- 3. Copies of forms relative to retirement benefits.
 Enclosed is a copy of the Application for Benefits and Award which has been prepared for your benefits.
- 4. Copies of pension credits records -Enclosed is a breakdown of your Credits for pension purposes by Plan Year.
- 5. Provision of Insurance Program which renders you ineligible for life insurance -

Article II, Section 2(a) of the Insurance Program provides that an employee with less than 10 years of Credited Service under the Pension Plan at age 65 shall have

000043 EXHIBIT

Doehler-Jarvis Castings Division/NL Industries, Inc. General Office: 1945 Smead Avenue, Toledo, Ohio 43691 Tel. (419) 244-9521 Mailing Address: M.P.O. Box 902, Toledo, Ohio 43691

Plants at: Batavia, N.Y., Pottstown, Pa., Toledo, Ohio



his life insurance discontinued upon his separation from active service.

Since you have less than ten years of service under the Pension Plan, you are not eligible for life insurance.

Jack L. Johnson

Administrative Secretary

JIJ/ksg

Att.

Doehler-Jarvis Castings

August 18, 1977

Mr. Ivan Scheuneman 300 Phillips Dr. Box 214 Trufant, Michigan 49347

Dear Mr. Scheuneman:

Your letter of August 15th indicates that you would not have applied for a Social Security Disability Award had you known that your supplement under the pension plan would be reduced. Please note, however, that your Disability Award was for \$304.90 per month while your supplement would have been reduced by only \$187.50 - leaving you with an additional \$117.40 per month. Thus it was not unwise for you to apply for the Disability Award when you did.

I realize that your Medicare premium has been at \$7.20 per month and has recently gone up to \$7.70. However, the pension plan calls for a specific amount of \$6.70 per month. The Medicare benefit does not go up automatically when the Medicare premium does.

As to your Blue Cross insurance, we are in the process of having your coverage adjusted to a Medicare Complementary which would be retroactive. In connection with this adjustment you should receive a new Blue Cross card. Your wife will continue to be covered until age 65 at which time she should take the Medicare coverage and also she will have Blue Cross/Blue Shield complementary. (This last statement is only true as long as you, the retiree, are still alive).

The hospital bill which you enclosed with your letter should be submitted directly to Blue Cross by you. Blue Cross will not accept a submission from us.

I hope this will help to answer your questions, If you need further information, please advise.

Very truly yours

Jack L. Johnson

Manager, Employee Benefits

JLJ/ksg

enc.

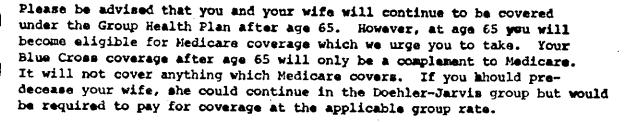
Doehler-Jarvis Castings Division/NL Industries, Inc.
General Office: 1945 Smead Avenue, Toledo, Ohio 43691 Tel. (419) 244-9521
Mailing Address: M.P.O. Box 902, Toledo, Ohio 43691
Plants at: Batavia, N.Y., Pottstown, Pa., Toledo, Ohio



June 8, 1978

Mr. Frank Starrett 520 E. Acorn Circle Spring Hill, Florida 33512

Dear Mr. Starrett:



You are correct that there will be an increase in pension benefits for retirees effective in September of this year. Your basic benefit will be increased by 50¢ for each year of Credited Service plus your early retirement reduction. However, since you are still seceiving a Supplemental Allowance, your net benefit will remain the same. At age 65 your basic benefit will be \$293.58 plus a Medicare benefit of \$7.70 for a total benefit of \$301.28. Yourwill no longer be required to pay the premium for life insurance after age 65 but the above amount would be reduced by any other deductions (such as Federal taxes) which you might authorize.

I hope this helps to answer your questions. If you need anything further, please advise.

Very truly yours,

Jack L. Johnson Manager, Empoyee Benefits

JIJ/ksg

EXHIBIT

C

NL INDUSTRIES, INC.,

Plaintiff,

Case No. 87-1292A

v.

INTERNATIONAL UNION UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA,

Defendant.

CHARLES HAGGERTY, ET AL.,

Plaintiffs,

Case No. 87-1549A

v.

NL INDUSTRIES, INC.,

Defendant.

AFFIDAVIT OF EDDIE M. MURPHY

STATE OF CALIFORNIA)
(COUNTY OF)

Eddie M. Murphy, being first duly sworn, deposes and says as follows:

- 1. The following statements are made on my personal knowledge. I would be competent to testify if called as a witness.
- 2. I am currently Manager, Retiree Relations for Hughes Aircraft Company in Los Angeles, California.
- 3. I was employed by Doehler-Jarvis Casting Divisions of NL Industries from June, 1970 through January, 1979. I was hired

as a junior cost clerk and promoted in November, 1971 to order and requote clerk and, in July, 1972, to secretary.

- 4. In May, 1974, I was promoted to Salary Benefits
 Administrator and, in October, 1974, to Division Employee Benefits
 Administrator.
- 5. As both Salary Benefits Administrator and Division Employee Benefits Administrator, I worked under the supervision of, first, Frank Butler and then for Jack Johnson who were Managers of Doehler-Jarvis' Division Benefits Department in Toledo, Ohio.
- 6. It was always my understanding while I worked in the Benefits Department at Doehler-Jarvis that hourly retirees were entitled to lifetime medical insurance coverage.
- 7. When Doehler-Jarvis closed the Grand Rapids plant, I was assigned to go to Grand Rapids over a three to four month period to work for John Nicholson, the Grand Rapids plant Employee Relations Manager. At Grand Rapids, I counselled hourly employees who were retiring because of the plant closing. Those retirees frequently asked the extent of their medical insurance coverage after retirement. I informed any retiree who asked me that he or she had lifetime medical insurance coverage.

EDDIE M. MURPHY

Subscribed and sworn to before me this 22 day of March , 1991.

Notary Public

County, California

My Commission Expires: 3 - 13 - 92

OFFICIAL SEAL
MADELINE J. VIVIAN
Notary Public-Cale onia
LOS ANGELES COUNTY
My Comm. Exp. Mar. 13, 1992

NL INDUSTRIES, INC.,

Plaintiff,

7

Case No. 87-1292A

INTERNATIONAL UNION UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA,

Defendant.

CHARLES HAGGERTY, ET AL.,

Plaintiffs,

Case No. 87-1549A

v.

NL INDUSTRIES, INC.,

Defendant.

AFFIDAVIT OF JOANNE PATRI

STATE OF NEW YORK)
COUNTY OF)

JOANNE PATRI, being first duly sworn, deposes and says as follows:

- 1. The following statements are made on my personal knowledge. I would be competent to testify if called as a witness.
- 2. From 1972 through 1981, I was employed by the Doehler-Jarvis Division of NL Industries at the Batavia facility as Employee Benefits Administrator.

- 3. When I started at the Batavia facility, Donald Burkel handled the hourly pension and insurance matters. I was at the Batavia facility for about one year before Mr. Burkel retired.
- 4. Before Mr. Burkel retired, he instructed me on how to calculate hourly pensions and on what benefits hourly retirees were entitled to. I also learned about medical benefits for hourly retirees through discussions with various benefit representatives at Doehler-Jarvis, including Penny Vargo at the Grand Rapids facility, Grace Reinert at the Pottstown facility and Frank Butler who was benefits manager for the Doehler-Jarvis Division and who worked in Toledo.
- 5. After Mr. Burkel retired, I was responsible for all hourly retiree pension and insurance matters. Until I left in 1981, I was the only one who conducted retiree exit interviews. During these interviews, I explained the pension benefits and how they changed when a retiree reached certain ages such as 62 and 65; how Medicare worked; what the Medicare supplement to the pension was; what the life insurance benefits were; what the deduction was for the life insurance benefit prior to age 65 was; and how the life insurance benefit reduced after age 65. I also explained about medical insurance for hourly retirees. During exit interviews, I specifically and emphatically told hourly retirees that they had medical insurance benefits for as long as they lived.
- 6. At some point toward the end of my employment with the Doehler-Jarvis Division the Company began paying for medical insurance benefits for surviving spouses of hourly retirees. I

was instructed to put all surviving spouses of hourly retirees in the retiree group medical insurance plan. Prior to that time, a surviving spouse of a retiree could continue in the group after the death of the retiree by paying the medical insurance premium through a deduction from his or her pension or directly to Doehler-Jarvis. I recall that, when surviving spouses of hourly retirees became entitled to Company paid medical insurance benefits, it was my job to determine who they were and make certain they were included in the group medical insurance plan.

JOANNE PATRI

Subscribed and sworn to before

Notary Public

County, New York

My commission expires:

RICHARD F. TEETSEL
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 7/3//9/

| NL INDUSTRIES, INC., | |
|---|-------------------|
| Plaintiff, v. | Case No. 87-1292A |
| INTERNATIONAL UNION UNITED AUTO AEROSPACE AND AGRICULTURAL IMPI WORKERS OF AMERICA, | |
| Defendant. | |
| | / |
| CHARLES HAGGERTY, ET AL., | |
| Plaintiffs, | Case No. 87-1549A |
| NL INDUSTRIES, INC., | |
| Defendant. | / |

AFFIDAVIT OF EDWARD S. ROMAN

STATE OF OHIO) ss COUNTY OF LUCAS)

Edward S. Roman, being first duly sworn, deposes and says as follows:

- 1. The following statements are made on my personal knowledge. I would be competent to testify if called as a witness.
- 2. I began working for Doehler Die Casting Company at its Toledo facility in 1935. Doehler Die Casting later became the

Doehler-Jarvis Corporation and then the Doehler-Jarvis Division of National Lead Company. National Lead then became known as NL Industries, Inc. In about 1952, I was promoted to Labor Relations Manager at Toledo. In about 1957, I became the Industrial Relations Manager for Toledo Plants 1 and 2. I remained in this position until late 1971 or early 1972 when I was promoted to Division Industrial Relations Manager to replace Robert Bressler. I remained in that position until my retirement in about August of 1972. After my retirement, I was retained by Doehler-Jarvis for several months as a consultant to instruct supervisory employees on the meaning of the collective bargaining agreement between Doehler-Jarvis and the UAW.

- 3. I participated in every negotiation between Doehler-Jarvis and the UAW, either on behalf of the Union before 1952 or on behalf of management after 1952, from the 1947 negotiations through the 1971 negotiations.
- 4. During the 1965 negotiations with the UAW, Doehler-Jarvis agreed to provide company-paid medical insurance benefits for hourly rated retirees. This benefit was intended by Doehler-Jarvis to last for the life of the retiree. It was never intended to be limited to the term of any particular collective bargaining agreement.
- 5. After the 1965 negotiations were concluded, Robert Bressler, the Division Industrial Relations Manager, and I were the management representatives on a Union Management Committee to finalize language for the 1965 Master Agreement. Union representatives were Heinz Szeve from the International UAW

Doehler-Jarvis Department and the Presidents of the four UAW locals; Leonard Keffer from Pottstown UAW Local 1056, Kenneth Eck from Toledo UAW Local 1058, Joe Oddo from Batavia UAW Local 1057 and Harley Peterson from Grand Rapids UAW Local 257.

- 6. It was my intention that the language that was drafted by the Union Management Committee for retiree medical insurance benefits reflect the fact that those benefits were to last as long as the individual was retired or, in other words, for life.
- 7. During the meetings of the Union Management
 Committee, I recall a conversation between Leonard Keffer, Ken Eck
 and Robert Bressler in the presence of the entire Committee.

 Leonard and Ken asked many questions about what had been
 negotiated for retirees. One of the questions was about how long
 retiree medical insurance benefits would last after retirement. I
 do not remember the exact words Mr. Bressler used in responding,
 whether it was "forever" or "until you die" or "for as long as you
 live," but it was something to that effect and there was no
 question that Mr. Bressler conveyed Doehler-Jarvis' intent that
 retiree medical insurance coverage was to last for the life of the
 retiree.

EDWARD S. ROMAN

Subscribed and sworn to before me on Octobro 23 1990

Notary Public

My commission expires: Le 291992

MATTER OF FERSON

STATE OF CHARLES

BY GREEN PROPERTY OF CHARLES

| NL INDUSTRIES, INC., | | |
|---|----------|----------|
| Plaintiff, | Case No | 87-1292A |
| v. | case no. | 07-12J2A |
| INTERNATIONAL UNION UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, | | |
| Defendant. | | |
| | _/ | |
| CHARLES HAGGERTY, ET AL., | | |
| Plaintiffs, | | 05 4545- |
| v. | Case No. | 87-1549A |
| NL INDUSTRIES, INC., | | |
| Defendant. | _/ | |
| AFFIDAVIT OF JOHN C. | SHEROIAN | |

STATE OF OHIO) ss COUNTY OF LUCAS)

John C. Sheroian, being first duly sworn, deposes and says:

- 1. The following statements are made on my personal knowledge. I would be competent to testify to them if called as a witness.
- 2. I am currently retired from Doehler-Jarvis Division of NL Industries, Inc.

- 3. I first started working for Doehler Die Casting Company in Toledo in 1936. After being laid off, I was permanently rehired in 1942 as an Inspector. In March of 1945, I became Inspection Supervisor. In March of 1948, I became a Dimentional Checker. In November, 1949, I became a Payroll Supervisor. In May, 1954, I was promoted to Assistant Employment Manager in the Personnel Department. At that time, Doehler-Jarvis had been acquired by National Lead Company. In December, 1961, I became Employment Manager for Toledo Plants 1 and 2. I remained in this position until I retired in June, 1976, although for the last few months of my employment, I worked in the Division office.
- 4. As Employment Manager for Toledo Plants 1 and 2, my immediate supervisor was Edward Roman who was the Industrial Relations Manager for Toledo Plants 1 and 2 until just before his retirement in the early 1970's when he became Industrial Relations Manager for the Division for a few months. I received my information on what benefits were negotiated between Doehler-Jarvis Division and the UAW for hourly employees and retirees from Mr. Roman who participated in the negotiations.
- 5. As part of my duties as Employment Manager, I handled pension and insurance benefit matters. I calculated pension benefits when hourly employees would apply for retirement. I met with the hourly employees who were retiring to explain to them in detail the benefits they were entitled to and to answer any questions they might have.
- 6. After the Doehler-Jarvis Division agreed to provide paid retiree medical insurance benefits during the 1965

negotiations with the UAW, I informed hourly employees when they retired that they would have medical insurance coverage for the rest of their life. I also told the wife of a retiree that, if her husband died before she did, she could continue to be covered by the medical insurance group plan if she paid the monthly premium either directly to Doehler-Jarvis or through a deduction from her survivor pension benefits.

- 7. During my discussions with retiring hourly employees, a representative from UAW Local 1058 generally attended. This would usually be the President or Chief Steward. I recall that Kenneth Eck, Dale Bricker and Ernie Love attended these sessions for Local 1058.
- 8. From the time company paid retiree medical insurance benefits were negotiated until I retired in 1976, it was my understanding that retiree medical insurance was a lifetime benefit. It was never my understanding that those benefits were tied to the term of a particular collective bargaining agreement.
- 9. While I was Employment Manager for Toledo Plants 1 and 2, I wrote many letters to hourly retirees and surviving spouses explaining to them the benefits they were entitled to receive.
- 10. Exhibit A to this Affidavit is a copy of a letter that I wrote to Edna Sheets, the surviving spouse of a Toledo hourly retiree.
- 11. Exhibit B to this Affidavit is a copy of a letter that I wrote to Toledo hourly retiree, Alois Glitzner, informing him that his wife would be able to continue her Blue Cross/Blue

Shield coverage after his death through a deduction from her survivor pension. This letter reflects my understanding that paid hourly retiree medical insurance benefits was a lifetime benefit.

that I wrote to Beulah Ream informing her of her survivor income benefits. Ms. Ream was the spouse of a Toledo hourly employee who died while actively employed. Ms. Ream was eligible under the Doehler-Jarvis/UAW collective bargaining agreement for 24 months of transition survivor income benefits. Because she was at least 50 years old at the time of her husband's death, she was also eligible for bridge survivor income benefits of \$100.00 a month until she remarried, reached age 62 or until she was eligible for social security benefits. My letter states that Mrs. Ream was eligible for bridge survivor income benefits from August 1, 1968 through April 1, 1976. This means that Mrs. Ream would have reached age 62 in 1976.

John C. Shesolan

Subscribed and sworn to before me this 23 day of 000 Gel, 1990.

Notary Public

MARIE M. FET AND STATE OF STAT

February 6, 1970

Mrs. Edna H. Sheets 4625 Eastway Toledo, Ohlo 43612

Dear Mrs. Sheetz:

We are enclosing a Survivor's Option Pension check in the amount of \$141.62.

This represents payment for the month of January and February. You are aware, of course, that your gross pension amounts to \$84.87 per month from which is deducted \$14.06 for Blue Cross and Blue Shield insurance premium payments.

Hoping all is well with you.

With Kindest Regards,

John C. Sherolan Employment Manager

JCS:mc

Enc.



inuary 26, 1971

Mr. Alais Glitzner 3123 W. Tumbleweed Drive

Received your letter of inquiry regarding coverage of your

Presently, both you and your wife are covered. Since both of you are over \$5 years old, you should have Medicare in-surance coverage.

In the event you should die before your wife she still can be covered if she so chooses. We can deduct the payment out of her survivor option pension check which you have taken for her.

We also received your nice Christmas card and posted it in your Die Repair Department at Plant #2, per your request.

Glad to receive an occasional message from you. Arizona must certainly be a nice place to retire. May both of you have continued good health.

Very truly yours,

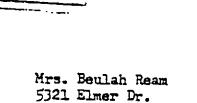
-DOEHLER-JARVIS DIVISION
National Lead Company

John C. Sherolan Employment Manager

JCS:mc

THE RESIDENCE OF THE PARTY OF T





Toledo, Ohio 43615

Dear Mrs. Ream.

This letter is in regard to the Transition Insurance Benefit you have been receiving for the past two years from the Travelers Insurance Company. We have been advised that this two year benefit will terminate on August 1, 1968.

After the aforementioned date, if you have not remarried you will be entitled to a new Bridge Benefit Insurance. This new benefit will commence paying you \$100.00 a month until you reach sixty-two years of age or until you are eligible for Social Security. The final payment of this Bridge Benefit will be due April 1, 1976.

If you have any further questions regarding this matter please feel free to contact us.

Yours very truly,

DOEHLER-JARVIS DIVISION NATIONAL LEAD CO.

John C. Sheroian, Employment Manager

JCS/sad



| NL INDUSTRIES, INC., | | | |
|---|--------|-------|----------|
| Plaintiff, | Case 1 | No. | 87-1292A |
| v. | | | |
| INTERNATIONAL UNION UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, | | | |
| Defendant. | _/ | | |
| CHARLES HAGGERTY, ET AL., | | | |
| Plaintiffs, | Cago I | NT.O. | 87~1549A |
| v. | case i | NO. | 67~1343A |
| NL INDUSTRIES, INC., | | | |

AFFIDAVIT OF DENNIS TOMSKI

STATE OF NEW YORK) COUNTY OF GENESEE)

Defendant.

Dennis Tomski, being first duly sworn, deposes and says as follows:

- The following statements are made on my personal knowledge. I would be competent to testify if called as a witness.
- 2. I worked for the Doehler-Jarvis Division of NL Industries at the Batavia facility from 1966 through 1982 when the plant was closed.

- 3. In 1966 I was hired as the Assistant Employment Manager at the Batavia facility. Within a year and a half, I was promoted to Employment Manager of Batavia. In about 1978, I assumed the duties of Employee Relation Manager for Edward Howard who went on sick leave. Subsequently, I became the Personnel and Safety Manager of the Batavia facility.
- 4. I represented the Batavia facility on the Doehler-Jarvis management negotiating team for negotiations with the United Automobile Workers in 1977 and 1980. Jack Johnson, the Doehler-Jarvis Division Manager of Employee Benefits was the Company representative in negotiations who was most familiar with employee and retiree benefits.
- 5. In 1978, the Batavia facility lost a major portion of its business and the plant was thereafter sized down. As employees in the Personnel and Safety Department left or were laid off, I assumed broader responsibilities in those departments.
- 6. After Joanne Patri, the Batavia Employee Benefit Administrator, left in 1981, I assumed her duties in handling the pension and insurance matters for hourly retirees. After Ms. Patri left, I also conducted exit interviews for retiring hourly employees.
- 7. It was my understanding for the entire time that I worked at the Batavia facility that medical insurance benefits that NL provided for hourly retirees were lifetime benefits. That was the understanding I had when I participated in the 1977 and

1980 negotiations and when I conducted the exit interviews for hourly retirees.

Subscribed and sworn to before me this 15th day of March , 1990.

Notary Public, State of New YWAtary Public Qualified in Genesee County
Commission Expires May 31, 1991