



726 E. 9th Ave

Anchorage, AK 90501

Former Carter White Lead Omaha, NE (21st and Locust Location)

Potential Responsible Party (PRP) Report

PREPARED FOR:

U.S. ENVIRONMENTAL AGENCY REGION 7, SUPERFUND DIVISION

901 N. 5th STREET, KANSAS CITY, KANSAS 66101

Final February 24, 2010

Task Order Number: 00008
Date Submitted: February 24, 2010
Contract Number: A7P4RP00
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INTRODUCTION

PROJECT BACKGROUND

Chenega Global Services, LLC (CGS) received Task Order 0008, Project Code A7P4RP00, from the U.S. Environmental Protection Agency (EPA) Region 7 office, under the Superfund Contract Number EP-S7-09-08. The purpose of this task order is to provide EPA's Enforcement Superfund Division with a vehicle through which to perform expedited, site-specific potentially responsible parties (PRP) in support of the EPA Task Order/Project Officer (TOPO) search activities.

This Potential Responsible Party report for the Former Carter White Lead site (the "Site") summarizes the research conducted by the Records Specialists (RS) and Regulatory Analysts (RA) to determine the Site history.

PROJECT APPROACH

The U.S. Environmental Protection Agency, Region 7, Superfund Division, Kansas City, Kansas contracted Chenega Global Services, Anchorage, AK to perform the PRP search and report.

LIST OF CONTACTS

- Nebraska Historical Society
- Nebraska Secretary of State (not all information requested has been received as of the date of the draft report)
- Douglas County Library
- Douglas County Historical Society
- Nebraska Department of Environmental Quality
- EPA Region 7 CERCLA Records Center
- Omaha Zoning Department
- Omaha Fire Department (contact and information pending as of date of draft report)

OVERVIEW OF REPORT

The Potential Responsible Party Report provides for the site background, site history, property history, title tree, corporate successorship, conclusions, references, and attachments.



SITE HISTORY

SITE LOCATION

The Site is located at East 21st and Locust Street in the Omaha, Nebraska in the southwest ¼ section 12, township 15 north, range 13 east on Lots 1 thru 22, Block 5, East Omaha Land Company subdivision, an addition to the City of Omaha, Douglas County, NE.

From 1878 to 1890, the Carter White Lead Company operated a lead company in Omaha, Nebraska where 20th street crossed the main line of Union Pacific Railroad. In 1890, a fire broke out and destroyed the one-acre facility on 20th Street. Carter White Lead Company then purchased land from the East Omaha Land Company and relocated its facility at the 21st and Locust Street location in Omaha, NE. The 21st and Locust Street facility is the subject of this report.

SITE DESCRIPTION

The Site at the 21st and Locust Street location was utilized for lead-based paint manufacturing from 1890-1926. The Rescue Mission, Inc. currently owns lots 1-5, 18-22, A-1, A-2 and Lot P. One building, a former grocery store, is located on lots 1-5, 18-22, A-1, A-2 and Lot P of the Site and operates as a thrift store by Rescue Mission, Inc.

MOWECO, Inc occupies lots 6-11. Lots 12-17 are vacant and owned by MOWECO as well. The surrounding area is primarily composed of light industrial and residential properties. **Table 1** provides full history of the Site at the 21st and Locust Street location.

The primary contaminate of concern associated with the Site is lead. Field screening data and laboratory results of contaminated soil identified the Site as having elevated concentrations of lead, which may be associated with past manufacturing activities conducted on the Site.

Table 1: Site history of owner/operator

OWNER/OPERATOR	DATE OF OWNERSHIP/OPERATIONS	TYPE OF OPERATIONS
Carter White Lead Company	July 15, 1890-March 9, 1926	Manufacturer of lead based paint and lead derivatives
Platte Valley Cement Tile	March 9, 1926-February 2, 1946	Based upon a review of readily available city directories and Sanborn Fire Insurance Maps, the Site was vacant, with no known operations identified.

OWNER/OPERATOR	DATE OF OWNERSHIP/OPERATIONS	TYPE OF OPERATIONS
Andrew Lawslo	February 2, 1946-August 3, 1953	No known operations identified during this period.
Transport Repair Service, Inc./Four T Service/Fleet Pride, Inc. (currently owned by MOWECO)	August 3, 1953-current	This parcel of land (Parcel No. 1006730000) is listed with an address of 2716 North 22 nd Street East, and is operating as a truck and transportation equipment repair facility since approximately 1953.
Harold's Supermarket/Harold Cooperman	1959-2004	This parcel of land (Parcel No. 1006710000) listed with an address of 2107 East Locust Street operated as a grocery store from 1959 until 2004. The parcel is currently owned by Rescue Mission and operates as a thrift store.
Rescue Mission	2005-current	This parcel of land (Parcel No. 1006710000) is listed with an address of 2107 East Locust Street and has operated as a not for profit charity (thrift store) since 2005.

SCOPE OF WORK FOR TITLE RESEARCH

In accordance with the Scope of Work for Task Order 0008 and through deliberations with the EPA TOPO, the RA and RS reviewed the following information:

- Deed/title instruments confirming past and present ownership of the Site property (Title Search provided by the EPA Region 7 Superfund Division);
- Current Mortgages/Deeds of Trust;
- Right-of-Way and Easements;
- Leases;
- Zoning;
- Judgments;
- Tax Records and Tax Liens;
- Tax/Parcel Maps.

PROPERTY HISTORY

REVIEW OF TITLE DOCUMENTS

The RA and RS were instructed to review all title/deed documents provided by the EPA Region 7 Superfund Division for the Site property. The research determined that there are two current owners of the Site property (Figure 1).

MOWECO, INC

Two locations total 1.96 acres

- Parcel No. 1006700000 (670) 1.0 acre Lots 12-17
 - Book 1746, Page 585 on December 31, 1984
- Parcel No. 1006730000 (673) 0.96 acres Lots 6-11
 - Book 1689, Page 144 on July 2, 1982

RESCUE MISSION, INC

- Parcel No. 1006710000 (671) 1.94 acres Lots 1-5, 18-22, A-1, A-2 and Lot P
 - Book 2005, Page 098076 on June 27, 2005



Figure 1: Aerial Photograph of the three parcels of the Site at 21st and Locust St, Omaha, NE.

CURRENT AND PAST OWNERSHIP OF SITE PROPERTY

Historical and current ownership of the three parcels of Site property are summarized in chronological order in **Table 2** below:

Rescue Mission, INC, 2107 East Locust Street (Lots 1-5, 18-22, A-1, A-2 and Lot P)

MOWECO, Inc., 2717 North 21st Street (Lots 12-17) and

2716 North 22nd Street (Lots 6-11)

Table 2: Chain of Title for the three parcels of the Site

GRANTOR	GRANTEE	DEED DATE	RECORD DATE	BOOK/PAGE	NOTES
1. East Omaha Land Company	Carter White Lead Company	7/15/1895	12/17/1895	200/99	Warranty Deed for Lots 1-22
2. Carter White Lead Company	Platte Valley Cement Title MFG Company	3/9/1926	3/19/1926	529/558	Warranty Deed for Lots 1-22
3. Carter White Lead Company	Platte Valley Cement Title MFG Company	3/9/1926	3/19/1926	529/561	Quit Claim Deed Lots A-1 and A-2
4. C.B. McDonald, Sheriff of the County of Douglas	W.C. Fraser	1/14/1931	9/16/1931	584/642	Sheriff Deed Lots 1-22
5. Platte Valley Cement Title MFG Company	Nebraska Power Company	11/1/1939	11/3/1939	671/495	Quit Claim Deed Lot 1
6. Platte Valley Cement Title MFG Company	Margaret Lawslo and Andrew Lawslo, H&W AJT WROS	5/22/1940	5/29/1940	677/433	Warranty Deed Lots 2, 21 and 22
7. Platte Valley Cement Title MFG Company	Andrew Lawslo and John Lawslo	2/2/1946	2/8/1946	771/377	Warranty Deed Lots 3-20
8. Platte Valley Cement Title MFG Company	Andy Lawslo	7/26/1947	7/30/1947	813/413	Quit Claim Deed Lots A-1 and A-2
9. William H. Dorrance, Sheriff of Douglas	Andrew Lawslo and Margaret Lawslo, H&W AJT	1/30/1948	2/10/1948	827/493	Sheriff Deed Lots A-1 and A-2

GRANTOR	GRANTEE	DEED DATE	RECORD DATE	BOOK/PAGE	NOTES
County	WROS				
10. Andrew Lawslo and Margaret Lawslo, H&W	Transport Repair Service, INC	8/3/1953	8/18/1953	932/690	Warranty Deed Lots 6-11
11. Andrew Lawslo and Margaret Lawslo, H&W	Transport Repair Service, INC	11/10/1953	11/12/1953	937/201	Warranty Deed Lots 6-11
12. Omaha Public Power District, FKA Nebraska Power Company	Andrew Lawslo, SR	7/17/1961	8/17/1961	1124/279	Commercial Warranty Deed Lot 1
13. Transport Repair Service, INC	Reuben C.L. Johnson and Ruth E. Johnson H&W AJT WROS	10/31/1969	1/5/1970	1402/251	Warranty Deed Lots 6-11
14. Andrew Lawslo, SR; Andrew J. Lawslo, JR. and Ethelene H. Lawslo, H&W	Harold Cooperman	1/2/1970	3/20/1970	1406/263	Warranty Deed Lots 1-5 and 12-22
15. Andrew Lawslo, SR; Andrew J. Lawslo, JR. and Ethelene H. Lawslo, H&W	Harold Cooperman	1/2/1970	3/20/1970	1406/279	Quit Claim Deed Lot P
16. Andrew Lawslo, SR; Andrew J. Lawslo, JR. and Ethelene H. Lawslo, H&W	Harold Cooperman	1/2/1970	3/20/1970	1406/263	Warranty Deed Lots A-1 and A-2, 3, 4, 5, 12-22 and Lot P
17. County Court of Douglas County, NE	In the matter of the estate of Margaret Lawslo, deceased	4/8/1970	4/17/1970	488/453	Certificate Lots 1-5, 12-22, and Lot P
18. County Court of Douglas County, NE	In the matter of the estate of Margaret Lawslo, deceased	3/11/1971	3/11/1971	497/485	Certificate Lots 1-5, 12-22 and Lot P

GRANTOR	GRANTEE	DEED DATE	RECORD DATE	BOOK/PAGE	NOTES
19. Reuben C.L. Johnson and Ruth E. Johnson, H&W	Morgan Wheel & Equipment Company	10/1/1974	11/21/1984	1744/155	Warranty Deed Lots 6-11
20. Harold Cooperman and Merriam Cooperman H&W	MOWECO, INC	7/2/1982	7/14/1982	1689/144	Warranty Deed Lots 12-17
21. Morgan Wheel & Equipment Co	MOWECO, INC	11/30/1984	12/31/1984	1746/585	Warranty Deed Lots 6-11
22. Harold Cooperman and Merriam Cooperman, H&W	Robert M. McDermott and Debra M. McDermott, H&W AJT	12/27/1985	12/30/1985	1770/669	Warranty Deed Lots 1-5 and 18-22, A-1, A-2 and Lot P
23. Robert M McDermott and Debra M. McDermott H&W	Rescue Mission, INC.	6/22/2005	6/29/2005	05-075698	Warranty Deed Lots 1-5, and 18-22, A-1, A-2 and Lot P
24. Robert M McDermott and Debra M. McDermott H&W	Security National Bank Omaha, Trustee	6/24/2005	8/11/2005	05-098076	Bill of Sale Lots 1-5 and 18-22
25. Security National Bank Omaha, Trustee	Rescue Mission, INC	6/27/2005	8/11/2005	05-098076	Bill of Sale Lots 1-5 and 18-22

MORTGAGES (DEEDS OF TRUST)

Rescue Mission, INC has a mortgage for \$750,000 with Great Western Bank, dated June 27, 2005, and filed on July 6, 2005, book 05-078601. No open mortgages found for the MOWECO, INC Lots 6-11 and Lots 12-17.

RIGHTS-OF-WAY AND EASEMENTS

None found



LEASES

None found

ZONING

According to David Fanslu, Manager-Current Planning of the Planning Department for City of Omaha the Site is currently zoned GI-General Industrial District. Their records indicated that from 1987- November 2008 site was zoned Heavy Industrial District and prior to 1987 the site was zoned 4th Industrial District. The area was annexed into the city in 1958. A portion of the site is designated with the FF-Flood Fringe Overlay District. The city has no record of current building code or zoning regulation violations on the property.

LIENS/JUDGMENTS

No liens or judgments found.

TAX RECORDS/TAX ASSESSMENT INFORMATION

The land for Site Parcel No. 671 is 100% tax exempt with no assessment or improvement value. The land for Site Parcel No. 670 is assessed at \$17,900. There is no improvement assessment value. The land for Site Parcel No. 673 is assessed at \$200,800. The improvement assessment is \$179,800. All real estate taxes are paid for Parcel No. 670 and 673. Printouts for the tax payments and assessment information obtained from the Douglas County Treasurers Office. (Attachment E)

Title Tree

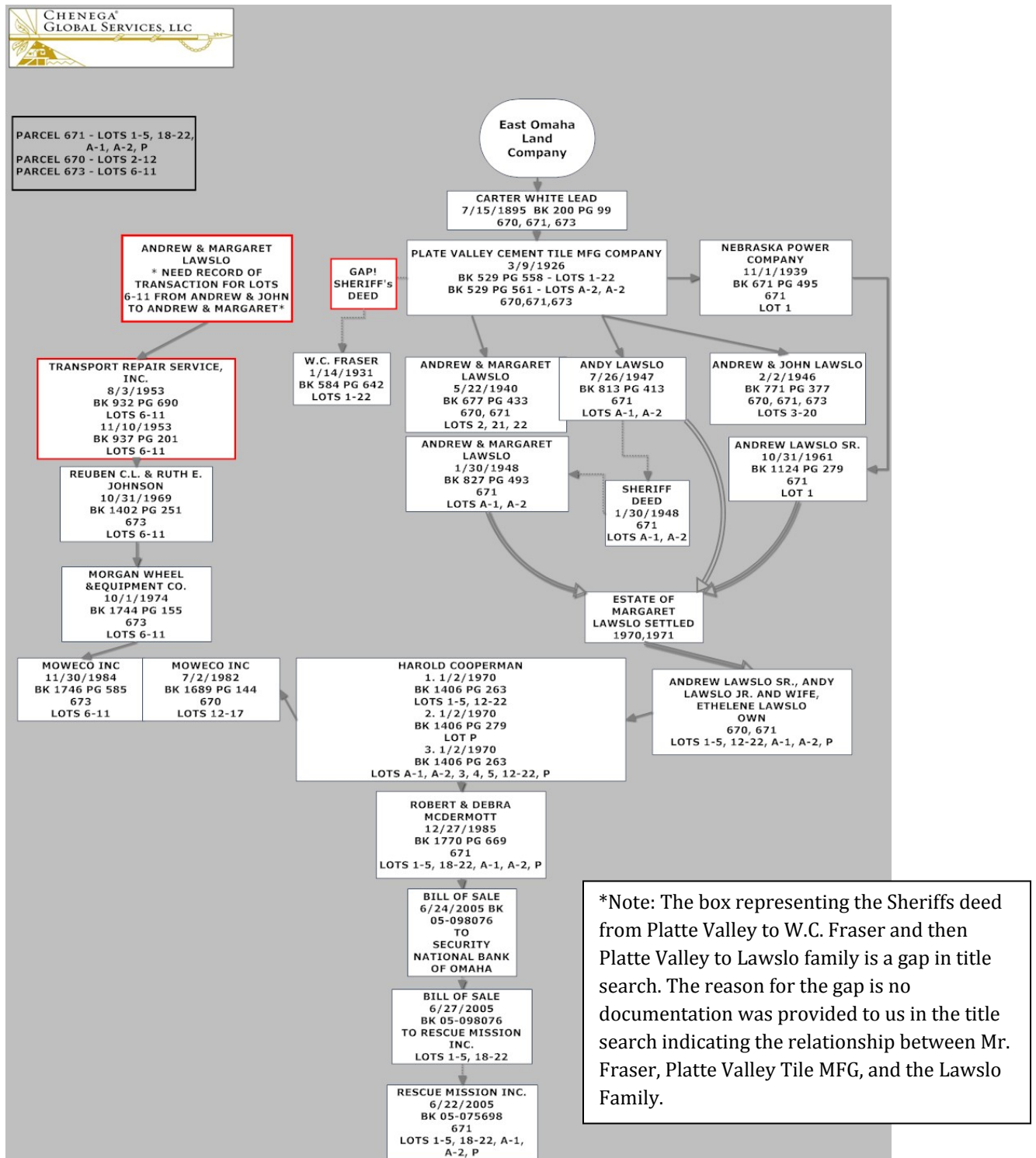


Figure 2: Former Carter White Lead Title Tree

CORPORATE SUCCESSOR AND PARENT SUBSIDIARY RESEARCH

HISTORICAL INFORMATION

Omaha White Lead and its successor, the Carter White Lead Company manufactured white lead products from 1877-1936. Carter White Lead controlled a national industry for twenty-nine years (1877 to 1906) when it merged with National Lead in 1906. Omaha, NE provided them with a central location with a major transportation hub and connecting railroad lines to lead resources and to white lead markets all of which led to their success. In addition, they held patents to innovative and expedient methods of lead corrosion. The technologically improved “Carter” process used in manufacturing lead paint bears the name of the man who owned the original patent for nearly a quarter of a century, Levi Carter of Omaha, NE.

The Company first operated at 20th Street from 1878 to 1890 when a fire destroyed the plant. In 1890, the Company relocated to 21st and Locust Street, rebuilt the plant, and restarted operations. Please refer to the Former Omaha FMGP PRP Search Report for more information regarding the 20th Street location. Table 3 shows in chronological order the history of the 20th Street location and the 21st and Locust Street location. This PRP report is for the 21st and Locust Street location.

Table 3: Historical Information of Site Property.

Date	Activity	Structure, Production & Financial Information
Original Site	20th Street Location-for more information on this site refer to FRMR Omaha FMGP PRP Search Report	Note: The 20th Street location is not the property in this PRP Search Report.
1877	Article of Incorporation for new business in Omaha called Omaha White Lead Company	S.E Locke, from Baltimore moved to Omaha and organized the stock company. Capital stock set at \$60,000 with a funded debt of \$40,000 W.A. Paxton, president; C.W. Mead, vice-president; N. Shelton, secretary and treasurer; Levi Carter, and S.E. Locke, manager.
Mid-1878	Purchased Land SW Omaha and built plant where 20 th St crossed the main line of Union Pacific	15 buildings built on a one-acre tract of land adjoining the Union Pacific Railroad sidings. Main plant was a cluster of 5

Date	Activity	Structure, Production & Financial Information
	Railroad	buildings, a 2-story brick mill, and a large one-story wood frame corroding room connected on the east side of the mill. West of the main plant were 2 frame warehouses and a paint cannery. Cost of the buildings about \$10,000 and machinery cost \$40,000
August 1878	Omaha White Lead Company in operation	Produced 1,000 tons of dry lead, employed 20 laborers. Plant operated 24 hours/day, 7 days/week. Sales totaled to \$150,000.
1878	Omaha White Lead Company purchased from Adams Company user rights to the "Dutch Process"	Levi Carter president; H.W. Yates, vice president; and Stuart B. Hayden Secretary;
1880 and 1882	Strikes occurred at Omaha Smelter	Sales at end of 1880 reached \$250,000 with 30-40 laborers with capacity increased to 2,000 tons. Capital increased to \$90,000. Invested \$15,000 in improvements to buildings, machinery, etc...
1884	Several New York and St. Louis white lead interests founded a syndicate eventually known as the "White Lead Trust" under the name of National Lead Company	
1885	Adams plant closed and Levi Carter became owner of the 1874 patent	
1885	Levi Carter purchased the Omaha White Lead Company and closed the 20 th Street plant for renovation and reorganized the operation	Enlarged the corroding room, replaced stacks of corroding pots with corroding cylinders used in the "Dutch" process. A machine shop, room for granulating ovens and several warehouses were added to the original plant. 30 laborers were laid off during the renovation
August 1886	Plant at 20 th Street re-opened as Carter White Lead	20 jobs were added to the original 30. By 1889, they were producing 9,000 tons of white lead/year and payrolls amounted to \$58,000/year: \$50,000 in improvements. Officers of the company are Levi Carter, president; H.W. Yates, vice president and treasurer; and S.B. Hayden, secretary and H.W. Yates sold his interest to his partners

Date	Activity	Structure, Production & Financial Information
June 14, 1890	Fire broke out destroying the entire one-acre tract of Carter White Lead at the 20 th Street location	Loss estimated at \$150,000
New Site	21st and Locust Streets	Note: This is the property in the PRP Search Report
1890	East Omaha Land Company and Omaha Bridge and Terminal (Railroad Subsidiary) began selling tracts Northeast of downtown Omaha	
1890	Carter relocated the plant between NE 21 st Street and Omaha Bridge and Terminal siding No. 5 and intersection with Locust Street	21 buildings a 2-story building stood on the north end of the plant. The plant itself consisted of 8 interconnected buildings dominated by a 4-story mill and drying building located on the NW corner of the complex. South were an immense 3-story corroding house (15,000 sq ft and housed 139 corroding cylinders on 2 levels. Each cylinder was 3-feet in diameter. 6-ft long and made of white pine. Plant capacity set at 10,000 tons/year of white lead. Construction cost \$200,000. 1891 first year of production profit \$52,587.09, 50 men employed. 1892 profits doubled \$117,969.57
May 1893	Levi Carter amended the company's Article of Incorporation to include the building of another plant in West Pullman, Illinois on Chicago's south side	67-Percent of Carter White Lead products were shipped east of the Mississippi River. This led to the amendment and building of the second plant
1896	New plant was completed in Illinois	Capacity 20,000 ton/year
April 1899	Carter White Lead first plant closing 21 st and Locust street due to a major flood of the Missouri River prohibiting the shipment of product and creating an inability of workers to get to the factory	
May 1899	Plant resumed operations 21 st and Locust Street after flood waters receded	
December 1899	Illinois Central completed its Chicago-Council Bluffs, Iowa Mainline. This allowed Carter White Lead to ship its Chicago products to Omaha.	

Date	Activity	Structure, Production & Financial Information
1900	Company consolidated its manufacturing at Chicago and closed the 21st and Locust St Omaha plant	Payroll was reduced to \$44.30/week for 2 engineers on two shifts daily to maintain the plan and one warehousemen to keep records of sales and shipments to Chicago
November 7, 1903	The 21 st and Locust Street Omaha Plant was reopened	
January 1905	21 st and Locust Street Omaha plant was in full operation and land was purchased in Montreal, Canada to build another plant. The Canadian plant was completed by the end of the year.	Construction of a 20,000 ton plant
1903 to 1906	E. J. Cornish presided over Carter White Lead Company. He also invested heavily in the National Lead Company with money he received from Carter White.	Purchased \$41,050.00 in National Lead stock.
1906	Three Carter White Lead plants were operating in Montreal, Canada, Omaha, NE and Chicago, IL	
February 1906	NL and Carter White Lead Merged. E. J. Cornish reached an agreement with National Lead board of directors to bring Carter White Lead under the control of National Lead as a subsidiary. National Lead received Carter White Leads entire capital stock and the rights to the "Carter" process.	
1907	21 st and Locust Street Omaha plant closed. National Lead decided to amalgamate their products under one name: Dutch Boy. Carter White Lead produced Carter Lead Based Paints only out of their Chicago plant and sold them through Dutch Boy distributors.	
1910	The buildings were maintained from 1910-1920 at the East Omaha site.	National Lead appraised the East Omaha plant at \$203,592 for insurance purposes.
February-March 1926	Carter White Lead sold off its East Omaha properties in February. The plant was sold to Platte Valley Cement Tile and Manufacturing Company in March 1926.	Plant sold for \$7,000
March 9, 1926-February 2,	Platte Valley Cement Tile	Based upon a review of readily available city directories and Sanborn Fire Insurance Maps, the Site was vacant,

Date	Activity	Structure, Production & Financial Information
1946		with no known operations identified.
1930's to 1940's	Buildings were gradually torn down at the PRP Search property (21 st and Locust Street)	This is the site property in the PRP Search report.
1936	Edward Cornish, National Lead, sent letter to Omaha World Herald stating the main office moved to Chicago	
February 2, 1946-August 3, 1953	Andrew Lawslo purchased the property	No known operations identified during this period.
August 3, 1953-current	Transport Repair Service, Inc./Four T Service/Fleet Pride, Inc. (currently owned by MOWECO)	Operated as a truck, transportation and equipment repair facility since approximately 1953.
1959-2004	Harold's Supermarket/Harold Cooperman	Operated as a grocery store from 1959 until 2004. The parcel is currently owned by Rescue Mission and operates as a thrift store.
2005-current	Rescue Mission	Operated as a not for profit charity (thrift store) since 2005.

POTENTIAL RESPONSIBLE PARTIES

Potential Responsible Parties (PRP) were identified and classified according to CERCLA section 101 (e) (21) and CERCLA Section 107a.

There were three PRPs identified, National Lead (NL Industries), Rescue Mission, Inc., and MOWECO, Inc. The Owner/Operator information is provided in PRP profile sheets in Attachment B. National Lead is discussed below. Rescue Mission, Inc. and MOWECO, Inc. are PRPs by virtue of their current ownership of property at the site. There is no evidence that Rescue Mission or MOWECO used lead in any of their activities while they have owned property at the site. In addition, no evidence indicates that any of the other parties identified in this report owned the property while the contaminant of concern (lead) was being disposed at the site. The information includes the name, status, current address, registered agent, president, corporate information, narrative description of basis for inclusion, and references.

SPECIAL PRP INFORMATION

NATIONAL LEAD COMPANY

In 1916, National Lead bought Titanium Pigment Company of Niagara Falls, NY and Titan Company of Norway. From 1916-1989 National Lead marketed Titanium Dioxide as Titanox and Kronos

Annual report from 1917 showed either corporations in which National Lead Company owned all or part of the capital stock.

- Baker Castor Oil Company (New York)
- Bass-Heuter Paint Company (San Francisco, CA)
- Carter White Lead Company (Chicago and Omaha)
- Cinc Expansion Bolt and Engineering, Company (New York)
- Heath and Milligan MFG Company (Paints and Colors, Chicago)
- Magnus Company (Brass Founders, New York)
- Matheson Lead Company (Long Island city)
- River Smelting and Refining Company (St. Louis, Edward J. Cornish, President)
- United Lead Company (New York)
- United States Cartridge Company (MFG all metallic and sporting ammunition, Lowell, MA)
- Williams Harvey and Company (Smelters and Refiners of tin, Liverpool, England)
- Williams and Harvey Corporation (Edward Cornish, President, Smelters and Refiners of Tin, New York)

In 1897, Acquired St. Louis Smelting & Refining Company (St. Louis & Madison Co)

In 1906, Acquired Carter White Lead Company (Omaha, NE and Carterville, MO)

In 1906, Created Dutch Boy Paint Company

In 1921, Acquired Titanium Pigment Company (St. Louis)

In 1923, Acquired National Pigments and Chemical Company (St. Louis)



In 1924, Acquired Mueller Brass Foundry Company (St. Louis)

In 1925, Acquired Lawrence Shot and Lead Company (St. Louis)

In 1970, National Lead was renamed NL Industries

In 1976, Sold Dutch Boy Paints Division

In 1979, Sold Remaining Lead Interests

In 1980, Sold NL Magnesium for \$60 million (RENCO)

In 1986, Acquired by Valhi

In 2002, Acquired EWI RE Inc and EWI RE, LTD

In 2002 German Tax Court Rulings

In 2003, KRONOS stock swap

In 2004, Acquired 68.6% of CompX from affiliates for \$168 million

In 2005, Sold Thomas Regout Division for \$22.9 million

CONCLUSIONS

According to Chenega Global Services research and the request for information, (104(e)) response letter from Highland Environmental Management, NL Industries, Inc, purchased Carter White Lead Company in 1906. At the time of purchase by National Lead Company, the company assumed the liabilities associated with Carter White Lead Company.

In December 1936, the property of Carter White Lead Company was liquidated and the property, subject to all debts, liabilities, and obligations was transferred to the National Lead Company. In 1970, National Lead Company was renamed NL Industries, Inc.

Since lead is the contaminant of concern and NL Industries is the corporate successor of Carter White Lead Company, they are a Potential Responsible Party for the Former Carter White Lead site at 21st and Locust Street, according to CERCLA 107(a).

REFERENCE MATERIALS

Full text of references is included in the following categories as attachments

ATTACHMENT A: MAPS OF SITE PROPERTY

ATTACHMENT B: PRP PROFILE SHEETS

ATTACHMENT C: TITLE/DEED DOCUMENTS

ATTACHMENT D: LETTER FOR SITE ZONING

ATTACHMENT E: TAX INQUIRY ASSESSMENT

ATTACHMENT F: 104(E) RESPONSE LETTER

ATTACHMENT G: CORPORATE SUCCESSION DOCUMENTS

ATTACHMENT H: NEWSPAPER ARTICLES

ATTACHMENT I: CORPORATE ARTICLES AND DUNN & BRADSTREET REPORTS

ATTACHMENT J: SITE HISTORY AND BIOGRAPHIC ARTICLES

ATTACHMENT K: MISCELLANEOUS ARTICLES

ATTACHMENT L: SITE ASSESSMENT REPORT

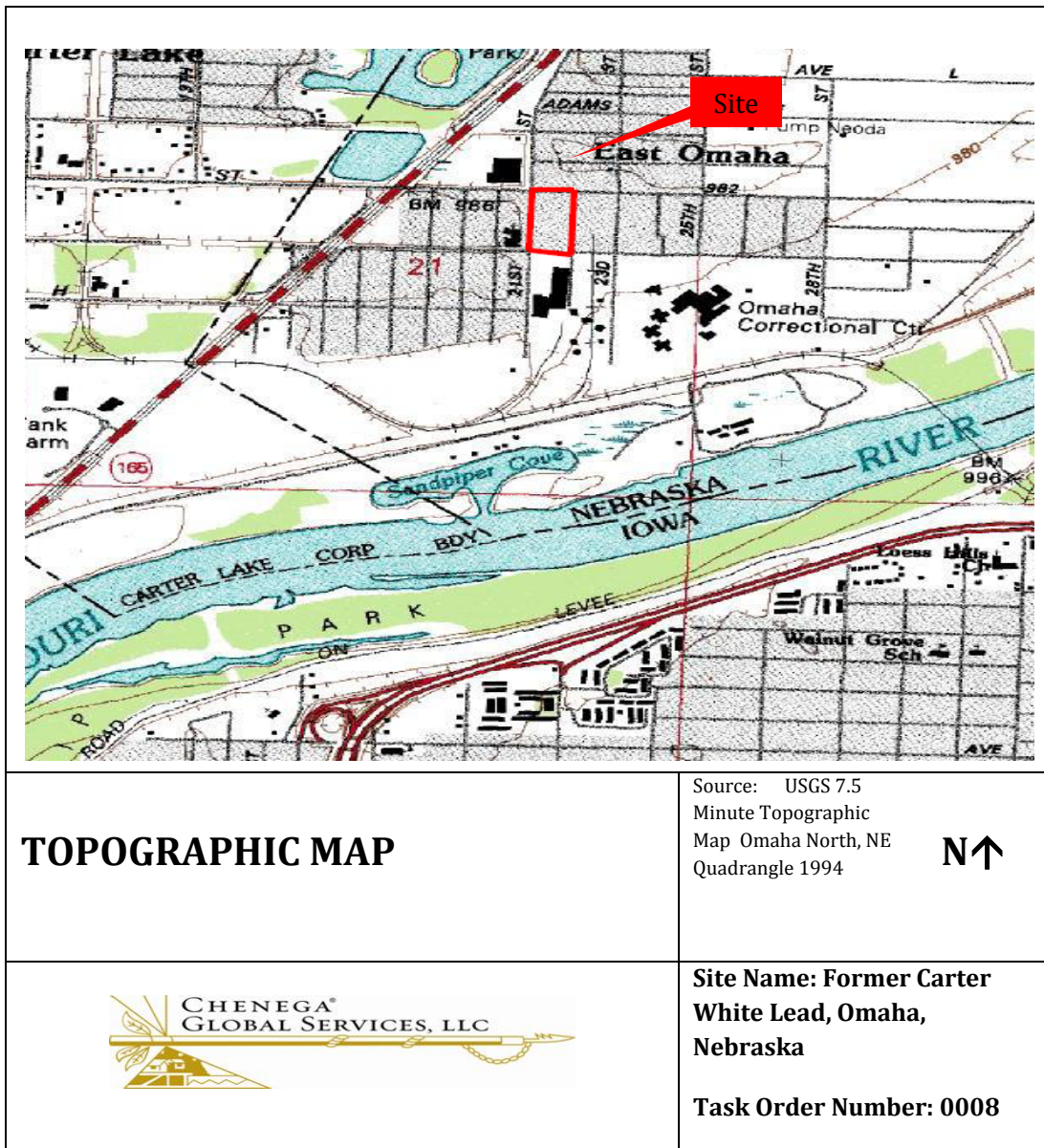


Figure 1: USGS Topographic Map of Site

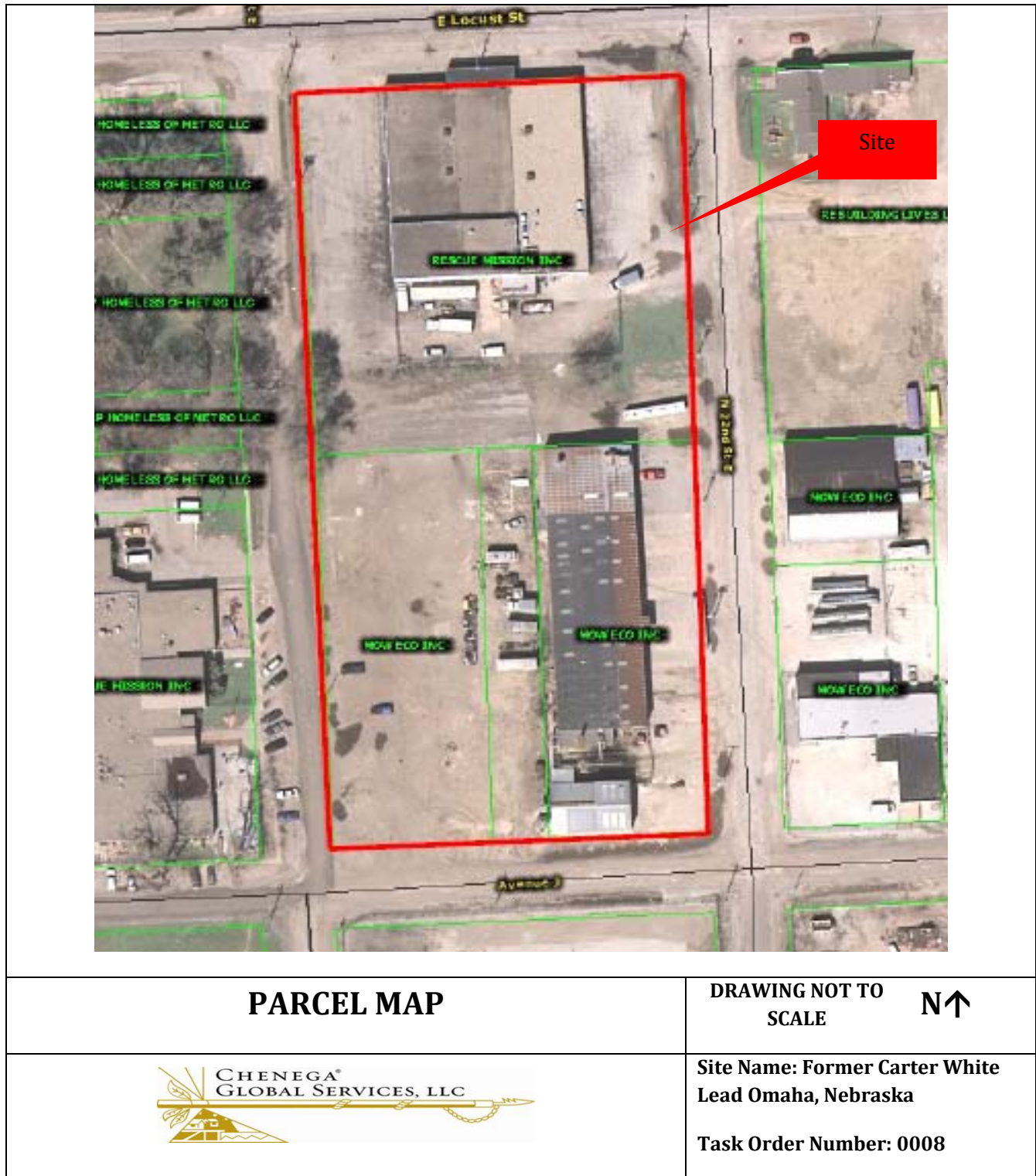


Figure 2: Aerial Photo of the Site

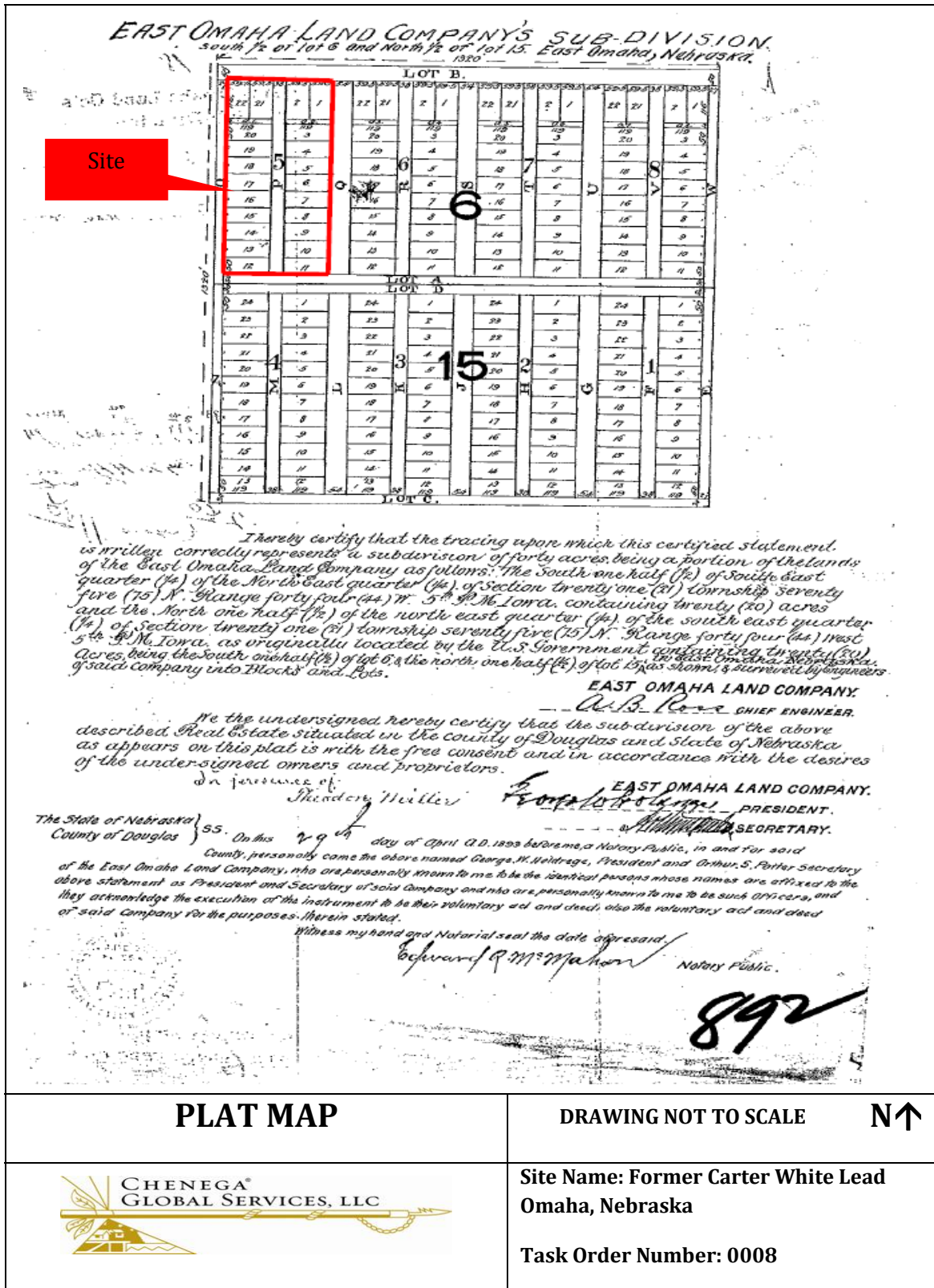


Figure 3: Plat Map of Site

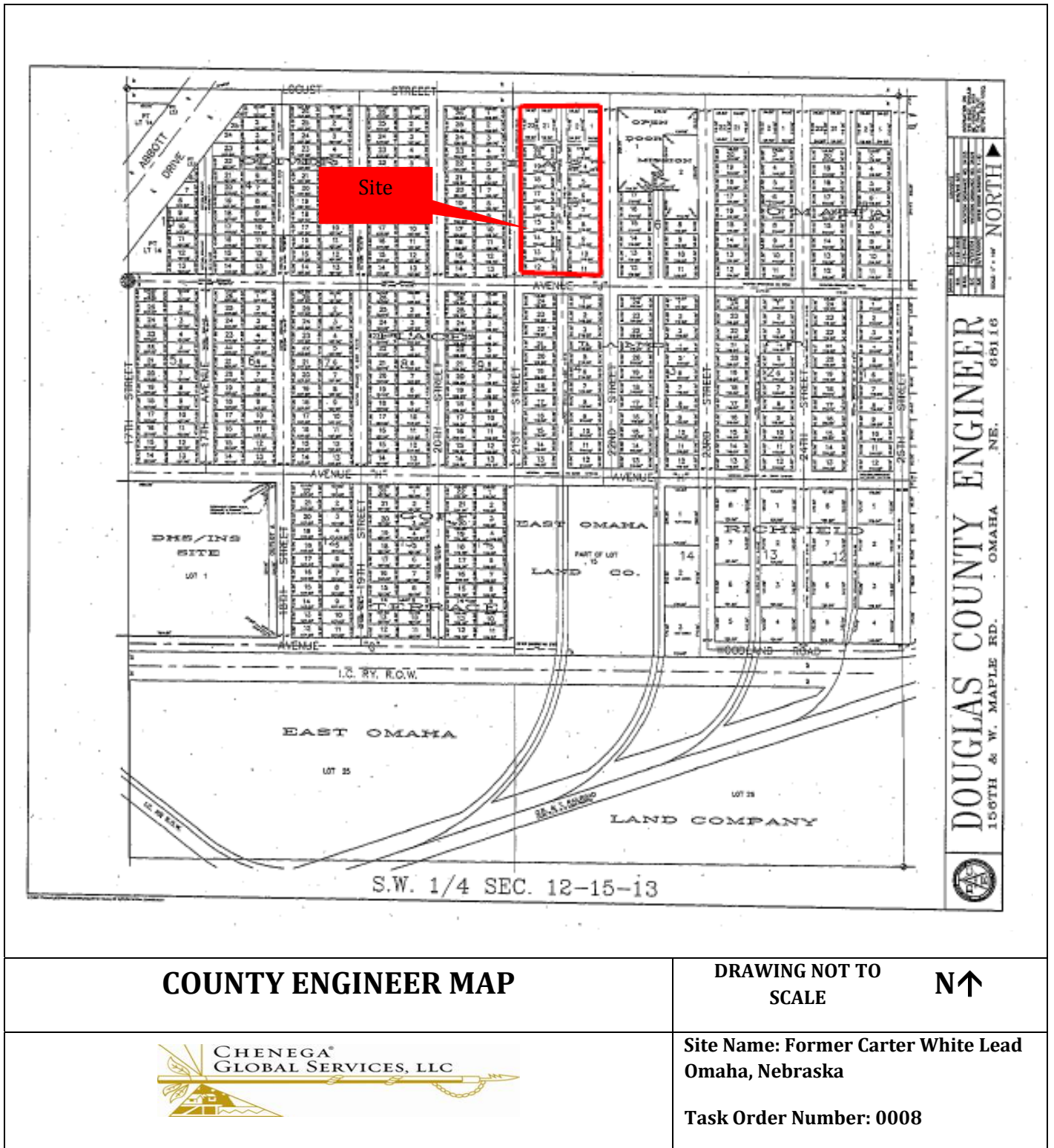
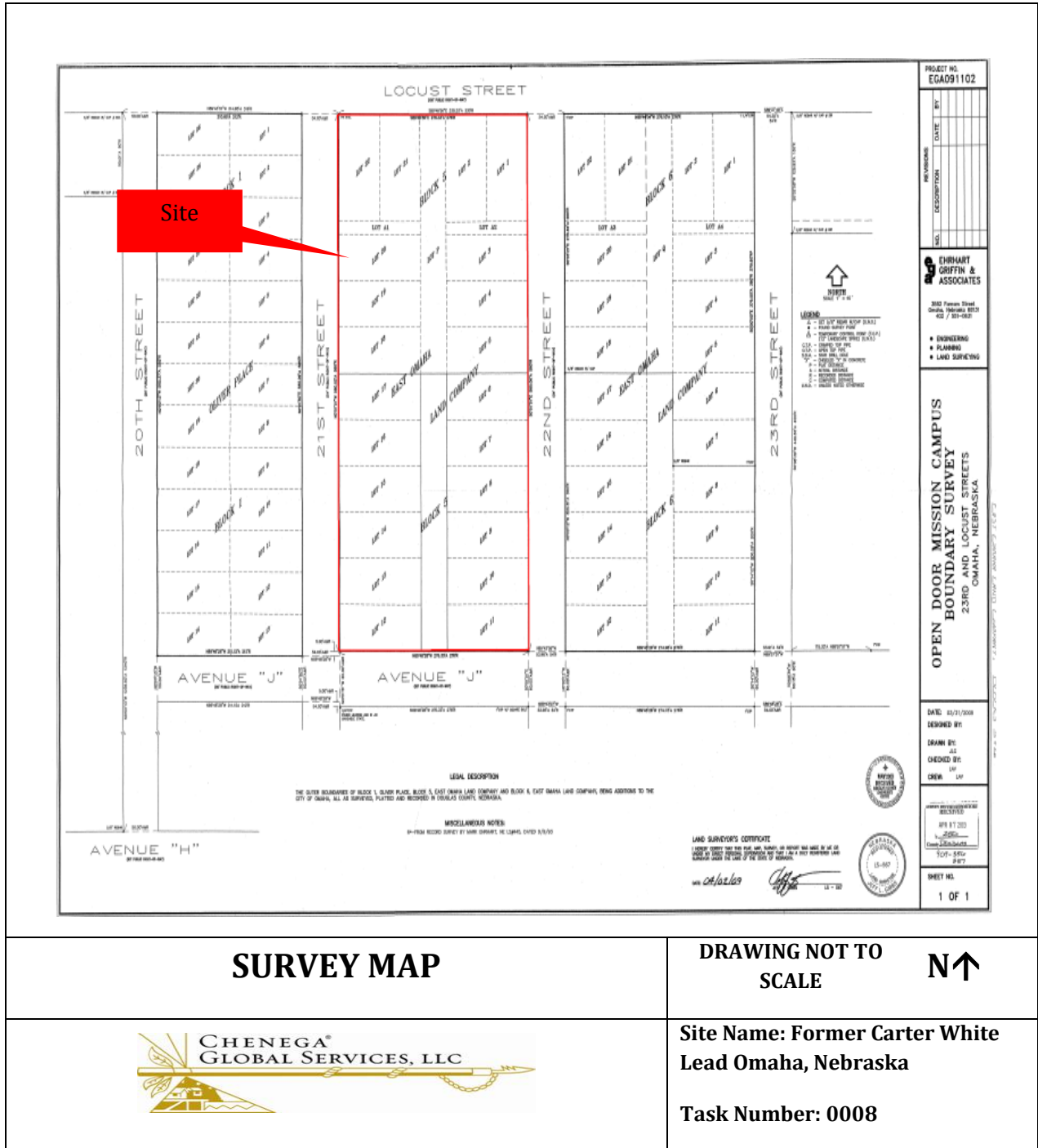


Figure 4: Douglas County Engineer Map of Site.



SURVEY MAP

DRAWING NOT TO
SCALE

N↑



**Site Name: Former Carter White
Lead Omaha, Nebraska**

Task Number: 0008

Figure 5: Survey Map of Site.

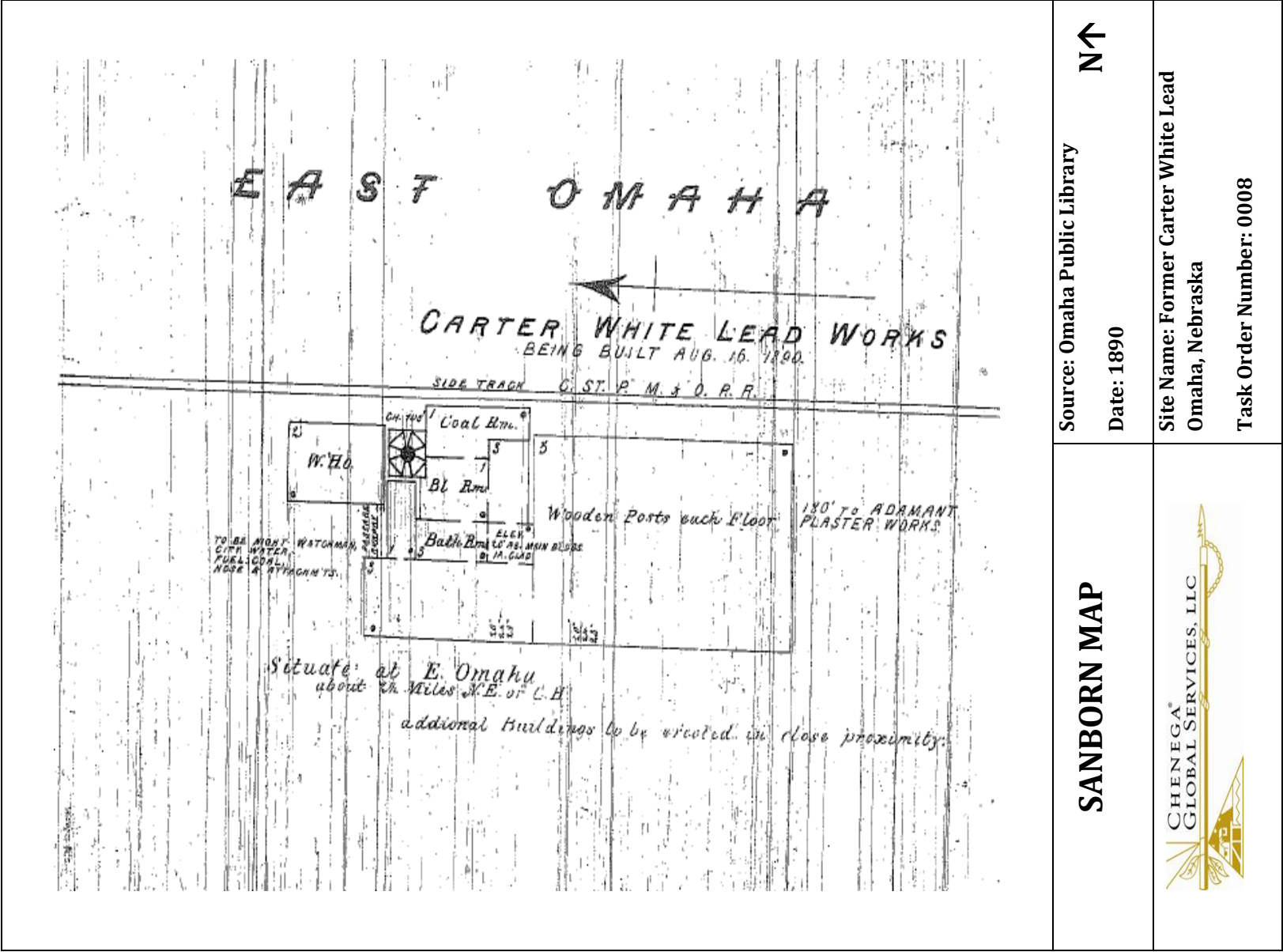
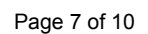


Figure 6: 1890 Sanborn Map of Site.



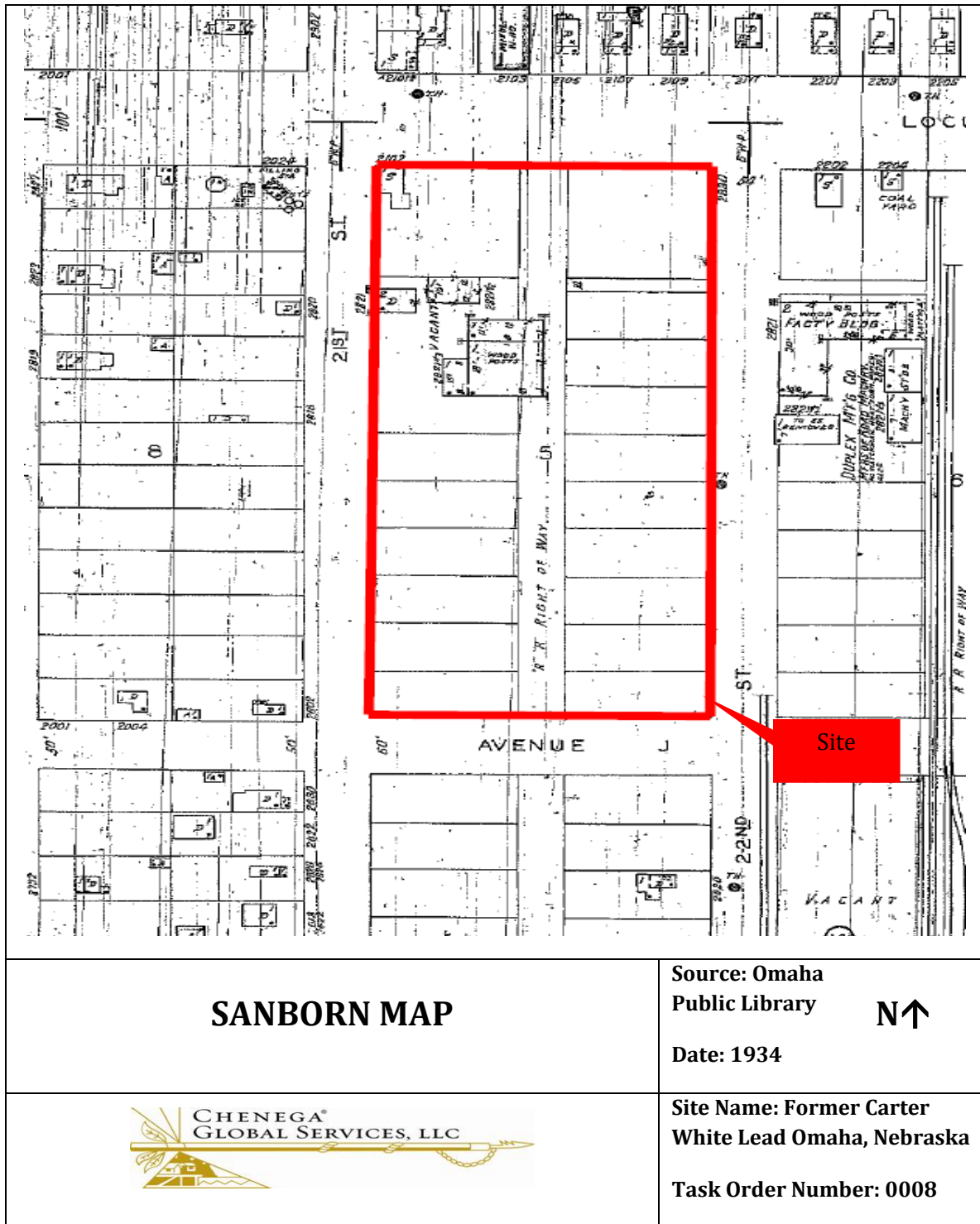


Figure 8: 1934 Sanborn Map of Site

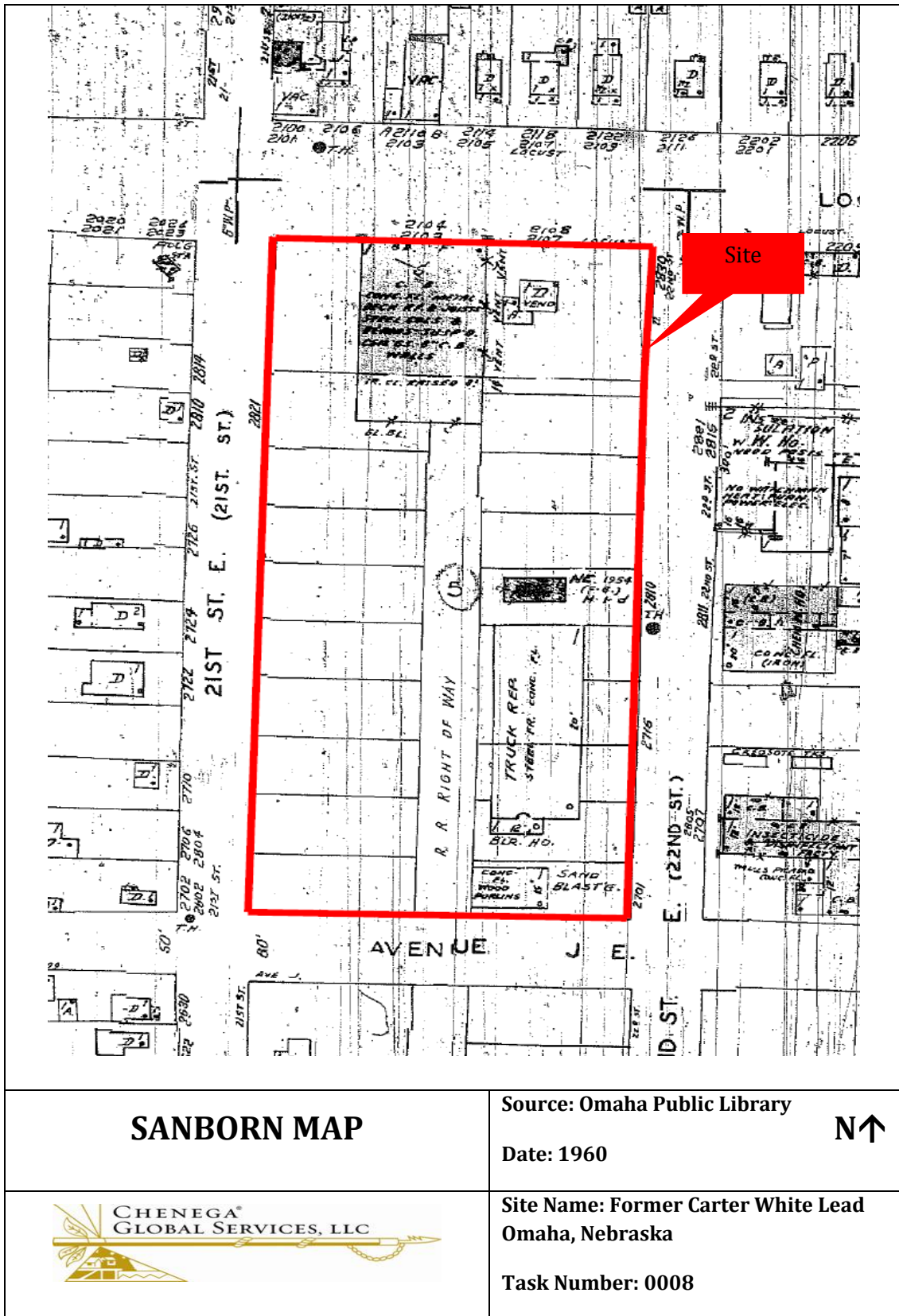


Figure 9: 1960 Sanborn Map of Site.

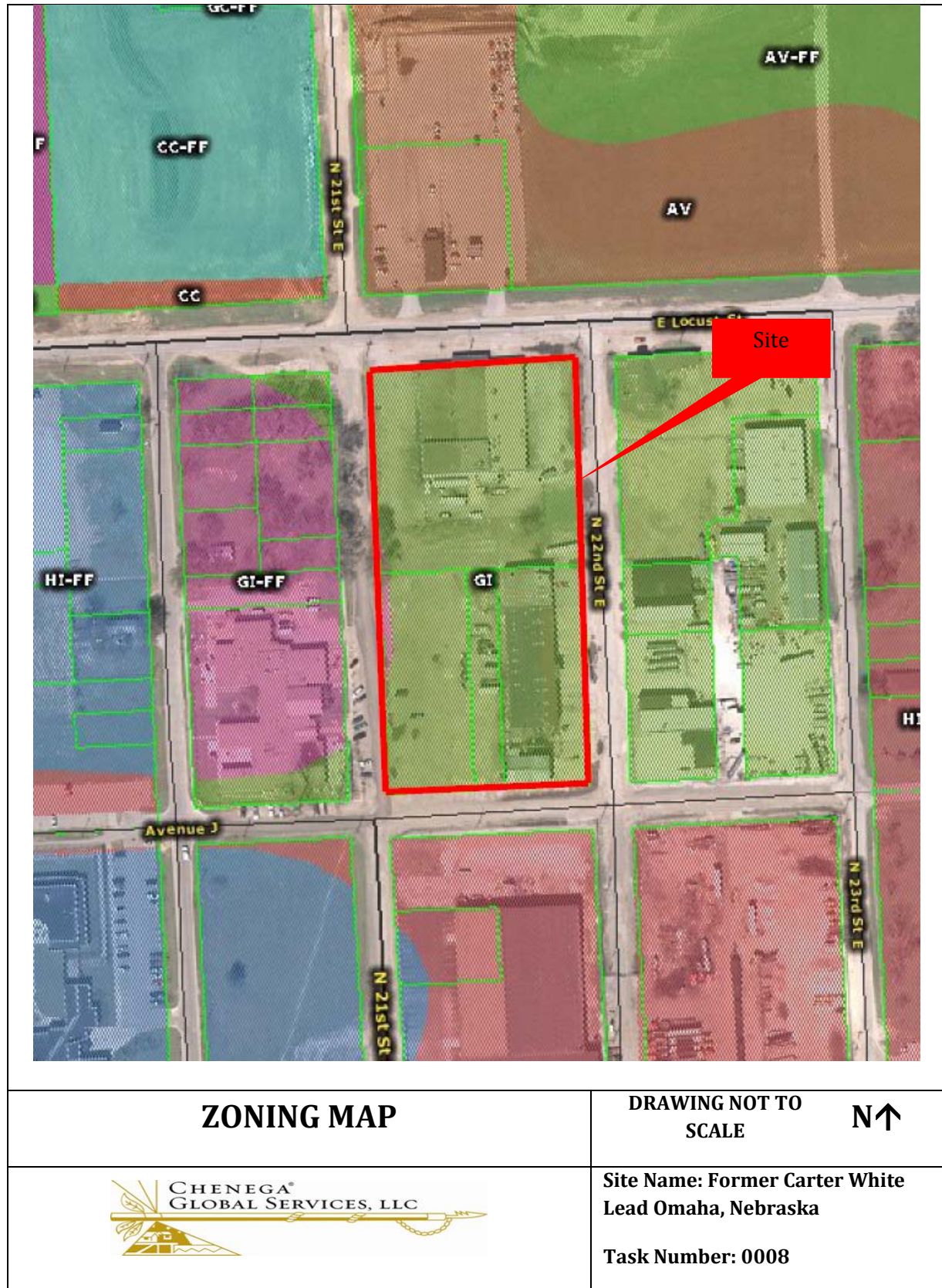


Figure 10: Douglas County Zoning Map of Site.

Attachment B Former Carter White Lead PRP Profile Sheets

PRP Name: **NL Industries, Inc. (Subsidiary of Valhi, Inc., Dallas TX)**

Address: 5430 LBJ Freeway, Suite 1700, Dallas, Texas 75240-2697

Headquarters address: (if different) SAME

Telephone: (972) 233-1700

Fax: Unknown

Website: www.nl-ind.com

Business Type: Holding Company

Corporation Type: Unknown

Date of Incorporation: 09/27/1929 (As National Lead Company)

State of Incorporation: New Jersey

Employs: Unknown

Status: Active

Other contact Information (principals): Harold C. Simmons (Chairman and CEO), Robert D. Graham (Vice President, General Counsel, Secretary), Gregory M. Swalwell (Vice President, Finance), James W. Brown (Vice President)

Chief Executive: Harold C. Simmons

Registered Agent: Prentice-Hall Corporation System, Inc

Net worth: \$188,364,000

Narrative: NL Industries, formerly known as National Lead Company, is the corporate successor of Former Carter White Lead. The parcel is contaminated with lead, which is a hazardous substance. According to CERCLA 107(a) (1) liability is with NL Industries, Inc. thus they are a PRP.

Global Ultimate is Harold C. Simmons Family Trust (Dallas, TX). Parent is Valhi, Inc, (Dallas, TX). Subsidiaries are CompX International, Inc., (Dallas, TX); Baroid de Venezuela SA, (Caracas, Venezuela); Affiliates are Amalgamated Research Inc., (Twin Falls, ID); Andrews County Holding, Inc, (Dallas, TX); Kronos Worldwide, Inc, (Dallas, TX); Tremont Group, Inc, (Denver, CO); Valcor, Inc., (Dallas, TX); and Waste Control Specialists LLC, (Andrews, TX).

References: NL Industries, Inc, Third Quarter 2009 10-Q Report, Nebraska Secretary of State, and Dunn and Bradstreet.



PRP Name: **Rescue Mission, Inc, Open Door Mission**

Address: 2828 N. 23rd Street E, Omaha, NE 68110 (Changed from 3030 N. 21st Street E, Omaha, NE 68110)

Mailing Address: P.O. Box 8340, Omaha, NE 68108

Telephone: 402-422-1111

Fax: 402-346-0561

Website: www.opendoormission.org

Business Type: Corporation

Corporation Type: Non-Profit

Date of Incorporation: March 3, 1955

State of Incorporation: Nebraska

Employs: 65

Chief Executive: Candice Gregory, PRES-CEO

Other contact Information: Unknown

Net worth: \$2,268,423

Narrative: Business started 1955 by interested local citizens. Rescue Mission, Inc is a current owner of a portion of the contaminated property and therefore area a PRP according to CERCLA 107(a)(1).

References: Dunn and Bradstreet, Nebraska Secretary of State, and Douglas County Assessors Office



PRP Name: **MOWECO, Inc**

Address: 1002 Grey Fawn Drive, Omaha, NE

Headquarters address: (if different) SAME

Telephone: Unknown

Fax: Unknown

Website: Unknown

Business Type: Corporation

Corporation Type: Unknown

Date of Incorporation: September 29, 1960

State of Incorporation: Nebraska

Employs: Unknown

Status: Active

Other contact Information (principals): John R. Holmes (director), Morgan f. Holmes (president, treasurer, director), Mary E. Vandenack (secretary)

Chief Executive: Morgan F. Holmes, President

Registered Agent: Mary E. Vandenack

Net worth: undetermined

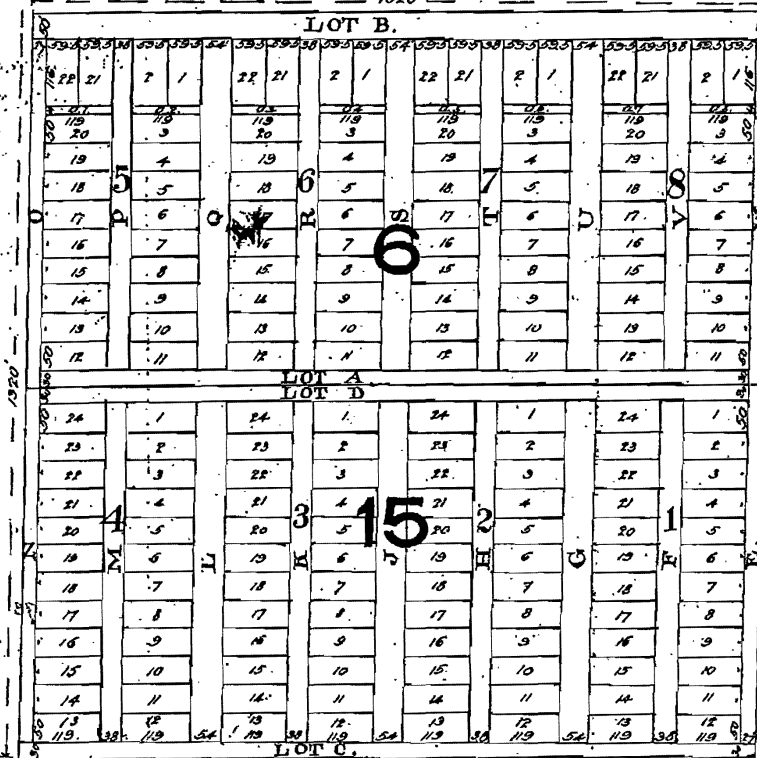
Narrative: Moweco owns two parcels of land (assessor's parcel numbers 1006700000 and 1006730000) that are a portion of the contaminated property, therefore, according to CERCLA 107(a)(1) they are a PRP of this property.

References: Dunn and Bradstreet business information report, 18 November 2009, Nebraska Secretary of State, and the Douglas County Assessors office



EAST OMAHA LAND COMPANY'S SUB-DIVISION.

South 1/2 of lot 6 and North 1/2 of lot 15, East Omaha, Nebraska.



Thereby certify that the tracing upon which this certified statement is written, correctly represents a subdivision of forty acres, being a portion of the lands of the East Omaha Land Company as follows: The South one half (1/2) of South East quarter (1/4) of the North East quarter (1/4) of Section twenty one (21) Township seventy five (75) N. Range forty four (44) W. 5th S. 16th Iowa, containing twenty (20) acres and the North one half (1/2) of the north east quarter (1/4) of the south east quarter (1/4) of Section twenty one (21) township seventy five (75) N. Range forty four (44) West 5th S. 16th Iowa, as originally located by the U.S. Government containing twenty (20) acres, being the South one half (1/2) of lot 6, & the north one half (1/2) of lot 15, in East Omaha, Nebraska, as shown & surveyed by engineers of said Company into Blocks and Lots.

EAST OMAHA LAND COMPANY.

A. B. Rose CHIEF ENGINEER.

We the undersigned hereby certify that the subdivision of the above described Real Estate situated in the county of Douglas and State of Nebraska as appears on this plat is with the free consent and in accordance with the desires of the undersigned owners and proprietors.

In presence of:

Theodore Miller

EAST OMAHA LAND COMPANY.

George H. Heldrege PRESIDENT.

Arthur S. Potter SECRETARY.

The State of Nebraska } ss.
County of Douglas }

On this 29th day of April A.D. 1893 before me, a Notary Public, in and for said County, personally came the above named George H. Heldrege, President and Arthur S. Potter Secretary of the East Omaha Land Company, who are personally known to me to be the identical persons whose names are affixed to the above statement as President and Secretary of said Company and who are personally known to me to be such Officers, and they acknowledge the execution of the instrument to be their voluntary act and deed; also the voluntary act and deed of said Company for the purposes therein stated.

Witness my hand and Notarial seal the date aforesaid.

Edward R. McMahon

Notary Public.

892



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 7
901 NORTH 5TH STREET
KANSAS CITY, KANSAS 66101

To:

From: Norma Tharp, Paralegal Specialist
U.S. Environmental Protection Agency, Region VII

Re: Statement of Work
Chain of Title Report for:
Assessor's Parcel No.: 0670-000-10 (2717 N. 21 St. E.)
Assessor's Parcel No.: 0673-000-10 (2716 N. 22nd St. E.)
Assessor's Parcel No.: 0671-000-10 (2107 E. Locust St.)
See attached **original** legal description and current parcel map.
Note that original legal description may have changed and/or property
may have been replatted.

Date: July 28, 2009

Contractor will deliver to the EPA the following:

1. Chain of title (owners and encumbrances) report beginning **approximately 1890-1895** with ownership of Carter White Lead Company, to present, showing grantee and grantor information, to include deeds, mortgages, contracts, leases, judgments and liens, surveys, and current owner tax information for the above referenced parcel. Report will show grantor and grantee name, date of document, type of document, and book and page number of document filed. Include deed showing transfer of ownership to Carter White Lead Company.
2. Copies of all documents referred to in chain of title report.
3. Deliver report(s) and document copies by express mail or express delivery service to:

Norma Tharp, Paralegal Specialist
Office of Regional Counsel
U.S. Environmental Protection Agency
901 N. 5th Street
Kansas City, Ks. 66101

For questions, contact Norma Tharp at 800-223-0425, extension 7076, or 913-551-7076. E-mail: tharp.norma@epa.gov Facsimile: 913-551-9076

nt:5495.doo

CHAIN OF TITLE, INC.1124 S. 30th Ave, Omaha, Nebraska 68105
Phone: 402-733-3033 Fax: 402-731-7200

VENDOR NUMBER: _____

ORDER NUMBER: _____ PRODUCT CODE: _____

SEARCH DATE: **8/3/2009** UPDATED: _____ COT FILE #: **EP09-08-001**
POST/EFF.DATE: **7/15/2009** POST DATE: _____ COUNTY: **DOUGLAS**TYPE: PURCHASE: _____ CURRENT OWNER: **X** EASEMENTS: YES _____ NO **X**ADDRESS: **2107 EAST LOCUST STREET, OMAHA, NE****LOTS 1 THRU 5, LOTS 18 THRU 22, LOT P, LOTS A-1 AND A-2, 1/2 VACATED
12TH STREET ADJACENT, BLOCK 5, EAST OMAHA LAND COMPANY
SUBDIVISION, AN ADDITION TO THE CITY OF OMAHA, DOUGLAS COUNTY,**LEGAL: **NE**

PLAT:	BOOK/INST:	PAGE:	FILED:
COVT:	BOOK/INST:	PAGE:	FILED:
COVT:	BOOK/INST:	PAGE:	FILED:
EASE:	BOOK/INST:	PAGE:	FILED:
EASE:	BOOK/INST:	PAGE:	FILED:

SELLER/OWNER SEARCHED: **RESCUE MISSION, INC.**

BUYERS SEARCHED: _____

LAND: _____

IMPROVEMENTS: _____

OUT BUILDINGS: _____

TOTAL: \$ _____

ADDITIONAL SEARCHED: _____

2008 SEMI-ANNUAL COUNTY TAXES: (There are no City or School taxes)PARCEL/TAX ID #: **0671-0000-10**SPECIALS/COMPLAINTS: YES _____ NO **X**

2008 TOTAL ANNUAL AMOUNT: _____

NOTES: _____

1ST 1/2:

\$ _____

Open: _____

Delq: _____

Paid: _____

2ND 1/2:

\$ _____

Open: _____

Delq: _____

Paid: _____

FEDERAL/STATE TAX LIENS: YES _____ NO **X**NOTES: **100% TAX EXEMPT**TAX SALE: YES _____ NO **X****COUNTY TREASURER INFORMATION****X** Douglas County Treasurer, Civic Center, 1819 Farnam St, LC-2, Omaha, NE 68107 (402) 444-7103

2008 Taxes Due: 12/31/2008 / 1st 1/2 delinquent 4/1/09 / 2nd 1/2 delinquent 8/1/09

Lancaster County Treasurer, 555 S. 10th St, Rm 102, Lincoln, NE 68508 (402) 441-7425

2008 Taxes Due: 12/31/2008 / 1st 1/2 delinquent 4/1/09 / 2nd 1/2 delinquent 8/1/09

Sarpy County Treasurer, 1210 Golden Gate Dr, Ste 1127, Papillion, NE 68046 (402) 593-2148

2008 Taxes Due: 12/31/2008 / 1st 1/2 delinquent 4/1/09 / 2nd 1/2 delinquent 8/1/09

Cass County Treasurer, 346 Main St, Plattsmouth, NE 68048-1964 (402) 296-9320

2008 Taxes Due: 12/31/2008 / 1st 1/2 delinquent 5/1/09 / 2nd 1/2 delinquent 9/1/09

CHAIN OF TITLE, INC.

Client Order Number: 0

File Number: EP09-08-001

DEEDS:

Book/Inst: 200	Page: 99	Dated: 7/15/1895	Filed: 12/17/1895	Type: WD
Grantor: EAST OMAHA LAND COMPANY Grantee: CARTER WHITE LEAD COMPANY				
Book/Inst: 529	Page: 558	Dated: 3/9/26	Filed: 3/19/26	Type: WD
Grantor: CARTER WHITE LEAD COMPANY Grantee: PLATTE VALLEY CEMENT TILE MFG CO.				
Book/Inst: 529	Page: 561	Dated: 3/9/26	Filed: 3/19/26	Type: QCD
Grantor: CARTER WHITE LEAD COMPANY Grantee: PLATTE VALLEY CEMENT TILE MFG CO.				
Book/Inst: 584	Page: 642	Dated: 1/14/31	Filed: 9/16/31	Type: SHD
Grantor: C.B. MCDONALD, SHERIFF OF THE COUNTY OF DOUGLAS Grantee: W.C. FRASER				
Book/Inst: 671	Page: 495	Dated: 11/1/39	Filed: 11/3/39	Type: QCD
Grantor: PLATTE VALLEY CEMENT TILE MFG CO. Grantee: NEBRASKA POWER COMPANY				
Book/Inst: 677	Page: 433	Dated: 5/22/40	Filed: 5/29/40	Type: WD
Grantor: PLATTE VALLEY CEMENT TILE MFG CO. Grantee: MARGARET LAWSLO AND ANDREW LAWSLO, AJT WROS				
Book/Inst: 771	Page: 377	Dated: 2/2/46	Filed: 2/8/46	Type: WD
Grantor: PLATTE VALLEY CEMENT TILE MFG CO. Grantee: ANDREW LAWSLO AND JOHN LAWSLO				
Book/Inst: 799	Page: 462	Dated: 1/18/47	Filed: 1/20/47	Type: WD
Grantor: JOHN LAWSLO AND ELAIN LAWSLO, H&W Grantee: ANDREW LAWSLO AND MARGARET LAWSLO, H&W AJT WROS				
Book/Inst: 813	Page: 413	Dated: 7/26/47	Filed: 7/30/47	Type: QCD
Grantor: PLATTE VALLEY CEMENT TILE MFG CO. Grantee: ANDY LAWSLO				
Book/Inst: 827	Page: 493	Dated: 1/30/48	Filed: 2/10/48	Type: SHD
Grantor: WILLIAM H. DORRANCE, SHERIFF OF DOUGLAS COUNTY Grantee: ANDREW LAWSLO AND MARGARET LAWSLO, H&W AJT WROS				
Book/Inst: 1124	Page: 279	Dated: 7/17/61	Filed: 8/17/61	Type: CWD
Grantor: OMAHA PUBLIC POWER DISTRICT, FKA NEBRASKA POWER COMPANY Grantee: ANDREW LAWSLO, SR.				
Book/Inst: 1406	Page: 279	Dated: 1/2/70	Filed: 3/20/70	Type: QCD
Grantor: ANDREW LAWSLO, SR.; ANDREW J. LAWSLO, JR. AND ETHELENE H. LAWSLO, H&W Grantee: HAROLD COOPERMAN				
Book/Inst: 1406	Page: 263	Dated: 1/2/70	Filed: 3/20/70	Type: WD
Grantor: ANDREW LAWSLO, SR.; ANDREW J. LAWSLO, JR. AND ETHELENE H. LAWSLO, H&W Grantee: HAROLD COOPERMAN				

Book/Inst: 497	Page: 485	Dated: 3/11/71	Filed: 3/11/71	Type: CERTIFICATE
Grantor: COUNTY COURT OF DOUGLAS COUNTY, NE				
Grantee: IN THE MATTER OF THE ESTATE OF MARGARET LAWSLO, DECEASED				

Book/Inst: 488	Page: 453	Dated: 4/8/70	Filed: 4/17/70	Type: CERTIFICATE
Grantor: COUNTY COURT OF DOUGLAS COUNTY, NE				
Grantee: IN THE MATTER OF THE ESTATE OF MARGARET LAWSLO, DECEASED				

Book/Inst: 1770	Page: 669	Dated: 12/27/85	Filed: 12/30/85	Type: WD
Grantor: HAROLD COOPERMAN AND MERRIAM COOPERMAN, H&W				
Grantee: ROBERT M. MCDERMOTT AND DEBRA M. MCDERMOTT, H&W AJT				

Book/Inst: 05-075698	Page:	Dated: 6/22/05	Filed: 6/29/05	Type: WD
Grantor: ROBERT M. MCDERMOTT AND DEBRA M. MCDERMOTT, H&W				
Grantee: RESCUE MISSION, INC.				

Book/Inst: 05-098076	Page:	Dated: 6/24/05	Filed: 8/11/05	Type: BOS
Grantor: ROBERT M. MCDERMOTT AND DEBRA M. MCDERMOTT, H&W				
Grantee: SECURITY NATIONAL BANK OMAHA, TRUSTEE				

Book/Inst: 05-098077	Page:	Dated: 6/27/05	Filed: 8/11/05	Type: BOS
Grantor: SECURITY NATIONAL BANK OMAHA, TRUSTEE				
Grantee: RESCUE MISSION, INC.				

MORTGAGES:

PUD: n/a

Condo: n/a

Waterfront: n/a

Book/Inst: 05-078601	Page:	Dated: 6/27/05	Filed: 7/6/05	Amount: \$ 750,000.00
Adjustable Rate Rider n/a		Open Ended/Future Clause?: NO		Amount:
Name: RESCUE MISSION, INC.				
Trustee: GREAT WESTERN BANK				
Beneficiary: GREAT WESTERN BANK				
Type: n/a		Book/Inst:		Filed:
Name:				
Type: n/a		Book/Inst:		Filed:
Name:				

JUDGMENTS:

NONE FOUND: X

Plaintiff:	Case No:	Filed:
Defendant:		
Type:		

Plaintiff:	Case No:	Filed:
Defendant:		
Type:		



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 7
901 NORTH 5TH STREET
KANSAS CITY, KANSAS 66101

To:

From: Norma Tharp, Paralegal Specialist
U.S. Environmental Protection Agency, Region VII

Re: Statement of Work
Chain of Title Report for:
Assessor's Parcel No.: 0670-000-10 (2717 N. 21 St. E.)
Assessor's Parcel No.: 0673-000-10 (2716 N. 22nd St. E.)
Assessor's Parcel No.: 0671-000-10 (2107 E. Locust St.)
See attached **original** legal description and current parcel map.
Note that original legal description may have changed and/or property
may have been replatted.

Date: July 28, 2009

Contractor will deliver to the EPA the following:

1. Chain of title (owners and encumbrances) report beginning **approximately 1890-1895** with ownership of Carter White Lead Company, to present, showing grantee and grantor information, to include deeds, mortgages, contracts, leases, judgments and liens, surveys, and current owner tax information for the above referenced parcel. Report will show grantor and grantee name, date of document, type of document, and book and page number of document filed. Include deed showing transfer of ownership to Carter White Lead Company.
2. Copies of all documents referred to in chain of title report.
3. Deliver report(s) and document copies by express mail or express delivery service to:

Norma Tharp, Paralegal Specialist
Office of Regional Counsel
U.S. Environmental Protection Agency
901 N. 5th Street
Kansas City, Ks. 66101

For questions, contact Norma Tharp at 800-223-0425, extension 7076, or 913-551-7076. E-mail: tharp.norma@epa.gov Facsimile: 913-551-9076

nt:5495.doc

CHAIN OF TITLE, INC.1124 S. 30th Ave, Omaha, Nebraska 68105
Phone: 402-733-3033 Fax 402-731-7200

VENDOR NUMBER: _____

ORDER NUMBER: _____ PRODUCT CODE: _____

SEARCH DATE: 8/3/2009 UPDATED: _____ COT FILE #: EP09-08-001C
POST/EFF. DATE: 7/15/2009 POST DATE: _____ COUNTY: DOUGLASTYPE: PURCHASE: _____ CURRENT OWNER: X EASEMENTS: YES _____ NO XADDRESS: 2716 NORTH 22ND STREET, OMAHA, NELEGAL: LOTS 6 THRU 11, BLOCK 5, EAST OMAHA LAND COMPANY SUBDIVISION,
AN ADDITION TO THE CITY OF OMAHA, DOUGLAS COUNTY, NE

PLAT:	BOOK/INST:	PAGE:	FILED:
COVT:	BOOK/INST:	PAGE:	FILED:
COVT:	BOOK/INST:	PAGE:	FILED:
EASE:	BOOK/INST:	PAGE:	FILED:
EASE:	BOOK/INST:	PAGE:	FILED:

SELLER/OWNER SEARCHED: MOWECO, INC.

BUYERS SEARCHED: _____

ADDITIONAL SEARCHED: _____

LAND:	\$	21,000.00
IMPROVEMENTS:	\$	179,800.00
OUT BUILDINGS:		
TOTAL:	\$	200,800.00

2008 SEMI-ANNUAL COUNTY TAXES: (There are no City or School taxes)

PARCEL/TAX ID #:	<u>0673-0000-10</u>	SPECIALS/COMPLAINTS: YES _____ NO <u>X</u>
2008 TOTAL ANNUAL AMOUNT:	\$ <u>3,953.46</u>	NOTES: _____
1ST 1/2:	\$ <u>1,976.73</u>	
Open: _____ Delq: _____ Paid: <u>X</u>		
2ND 1/2:	\$ <u>1,976.73</u>	
Open: _____ Delq: _____ Paid: <u>X</u>		
NOTES: _____		FEDERAL/STATE TAX LIENS: YES _____ NO <u>X</u>
TAX SALE: YES _____ NO <u>X</u>		

COUNTY TREASURER INFORMATION

X Douglas County Treasurer, Civic Center, 1819 Farnam St, LC-2, Omaha, NE 68107 (402) 444-7103
2008 Taxes Due: 12/31/2008 / 1st 1/2 delinquent 4/1/09 / 2nd 1/2 delinquent 8/1/09

____ Lancaster County Treasurer, 555 S. 10th St, Rm 102, Lincoln, NE 68508 (402) 441-7425
2008 Taxes Due: 12/31/2008 / 1st 1/2 delinquent 4/1/09 / 2nd 1/2 delinquent 8/1/09

____ Sarpy County Treasurer, 1210 Golden Gate Dr, Ste 1127, Papillion, NE 68046 (402) 593-2148
2008 Taxes Due: 12/31/2008 / 1st 1/2 delinquent 4/1/09 / 2nd 1/2 delinquent 8/1/09

____ Cass County Treasurer, 346 Main St, Plattsmouth, NE 68048-1964 (402) 296-9320
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CHAIN OF TITLE, INC.

Client Order Number: 0

File Number: EP09-08-001C

DEEDS:

Book/Inst: 200	Page: 99	Dated: 7/15/1895	Filed: 12/17/1895	Type: WD	All
Grantor: EAST OMAHA LAND COMPANY					
Grantee: CARTER WHITE LEAD COMPANY					
Book/Inst: 529	Page: 558	Dated: 3/9/26	Filed: 3/19/26	Type: WD	All
Grantor: CARTER WHITE LEAD COMPANY					
Grantee: PLATTE VALLEY CEMENT TILE MFG CO.					
Book/Inst: 771	Page: 377	Dated: 2/2/46	Filed: 2/8/46	Type: WD	Lots 3-20
Grantor: PLATTE VALLEY CEMENT TILE MFG CO.					
Grantee: ANDREW LAWSLO AND JOHN LAWSLO					
Book/Inst: 799	Page: 462	Dated: 1/18/47	Filed: 1/20/47	Type: WD	Lots 1-7, 21
Grantor: JOHN LAWSLO AND ELSIE LAWSLO, H&W					
Grantee: ANDREW LAWSLO AND MARGARET LAWSLO, H&W					
Book/Inst: 932	Page: 690	Dated:	Filed: 8/18/53	Type: WD	Lots 6-11
Grantor: ANDREW LAWSLO AND MARGARET LAWSLO, H&W					
Grantee: TRANSPORT REPAIR SERVICE, INC.					
Book/Inst: 937	Page: 201	Dated: 11/10/53	Filed: 11/12/53	Type: WD	Lots 6-11
Grantor: ANDREW LAWSLO AND MARGARET LAWSLO, H&W					
Grantee: TRANSPORT REPAIR SERVICE, INC.					
Book/Inst: 1402	Page: 251	Dated: 10/31/69	Filed: 1/5/70	Type: WD	Lots 6-11
Grantor: TRANSPORT REPAIR SERVICE, INC.					
Grantee: REUBEN C. L. JOHNSON AND RUTH E. JOHNSON, H&W AJT WROS					
Book/Inst: 1744	Page: 155	Dated: 10/1/74	Filed: 11/21/84	Type: WD	Lots 6-11
Grantor: REUBEN C. L. JOHNSON AND RUTH E. JOHNSON, H&W					
Grantee: MORGAN WHEEL & EQUIPMENT CO.					
Book/Inst: 1746	Page: 585	Dated: 11/30/84	Filed: 12/31/84	Type: WD	Lots 6-11
Grantor: MORGAN WHEEL & EQUIPMENT CO.					
Grantee: MOWECO, INC.					

MORTGAGES:PUD: n/aCondo: n/aWaterfront: n/a

Book/Inst:	Page:	Dated:	Filed:	Amount:	\$	-
Adjustable Rate Rider		n/a	Open Ended/Future Clause?:	NO	amount:	
Name:						
Trustee:						
Beneficiary:						
***** NO OPEN MORTGAGES FOUND *****						
Type: n/a			Book/Inst:			Filed:
Name:						
Type: n/a			Book/Inst:			Filed:
Name:						

JUDGMENTS:

NONE FOUND: X

Plaintiff:	Case No:	Filed:
Defendant:		
Type:		

Plaintiff:	Case No:	Filed:
Defendant:		
Type:		



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 7
901 NORTH 5TH STREET
KANSAS CITY, KANSAS 66101

To:

From: Norma Tharp, Paralegal Specialist
U.S. Environmental Protection Agency, Region VII

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Assessor's Parcel No.: 0673-000-10 (2716 N. 22nd St. E.)
Assessor's Parcel No.: 0671-000-10 (2107 E. Locust St.)
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2. Copies of all documents referred to in chain of title report.
3. Deliver report(s) and document copies by express mail or express delivery service to:

Norma Tharp, Paralegal Specialist
Office of Regional Counsel
U.S. Environmental Protection Agency
901 N. 5th Street
Kansas City, Ks. 66101

For questions, contact Norma Tharp at 800-223-0425, extension 7076, or 913-551-7076. E-mail: tharp.norma@epa.gov Facsimile: 913-551-9076

nt:5495.doc

CHAIN OF TITLE, INC.

1124 S. 30th Ave, Omaha, Nebraska 68105
 Phone: 402-733-3033 Fax: 402-731-7200

VENDOR NUMBER: _____

ORDER NUMBER: _____ PRODUCT CODE: _____

SEARCH DATE: 8/3/2009 UPDATED: _____ COT FILE #: EP09-08-001B
 POST/EFF.DATE: 7/15/2009 POST DATE: _____ COUNTY: DOUGLAS

TYPE: PURCHASE: _____ CURRENT OWNER: X EASEMENTS: YES _____ NO XADDRESS: 2717 NORTH 21ST STREET, OMAHA, NE

LOTS 12 THRU 17, 1/2 VACATED 21ST STREET ADJACENT, BLOCK 5, EAST
OMAHA LAND COMPANY SUBDIVISION, AN ADDITION TO THE CITY OF

LEGAL: OMAHA, DOUGLAS COUNTY, NE

PLAT:	BOOK/INST:	_____	PAGE:	_____	FILED:	_____
COVT:	BOOK/INST:	_____	PAGE:	_____	FILED:	_____
COVT:	BOOK/INST:	_____	PAGE:	_____	FILED:	_____
EASE:	BOOK/INST:	_____	PAGE:	_____	FILED:	_____
EASE:	BOOK/INST:	_____	PAGE:	_____	FILED:	_____

SELLER/OWNER SEARCHED: MOWECO, INC.

BUYERS SEARCHED: _____

LAND: \$ 17,900.00

IMPROVEMENTS: _____

OUT BUILDINGS: _____

TOTAL: \$ 17,900.00

ADDITIONAL SEARCHED: _____

2008 SEMI-ANNUAL COUNTY TAXES: (There are no City or School taxes)PARCEL/TAX ID #: 0670-0000-10SPECIALS/COMPLAINTS: YES _____ NO X2008 TOTAL ANNUAL AMOUNT: \$ 352.42

NOTES: _____

1ST 1/2: \$ 176.21Open: _____ Delq: _____ Paid: X2ND 1/2: \$ 176.21Open: _____ Delq: _____ Paid: XFEDERAL/STATE TAX LIENS: YES _____ NO X

NOTES: _____

TAX SALE: YES _____ NO X**COUNTY TREASURER INFORMATION**

- X Douglas County Treasurer, Civic Center, 1819 Farnam St, LC-2, Omaha, NE 68107 (402) 444-7103
 2008 Taxes Due: 12/31/2008 / 1st 1/2 delinquent 4/1/09 / 2nd 1/2 delinquent 8/1/09
 _____ Lancaster County Treasurer, 555 S. 10th St, Rm 102, Lincoln, NE 68508 (402) 441-7425
 2008 Taxes Due: 12/31/2008 / 1st 1/2 delinquent 4/1/09 / 2nd 1/2 delinquent 8/1/09
 _____ Sarpy County Treasurer, 1210 Golden Gate Dr, Ste 1127, Papillion, NE 68046 (402) 593-2148
 2008 Taxes Due: 12/31/2008 / 1st 1/2 delinquent 4/1/09 / 2nd 1/2 delinquent 8/1/09
 _____ Cass County Treasurer, 346 Main St, Plattsmouth, NE 68048-1964 (402) 296-9320
 2008 Taxes Due: 12/31/2008 / 1st 1/2 delinquent 5/1/09 / 2nd 1/2 delinquent 9/1/09

CHAIN OF TITLE, INC.

Client Order Number: 0

File Number: EP09-08-001B

DEEDS:

Book/Inst: 200	Page: 99	Dated: 7/15/1895	Filed: 12/17/1895	Type: WD	
Grantor: EAST OMAHA LAND COMPANY					<i>A11</i>
Grantee: CARTER WHITE LEAD COMPANY					
Book/Inst: 529	Page: 558	Dated: 3/9/26	Filed: 3/19/26	Type: WD	
Grantor: CARTER WHITE LEAD COMPANY					<i>A11</i>
Grantee: PLATTE VALLEY CEMENT TILE MFG CO.					
Book/Inst: 771	Page: 377	Dated: 2/2/46	Filed: 2/8/46	Type: WD	
Grantor: PLATTE VALLEY CEMENT TILE MFG CO.					<i>Lots 3-20</i>
Grantee: ANDREW LAWSLO AND JOHN LAWSLO					
Book/Inst: 1406	Page: 263	Dated: 1/2/70	Filed: 3/20/70	Type: WD	
Grantor: ANDREW LAWSLO, SR.; ANDREW J. LAWSLO, JR. AND ETHELENE H. LAWSLO, H&W					<i>Lots 1-5, 12-22</i>
Grantee: HAROLD COOPERMAN					
Book/Inst: 1689	Page: 144	Dated: 7/2/82	Filed: 7/14/82	Type: WD	
Grantor: HAROLD COOPERMAN AND MERRIAM COOPERMAN, H&W					<i>Lots 12-17</i>
Grantee: MOWECO, INC.					

MORTGAGES:

PUD: n/aCondo: n/aWaterfront: n/a

Book/Inst:	Page:	Dated:	Filed:	Amount: \$	-
Adjustable Rate Rider	n/a	Open Ended/Future Clause?:	NO	Amount:	
Name:					
Trustee:					
Beneficiary:					
***** NO OPEN MORTGAGES FOUND *****					
Type: n/a		Book/Inst:		Filed:	
Name:					
Type: n/a		Book/Inst:		Filed:	
Name:					

JUDGMENTS:

NONE FOUND: X

Plaintiff:	Case No:	Filed:
Defendant:		
Type:		

Plaintiff:	Case No:	Filed:
Defendant:		
Type:		

KNOW ALL MEN BY THESE PRESENTS, That the East Omaha Land Company (incorporated) of the State of Nebraska, in consideration of the performance of the covenants and agreements made and contained in a certain contract by and between the said East Omaha Land Company and Carter White Lead Company (incorporated) of the State of Nebraska, dated the first day of July, A. D. 1890, does hereby grant, bargain, sell, convey, and confirm unto the said Carter White Lead Company of the State of Nebraska the following described real estate situated in the County of Douglas and State of Nebraska, to wit:

Lots numbers one (1), two (2), three (3), four (4), five (5), six (6), seven (7), eight (8), nine (9), ten (10), eleven (11), twelve (12), thirteen (13), fourteen (14), fifteen (15), sixteen (16), seventeen (17), eighteen (18), nineteen (19), twenty (20), twenty-one (21), and twenty-two (22), in Block number five (5) sub-division of the South one half (S. 1/2) of lot number six (6) East Omaha, Nebraska, as surveyed, platted, and recorded by the East Omaha Land Company in the Douglas County records of plats and additions together with all the tenements, hereditaments and appurtenances to the same belonging and all the estate, title, dower, claim or demand whatsoever of the said East Omaha Land Company, of, in, or to the same or any part thereof.

To Have and to Hold the above described premises with all of the appurtenances thereunto belonging, unto the said Carter White Lead Company, and to its successors and assigns forever, subject, however, to the condition that the grantees herein warned and all persons holding title through or under it shall and does hereby waive all demands which may hereafter accrue to it on account of the present

or future construction and operation of any of the railways or street railways contemplated by the grantor in its trackage system as planned and adopted by it or constructed by any person or persons, company or companies, to whom said grantor shall grant such rights upon or across any of the streets or alleys upon which the premises herein granted abut, and at the grade of such streets and alleys now established, and also all demands which may hereafter accrue to it on account of bringing any of the said streets or alleys to such grade now established as shown by plans prepared by Benzette Williams of Chicago and kept on file in the office of said grantor.

And the said East Omaha Land Company for itself, its successors and assigns, does covenant with the said Carter White Lead Company, its successors and assigns, that it is lawfully seized of said premises, that they are free from incumbrances and that it has good right and lawful authority to sell the same and it will, and its successors and assigns shall warrant and defend the same unto the said Carter White Lead Company, its successors and assigns against the lawful claims and demands of all persons whomsoever, excepting any incumbrances or lien that may have been created since the first day of July, 1890, by or through the Carter White Lead Company, their successors or assigns.

IN WITNESS WHEREOF the East Omaha Land Company has caused this instrument to be sealed with its corporate seal, signed by its president, attested by its secretary, and duly executed this 15th day of July, A. D. 1895.

(Seal)

East Omaha Land Company

Attest:

(Sgd.)

Alfred B. DeLong,
Secretary.

(Sgd.)

Arthur D. Potter,
President.

Signed, sealed, and delivered in presence of,

(Sgd.)

John H. Daniels.

NL10456

State of Nebraska :
 : SS.
 Douglas County :

Be it remembered that on the Fifteenth day of July, A. D. 1895, before the undersigned, a notary public duly commissioned, qualified for and residing in said County and State, personally appeared Arthur D. Potter, to me personally known to be the President of the East Omaha Land Company, and he acknowledged the execution of said deed for and on behalf of said Company and that the same was his own voluntary act and deed and the voluntary act and deed of said Company for the purpose and consideration therein stated and that the seal was thereto attached by the Secretary of said Company and that the said President signed said instrument and the Secretary attested the same pursuant to an order of the Board of Directors in that behalf made.

In Witness Whereof I have hereunto set my hand and affixed my Official Seal the day and year last above written.

(Sgd.) John H. Daniels,

(Seal)

Notary Public for and in
 Douglas County, Nebraska.

RLI0457

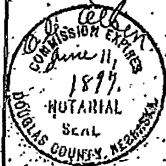
SCHEDULE "C".

First. The Real Estate and Buildings thereon, constituting the manufacturing plant of the Carter White Lead Company at East Omaha in the County of Douglas and State of Nebraska, more particularly described as follows:-

Lots 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21 and 22 in Block 3 Subdivision of South half of Lot 6 East Omaha, Nebraska, as surveyed, platted and recorded by the East Omaha Land Company in the Douglas County records of Plats and Additions, together with all the tenements, hereditaments and appurtenances to the same belonging in the County of Douglas and State of Nebraska.

200/99

and the undersigned a Notary Public in and for said County, personally appeared the said Isaac M. Watson Special Master Commissioner to ~~me~~ personally known to be the identical person who signed the foregoing instrument as grantor, and he acknowledged the same to be his voluntary act and deed for the uses and purposes therein set forth.



Witness my hand & official seal the day & year above written.

O. B. Olsen
Notary Public

Entered on numerical index
and recorded Dec 17th A.D.
1895, at 9:20 o'clock A.M.

Peter E. Elasser

Register of Deeds.

3. East Omaha Land Company.
To
Carter White Lead Company.

Know all men by these Presents,
That the East Omaha Land
Company (incorporated) of the
State of Nebraska, in consideration
of the performance of the covenants and agreements made and
contained in a certain contract by and between the said East
Omaha Land Company and Carter White Lead Company
(incorporated) of the State of Nebraska dated the first day of
July A.D. 1890 does hereby grant, bargain, sell, convey and
confirm unto the said Carter White Lead Company of the State
of Nebraska the following described real estate situated in the
County of Douglas and State of Nebraska, to-wit:

Lots number one (1), two (2), three (3), four (4), five (5),
six (6), seven (7), eight (8), nine (9), ten (10), eleven (11), twelve (12),
thirteen (13), fourteen (14), fifteen (15), sixteen (16), seventeen (17),
eighteen (18), nineteen (19), twenty (20), twenty-one (21), and twenty-
two (22) in Block number five (5) sub-division of the

that the grantee herein named and all persons holding title through or under it shall and does hereby waive all demands which may hereafter accrue to it on account of the present or future construction and operation of any of the railways or street railways contemplated by the grantor in its track system as planned and adopted by it or constructed by any person or persons, company or companies to whom said grantor shall grant such rights upon or across any of the streets or alleys upon which the premises herein granted abut, at the grade of such streets and alleys now established and also all demands which may hereafter accrue to it on account of bringing any of the said streets or alleys to such grade now established as shown by plans prepared by Bergette Wilbur of Chicago and kept on file in the office of said grantor, and the said East Amherst Land Company for itself its successors and assigns, does covenant with the said Carter White Lead Company its successors and assigns that it lawfully owns of said premises, that they are free from encumbrances and that it has good right and lawful authority to sell the same and it will and its successors and assigns shall warrant and defend the same unto the said Carter White Lead Company its successors and assigns against the lawful claims and demands of all persons who may hereafter assert any such claim or lien that may have been created since the first day of July 1890 by or through the said Carter White Lead Company its successors or assigns.

In witness whereof the said Carter White Lead Company has caused this instrument to be signed with its corporate seal signed by its president, attested by its Secretary and duly executed this 15 day of July A. D. 1895.

attest

Afied B. De Long

Secretary



East Amherst Land Company

Arthur S. DeLong

President

execution of said deed for and on behalf of said company and that the same was his own voluntary act and deed and the voluntary act and deed of said company for the purpose and consideration therein stated and that the same was thereto attached by the Secretary of said company and that said President signed said instrument and the Secretary attested the same pursuant to an order of the Board of Directors in that behalf made.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year last above written.



John H. Daniels
Notary Public for and in
Douglas County, Nebraska.

Entered on numerical index
and recorded Dec 17th A.D.

1895, at 9³⁰ O'clock A.M. *Compared for*

Peter E. Elsas
Register of Deeds.

Alfred H. Hemming. Where all hereby these Presents, That
Alfred H. Hemming wife of Ezra
Ezra H. Hemming. A Hemming of Douglas County, Neb
in consideration of Eric Dallas in hand
paid to her by grant, bargain, sell, convey and confirm unto
my husband the said Ezra H. Hemming the following
described Real Estate, situated in the County of Douglas and State
of Nebraska, to-wit:

The South one half (1/2) of Lot number twenty five
(25th) in Fairmount Place in the City of Omaha as
surveyed, platted and recorded.

Subject to the taxes of A. D. 1895th & subsequent taxes.

Together with all the covenants, conditions and restrictions...

BOOK 488 PAGE 153

IN THE COUNTY COURT OF DOUGLAS COUNTY, NEBRASKA

This is to certify that there is pending in the County Court of Douglas County, Nebraska, a proceeding entitled: In the Matter of the Estate of MARGARET LAWSLO

Book 76 Page 495

which is a proceeding involving "Administration of Estate"

in which the following described real estate is involved, to-wit:

Lots A-1 and A-2; and Lots 3, 4, and 5; and Lots 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22, together with all of vacated Lot "pi" in Block 5, in East Omaha Land Company's Subdivision, an Addition to the City of Omaha in Douglas County, Nebraska; being a Subdivision of the south one-half of Lot 6 and the north one-half of Lot 15, in East Omaha Land Company's land; and being located wholly within the Accretions to Government, Lot 10, Section 1, Township 15 North, Range 13, East of the Sixth Principal Meridian, in Douglas County, Nebraska.

Signed this 3rd day of April, 1970

ROBERT R. TROYER, COUNTY JUDGE

By [Signature]
Clerk of County Court

**In any one of following proceedings:
Probate of Will.
Administration of Estate.
Determination of Heirs.
Determination of Inheritance Tax.
Guardianship.
Conservatorship.

To be prepared by fiduciary, petitioner and attorney and filed in Register of Deeds of County where real estate is located, within ten (10) days.

RECEIVED

APR 17 PM 1 30

CHARLES G. GILLER
REGISTER OF DEEDS
DOUGLAS COUNTY, NEBR.

IN THE COUNTY COURT OF DOUGLAS COUNTY, NEBRASKA

This is to certify that there is pending in the County Court of Douglas County, Nebraska, a proceeding
entitled: IN THE MATTER OF THE ESTATE OF

MARGARET LAWSLO, Deceased.

Book 76, Page 495.

which is a proceeding involving Administration of Estate

in which the following described real estate is involved, to-wit:

Lots 3, 4, 5; and Lots 12, 13, 14, 15, 16, 17, 18, 19, and 20,
together with all of vacated Lot "p" in Block 5, in East Omaha Land
Company's Subdivision, an Addition to the City of Omaha in Douglas
County, Nebraska, being a subdivision of the South one-half of Lot 16
and the North one-half of Lot 15, in East Omaha Land Company's Land
and being located wholly within the Accretions to Government, Lot 10,
Section 1, Township 15 North, Range 13 East of the Sixth Principal
Meridian, in Douglas County, Nebraska.

Lots 21 and 22 and Lots A-1 and A-2 in Block 5, in East Omaha Land
Company's Subdivision, an Addition to the City of Omaha, in Douglas
County, Nebraska, being a subdivision of the South one-half of Lot 16
and the North one-half of Lot 15, in East Omaha Land Company's Land
and being located wholly within the Accretions to Government, Lot 10,
Section 1, Township 15 North, Range 13 East of the Sixth Principal
Meridian, in Douglas County, Nebraska.

Lots 21 and 22, Block 6, East Omaha Land Company's Subdivision in the
City of Omaha, Douglas County, Nebraska.

Lot 2, Block 5, East Omaha Land Company's Subdivision in the City of
Omaha, Douglas County, Nebraska.

Lots 1, 2, and 3 in Block 3, Oliver Place, an Addition to the City of
Omaha, Douglas County, Nebraska. Signed this 11 day of March, 1911.

ROBERT R. TROYER, COUNTY JUDGE

By Alfred J. [Signature]
Clerk of County Court

**Insert one of following proceedings:
Probate of Will.
Administration

DEED RECORD No. 529

released, released and quit-claim, and by these presents do for themselves, " heirs, executors and administrators, remise, release and forever quit-claim and convey unto the said party of the second part, and to his heirs and assigns forever, all their right, title, interest, estate claim and demand, both at law and in equity, of, in and to all Lot Seventeen (17), Block Four (4) in Brown Park, an Addition to the City of Omaha, County of Douglas and State of Nebraska, as surveyed, platted and recorded. Together with all and singular the hereditaments thereunto belonging.

TO HAVE AND TO HOLD the above described premises unto the said Charles F. Meth and his heirs and assigns; so that neither they the said first parties, or any person in their name and behalf, shall or will hereafter claim or demand any right or title to the said premises or any part thereof, but they and every one of them shall by these presents be excluded and forever barred.

IN WITNESS WHEREOF, the said parties of the first part have hereunto set their hands and seals the day and year above written.

Signed, sealed and delivered
in presence of

P. F. Angermann

John G. Clark

Virginia H. Clark

State of Nebraska)
Douglas County) SS.

On this 15th day of March, A. D., 1926, before me, the undersigned a Notary Public, duly commissioned and qualified for and residing in said County, personally came John G. Clark and Virginia H. Clark, husband and wife, to me known to be the identical persons whose names appeared to the foregoing instrument as grantors and acknowledged the same to be their voluntary act and deed.

Witness my hand and Notarial Seal the day and year last above written.

P. F. Angermann,

Notary Public.



My commission expires the 12th day of May, 1927.

State of Nebraska)
County of Douglas)

Entered on Numerical Index and filed for Record in the Register of Deeds' Office of said county, the 17th day of March, A. D., 1926, at 2:50 o'clock P.M.
Harry Pearce,

Register of Deeds.

Compared by H&M

Warranty Deed

Carter White Lead Co.

to

Platte Valley Cement Tile Mfg. Co.)

KNOW ALL MEN BY THESE PRESENTS, That Carter White Lead Company, a corporation organized under the laws of the State of Nebraska, in consideration of Seven thousand and no/100 Dollars in hand paid, does hereby grant, bargain, sell, convey and confirm unto Platte Valley Cement Tile Manufacturing Company, a corporation of Nebraska, the following described real estate, situate in the County of Douglas and State of Nebraska, to-wit:

Lots one (1), Two (2), three (3) four (4) five (5) six (6), seven (7), eight (8).

DEED RECORD No. 529

office of the Register of Deeds of said Douglas County in Book 200 of Deeds at Page 92, subject also to leases conveying portions of said lots as follows: One to Peter B. Clausen, one to Nebraska Power Company and one to Charles Amos subject also to agreement with Chris John Quade respecting the sale, wrecking and removal of some of the buildings on said lots, together with all the tenements, hereditaments, and appurtenances to the same belonging, and all the estate, title, dower, right of homestead, claim or demand whatsoever of the said Carter White Lead Company of, in, or to the same, or any part thereof;

To Have and to Hold the above described premises, with the appurtenances, unto the said Platte Valley Cement Tile Manufacturing Company and to its successors and assigns forever, and the said Carter White Lead Company for itself and its successors and assigns, does covenant with the said Platte Valley Cement Tile Manufacturing Company and with its successors and assigns, that it is lawfully seized of said premises, that they are free from encumbrance in the way of mortgage or tax liens; that it has good right and lawful authority to sell the same and that it will and its successors and assigns shall warrant and defend the same unto the said Platte Valley Cement Tile Manufacturing Company and its successors and assigns, forever, against the lawful claims of all persons whomsoever except as above set forth.

In Witness Whereof, said Carter White Lead Company has caused its name to be hereunto subscribed by its President and attested by its Secretary and its corporate seal to be hereunto affixed this 9th day of March 1926.

In presence of

J. J. Horsman

H. E. Swett

U. S. Revenue
March 11/26

11/26 11/26

CARTER WHITE LEAD COMPANY

By F. M. Carter President

Attest F. C. Smith Secretary

State of Illinois)
County of Cook) ss.

On this 9th day of March A.D. 1926, before me, a Notary Public in and for said County, personally came the above named F. M. Carter who is to me known to be the President of the above named Carter White Lead Company a corporation, and F. C. Smith who is to me known to be the Secretary of said Carter White Lead Company and who are personally known to me to be the identical persons whose names are affixed to the above instrument as President and Secretary respectively of said Carter White Lead Company, grantor, and they acknowledged said instrument to be their voluntary act and deed, and the voluntary act and deed of said Carter White Lead Company.

Witness my hand and Notarial Seal the date last aforesaid.

Charles C. Watts

Notary Public.

My commission expires on the 12th day of August A.D. 1929.

State of Nebraska)
County of Douglas)

Entered on Numerical Index and filed for Record in the Register of Deeds Office, of said County, the 19th day of March A. D. 1926, at 10:55 o'clock A. M.

529 | 561

DEED RECORD No. 529

above instrument as grantors and they acknowledged said instrument to be their voluntary act and deed.

Witness my hand and Notarial seal the date last aforesaid.

Everett C. Hardin

Notary Public

My commission expires on the 8th day of May A.D. 1929.

State of Idaho)
ss.
County of Canyon)

On this 20th day of March A.D. 1926, before me, a Notary Public in and for said County, personally came the above named John Edward Miller and Ella Glenn Miller, husband and wife, who are personally known to me to be the identical persons whose names are affixed to the above instrument as grantors, and they acknowledged said instrument to be their voluntary act and deed.

Witness my hand and Notarial Seal the date last aforesaid.

L. W. Mills

Notary Public

My commission expires on the 16th day of July A.D. 1928.

State of Nebraska)
County of Douglas)

Entered on Numerical Index and filed for Record in the Register of Deeds Office, of said County, the 31st day of March A. D. 1926, at 4:00 o'clock P.M.

Harry Pearce

Register of Deeds

Compared by W&C.

6. Quit Claim Deed
Carter White Lead Co.

to

Platte Valley Cement Tile Mfg. Co.)

Platte Valley Cement Tile Manufacturing Company, a corporation of Fremont, Nebraska, of the second part.

Witnesseth, that the said party of the first part, in consideration of the sum of One and no/100 Dollars to it duly paid, the receipt whereof is hereby acknowledged, has remised, released and quit-claimed, and by these presents does for itself and its successors, remise, release and forever quit-claim unto the said party of the second part, and to its successors and assigns forever, all of its right, title, interest, estate, claim and demand, both at law and in equity or", in and to all of Lots A-1 and A-2 in Block five (5), being a subdivision of the South One-half of Lot six (6) in East Omaha, in Douglas County, Nebraska, as surveyed, platted and recorded by the East Omaha Land Company, and Lots O, P, Q, A and B adjacent to said Block Five (5).

SHERIFF'S DEED RECORD No. 584

SHEEP UNDER MORTGAGE

Book 233 Page 144 Ex. Doc. Page

C. B. McDonald, Sheriff,

TO

W. C. Fraser

THE STATE OF NEBRASKA,

Douglas County,

Filed for Record

this 16th day of September A. D. 1931
at 11:30 o'clock A. M. and recorded in the office of the Register of Deeds
of said County,

Harry Pearce,

Register of Deeds

Compared By R&G

Know All Men by These Presents:

That whereas at the May Term, A. D. 1928 of the District Court, of the Fourth Judicial District of Nebraska,
held within and for Douglas County County of Douglas,

appeared a judgment and obtained a decree against Platte Valley Cement Tile Manufacturing Company, a corporation,
et al.,

for the sum of Eight Thousand One Hundred Forty-three and 52/100 DOLLARS.
(\$8143.52)

and costs of suit taxed at Two Hundred and 55/100 (\$200.55) DOLLARS.

And whereas it was then and there further ordered in the said action, that in default of the payment of the judgment aforesaid, by the said Defendants

that the mortgaged premises mentioned and set forth in the pleadings in the said cause be advertised and sold by or under the direction of
C. B. McDonald, Sheriff of said County of Douglas,
the said Defendants

having made default therein, the said C. B. McDonald,
Sheriff as aforesaid, under and by virtue of the order of the Court, to him duly directed, did, on the 16th day
of November, A. D. 1931, at the east front door of the County Court House, in the City of Omaha, in said County of Douglas,
(that being the place where the last term of said District Court was held, and having given due and legal notice of the time and place of said sale, for not less than
three days prior thereto, in the Unionist a newspaper printed in, and in general circulation in said
County of Douglas), sell the said premises at public auction to W. C. Fraser,

for the sum of Sixteen and no/100 (\$16.00) DOLLARS
he being the highest bidder therefor,

Which sale was afterward, at the October Term of said District Court, A. D. 1930, examined and confirmed by the
said Court, and the said C. B. McDonald,
as such Sheriff, ordered to make a deed of the said premises to the said W. C. Fraser

And therefore, I, the said C. B. McDonald,
Sheriff of the County of Douglas as aforesaid, in consideration of the premises, and by virtue of the power vested in me by law, do hereby give, grant and convey
to the said W. C. Fraser,

his heirs and assigns, all the estate, right, title and interest of which the said Defendants

Taxes were levied
were levied and possessed at the time the said premises mentioned and set forth in the pleadings of this said cause was given, or at any time thereafter, in and
to the premises sold as aforesaid, to wit:

Lots "A" and "B" "C" "D" "E" "F" "G" and "H" East Omaha Land Company's Subdivision, an ad-
dition in Douglas County, Nebraska, Lots "J" "K" "L" and "M" "N" "O" "P" "Q" "R" "S" "T" "U" East
Omaha Land Company's Subdivision, an addition in Douglas County, Nebraska,

with all the appurtenances thereto belonging, TO HAVE AND TO HOLD the same to the said W. C. Fraser,

his heirs and assigns, and to them and their use and behoof forever.

In testimony whereof, I have, as such Sheriff, hereunto set my hand this 14th

A. D. 1931

day

BOOK 671 PAGE 495

75%—QUIT CLAIM DEED—Corporation

The Nebraska General Supply House, Lincoln, Neb.

THIS INDENTURE, Made this 1st day of November A.D. 1939, betweenPLATTE VALLEY CEMENT TILE MANUFACTURING COMPANYa corporation organized and existing under and by virtue of the laws of the State of Nebraskaparty of the first part, and NEBRASKA POWER COMPANY, a Corporationof the County of Douglas and State of Nebraska, part y of the second part.
WITNESSETH, that the said part y of the first part, for and in consideration of the sum ofSIX HUNDRED FIFTY AND NO/100THS (\$650.00) DOLLARS
in hand paid, receipt whereof is hereby acknowledged, has sold and by these presents does quit claim, grant, convey
and confirm unto the said part of the second part, the following described premises situated in
Douglas County, and State of Nebraska to-wit:

All of Lot One (1), Block Five (5), in East Omaha Land Company's Sub-division (sometimes known as Lot One (1), Block Five (5), East Omaha), and being a sub-division of Lot Six (6) of the East Omaha Land Company's Land (Tax Lot 6), as surveyed, platted and recorded by the East Omaha Land Company, and being located within the Accretions to Government Lot Ten (10) in Section One (1), Township Fifteen (15), North, Range Thirteen (13) East of the Sixth (6th) P. M. in Douglas County, Nebraska, said Lot Six (6) of the East Omaha Land Company's Land occupy-
ing the same position as was formerly designated in the Iowa survey of the United States Government as the Southeast Quarter of the Northeast Quarter (SE 1/4) of Section Twenty-one (21), Township Seventy-five (75), North, Range Forty-four (44) West of the Fifth (5th) P.M. in Pottawattamie County, Iowa.

TO HAVE AND TO HOLD the said premises above described, together with all the Tenements, Hereditaments and Appurtenances thereunto belonging unto the said NEBRASKA POWER COMPANY, a corporationAnd the said PLATTE VALLEY CEMENT TILE MANUFACTURING COMPANY

for itself or its successors, does hereby agree to and with the said part y of the second part and its successors that neither it nor any person in its name and behalf, shall or will hereafter claim or demand any right or title to the said premises or any part thereof, but they and every one of them shall by these presents be excluded and forever barred.

IN TESTIMONY WHEREOF, the said PLATTE VALLEY CEMENT TILE MANUFACTURING COMPANY has caused these presents to be executed by its president and its Corporate Seal to be affixed hereto this 1st day of November 1939PLATTE VALLEY CEMENT TILE MANUFACTURING COMPANY

Witness
Paul P. Pottawattamie
George Lillis

by: George Lillis President
Attest: William Lillis Cashier, Secretary

STATE OF NEBRASKA
DOUGLAS

County

On this 3rd day of November 1939, before me
the undersigned, a Notary Public in and for said County,

personally came George Lillis President of the
PLATTE VALLEY CEMENT TILE MANUFACTURING COMPANY, a Corporation

59TW - WARRANTY DEED - Corporation

BOOK 677 PAGE 433

THIS INDENTURE, Made this 22nd day of May A. D. 1940, between

PLATTE VALLEY CEMENT TILE MFG. CO.

a corporation organized and existing under and by virtue of the laws of the State of Nebraska
 party of the first part, and Margaret Lawslo and Andrew Lawslo, joint tenants with the
 right of survivorship and not as tenants in common, of Omaha

of the County of Douglas and State of Nebraska, part 1es of the second part.

WITNESSETH, That the said party of the first part, for and in consideration of the sum of
 Two Thousand and no/100ths DOLLARS

in hand paid, receipt whereof is hereby acknowledged, has sold and by these presents does grant, convey and confirm
 to the said part 1es of the second part, the following described premises, situated in Omaha

Douglas County, and State of Nebraska, to-wit:

All of Lots Two, Twenty-one and Twenty-two, all in Block Five, being a
 subdivision of the South Half of Lot Six in East Omaha, as surveyed, plat-
 ted and recorded by the East Omaha Land Company, Douglas County, Nebraska.



TO HAVE AND TO HOLD the premises above described, together with all the Tenements, Hereditaments and Appurtenances
 hereunto in any way appertaining, unto the said

MARGARET LAWSLO and ANDREW LAWSLO,

And the said PLATTE VALLEY CEMENT TILE MFG. CO.

for itself or its successors, do hereby covenant and agree, and with the said part 1es of the second part and their
 heirs and assigns, that at the time of the execution and delivery of these presents it is lawfully seized of said premises;
 that it has good right and lawful authority to convey the same and that they are free from encumbrance and it

BOOK 677 PAGE 434

STATE OF NEBRASKA
DODGE

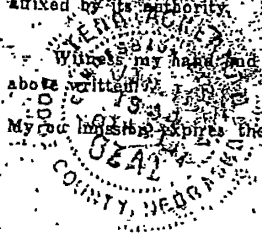
On the 22nd day of May 1940

County of the undersigned as Notary Public and for said County
personally came *William L. Lull* Secretary and *George W. Allen* President of the

PLATTE VALLEY CEMENT TILE MFG. CO.

to me personally known to be the President and the identical person whose name is affixed to the above conveyance
and acknowledged the execution thereof to be his voluntary act and deed as such officer and the voluntary act and deed of
the said PLATTE VALLEY CEMENT TILE MFG. CO. and that
the Corporate seal of the said PLATTE VALLEY CEMENT TILE MFG. CO. was hereto
affixed by its authority.

Witness my hand and Notarial Seal at Fremont in said county the day and year last
above written.
My commission expires the 11 day of Jan 1944
Wm. L. Lull
Notary Public



18. Filed to Recorded Index and Recorded in the Register of Deeds Office in Douglas County, Nebraska
29 May 1940 2 23 P.M. (Thomas J. O'Brien, Register of Deeds)

BOOK 771 PAGE 377

250--WARRANTY DEED. (For Corporation.)

KNOW ALL MEN BY THESE PRESENTS, That Platte Valley Cement Tile Manufacturing Company, a corporation,

a corporation organized under the laws of the State of Nebraska, in consideration of

* * * * * One Dollar and other valuable consideration * * * * *

in hand paid, does hereby Grant, Bargain, Sell, Convey and Confirm unto Andrew Lawalo and

John Lawalo

the following described Real Property, situate in the County of Douglas and State of

Nebraska

to wit:

Lots three (3) to Twenty (20) both inclusive, Block Five (5) in

East Omaha Land Company's Subdivision (sometimes known as Lots

in Block Five (5), East Omaha) and being a subdivision of Lot

six (6) of the East Omaha Land Company's land (Tax Lot Six (6)

and being located within the accretions to Government Lot Ten

(10) in Section One (1), Township Fifteen (15), North, Range

Thirteen (13) east of the 6th p.m. in Douglas County, Nebraska

and said Lot Six (6) of the East Omaha Land Company's land

occupying the same position as was formerly designated on the

Iowa survey of the United States Government as the Southeast Quar-

ter (4) of the Northeast Quarter (1) of Section Twenty-one (21)

Township Seventy-five (75) North, Range Forty-four (44) West of

the 5th P.M. Pottawattamie County, Iowa.

together with all the Tenements, Hereditaments and Appurtenances to the same belonging and all the Estate, Title, Claim or Demand whatsoever of the said Platte Valley Cement Tile Manufacturing

Company, a corporation,

of, in or to the same or any part thereof

TO HAVE AND TO HOLD the above described premises, with the appurtenances, unto the said Andrew Lawalo

and John Lawalo

and to their heirs and assigns forever.

And the said Platte Valley Cement Tile Manufacturing Company, a corporation,

for itself and its successors, does covenant with the said Andrew Lawalo and John Lawalo and

with their heirs and assigns, that it is lawfully seized of said premises, that they are free from incumbrance.

no exceptions

that it has good right and lawful authority to sell the same.

And that it will and its successors shall warrant and defend the same unto the said Andrew Lawalo and

and their heirs and assigns forever against the lawful claims and demands of all persons whomsoever.

IN WITNESS WHEREOF, said Platte Valley Cement Tile Manufacturing Company,

a corporation,

President and Secretary and Treasurer

has caused these presents to be signed by its President, Secretary and Treasurer, and

its corporate seal to be hereunto affixed, this 2nd day of February, 1946.

Platte Valley Cement Tile Manufacturing Company, a corporation,

In Presence of

By George Lillie President and Treasurer
Attest: Wallace E. Lillie Secretary

(STATE OF NEBRASKA)

County of Douglas

On this 2nd day of February, 1946

before me, a Notary Public

fully commissioned and qualified in

and for said County, personally came the above named George Lillie

President, and Wallace E. Lillie

and Treasurer
Secretary of Platte Valley

Cement Tile Manufacturing Company, a corporation.

who are personally known to me to be the identical persons whose names are affixed

799 462

KNOW ALL MEN BY THESE PRESENTS, that [redacted] and [redacted] husband and wife, in consideration of the sum of [redacted] dollars, to [redacted] in hand paid to [redacted] the receipt of which is hereby acknowledged, and confirm unto Andrew [redacted] and [redacted] wife, with right of survivorship, the following described real estate, situate in the County of Douglas and State of Nebraska, to-wit:

Our undivided interest in and to
 Lots One (1), Two (2), Three (3), Four (4), Five (5), Six (6), Seven (7) and Twenty-one (21) in Block Six (6) in East Omaha Land Company's Subdivision of the South Half (34) of Lot Six (6) in Section Twelve (12) in Township Fifteen (15) North of Range Thirteen (13) East of the 6th P.M. in Douglas County, Nebraska, also any and all interest the said grantor has acquired by adverse possession, on any property adjacent to the foregoing real estate, and Lots Three (3) to Twenty (20) both inclusive, Block Five (5) in East Omaha Land Company's Subdivision (sometimes known as lots in Block Five (5) East Omaha) and being a subdivision of Lot Six (6) of the East Omaha Land Company's land (Tax Lot Six (6) and being located within the accretions to Government Lot Ten (10) in Section One (1) Township Fifteen (15) North, Range Thirteen (13) East of the 6th P.M. in Douglas County, Nebraska, and said Lot Six (6) of the East Omaha Land Company's land occupying the same position as was formerly designated on the Iowa survey of the United States Government as the Southeast Quarter (3 E 4) of the Northeast Quarter (N E 1) of Section Twenty-one (21) Township Seventy-five (75) North, Range Forty-four (44) West of the 5th P.M. Pottawattamie County, Iowa.

together with all the tenements, hereditaments, and appurtenances to the same belonging, and all the estate, title, power, right of home-
 stead, claim or demand whatsoever of the said grantors of, in, or to the same, or any part thereof;

TO HAVE AND TO HOLD the above described premises, with the appurtenances, unto the said grantees and to their heirs and assigns forever, and the said grantors for themselves and their heirs, executors, and administrators, do covenant with said grantees and with their heirs and assigns, that they are lawfully seized of said premises, that they are free from encumbrance, that they have good right and lawful authority to sell the same and that they will and their heirs, executors and administrators shall warrant and defend the same unto the said grantees and to their heirs and assigns, forever, against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF we have hereunto set our hands this [redacted] day of January, 1947.

IN THE PRESENCE OF:

Frank Cross

John J. [redacted]

Edw. [redacted]

STATE OF NEBRASKA:

COUNTY OF DOUGLAS:

58

THIS ADVENTURE BEGAN ON 28th July 1940, when I was aged forty-seven (1940), and

—Andy Lawton

[illegible]

Lot A-1 and A-2 in Block Five (6) in East Omaha
Land Company's Subdivision, and being a sub-
division of lot 318 (a) of the East Omaha Land
Company's Land (see lot 318 (a-1) and being lo-
cated within the section 10 to Government's Sec-
tion (10) in Section One (1), Township 17 North
(12), North Range Thirtieth (13), East of the
6th P.M., in Douglas County, Nebraska, and said
Lot 318 (a) of the East Omaha Land Company's
Land, occupying the same position as was for-
merly designated on the Town Survey of the U.
S. Government in the Subdivided Quarter
(SE 1/4) of the Northeast 1/4 of Section 18 (1/4)
of Section Twenty-one (21), Township seventy-
five (75), North Range Forty-six (46), East
of the 5th P.M. in Pottawamie County, Iowa.

TO HAVE AND TO HOLD the above described premises unto the said grantee
and his heirs and assigns forever; And that neither I nor my heirs or assigns shall at any time hereafter claim or demand any right or title to the said premises or any part thereof, but they and every one of them shall by their persons be excluded and forever barred.

IN WITNESS WHEREOF, the said PARTY OF THE FIRST PART has hereunto set its hand and seal of office, this _____ day of _____, 20____.

827/493

Know All Men by these presents, that I, John A. Carter, of the County of Douglas, State of Alaska, do hereby certify that Omaha Loan & Trust Company, et al. have recovered a judgment and obtained a decree against Omaha Loan & Trust Company, et al.

for the sum of Five Thousand Fifty Three and 00/100 (\$5,053.00) DOLLARS

and costs of suit taxed at Three Hundred Ten and 00/100 (\$310.00) DOLLARS

AND WHEREAS, it was then and there further ordered in the said decree that the payment of the judgment aforesaid, by the said Defendants

that the mortgage premises mentioned and set forth in the recitals in the said decree be advertised and sold by or under the direction of W. H. H. Dorman, Sheriff of said County of Douglas.

AND WHEREAS, the said Defendants

827/494

BOOK 827

Court House, in the City of Omaha, in said County of Douglas, State of Nebraska, on the 11th day of May, 1909, a Jury Trial was held, and having given due consideration to the evidence presented to them, the jury returned a verdict in favor of the plaintiff, and awarded to him the sum of Fifty days (prior charges) in the sum of \$100.00, and costs of suit, to be paid by the defendant to the plaintiff, the said paper printed in, and in general circulation in said County of Douglas, and the said sum of Fifty days (prior charges) to Andrew Jawilo and Margaret Jawilo, as joint tenants, and as co-heirs of the said deceased, with the right of survivorship, for the sum of Forty and 00/100 (\$40.00).

... they being the highest bidder thereon was approved by the Board of Directors of said District Court, A. D. No. 47 granted and confirmed by the said Court and the said William H. Dorrance, ... Andrew Lawle and Margaret Lawle ... and not as tenants in common, with the right of survivorship,

NOW, THEREFORE, I, the said William H. Perrence,
 Sheriff of the County of Douglas aforesaid, in compliance of the premises and by virtue of the power vested
 in me by law, do hereby give, grant and convey to the said Andrew J. Lewis and Margaret Lewis
 as joint tenants and not as tenants in common, with the right of survivorship,
 their heirs and assigns, all the said right title and interest of which the said
Onida Loan & Trust Company, and the other defendants in said action,

were seized and possessed at the time they were taken from the possession of the plaintiff or his agent.

Lots "A" One (A1), and "A" Two (A2), Block Five (B),
East Omaha Land Company's Subdivision, Douglas County
Nebraska, as surveyed, platted and recorded.

827/495

with all the covenants, conditions and warranties therein contained, to have and to hold unto the said Andrew [illegible] and his heirs and assigns forever.

IN TESTIMONY WHEREOF I have hereunto set my hand and

day of January 1934

Executed and Delivered in presence of

Myrna M. Robinson Notary Public

THE STATE OF NEBRASKA
Douglas County.

On this 30th day of January A.D. 1934

before me, Myrna M. Robinson, Notary Public

personally appeared William H. Bourcane

Sherriff of said County, to me well known to be the identical person described in and who executed the foregoing instrument of conveyance, and who acknowledged said instrument to be his voluntary act and deed as said Sherriff for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF I have hereunto set my hand and

affixed my official seal this 30th day of

day of January A.D. 1934

Myrna M. Robinson
Notary Public



932
690

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS

THAT Andrew Lawlo and Margaret Lawlo, husband and wife

of the County of Douglas and State of Nebraska for and in consideration of the sum of One Dollar and other good and valuable consideration
 have hereunto granted, bargain, sell, convey and confirm unto Transport Repair Service, Inc.

of the County of Douglas and State of Nebraska the following described real estate situated in East Omaha in Douglas County and State of Nebraska to-wit:

Lots 6, 7, 8, 9, 10 and 11, Block 5, in East Omaha Land Company's Subdivision, subject to covenants, agreements and conditions set forth in the deed conveying said lots to Carter Land White Land Company and recorded in Book 200, Page 99 of the Douglas County Register of Deeds, and subject to all other easements and special contracts as contained in the abstract of title.

TO HAVE AND TO HOLD the premises above described, together with all the Tenements, Hereditaments and appurtenances thereto belonging, unto the said Transport Repair Service, Inc.

And we do hereby covenant with the said Grantee and with its successors and assigns that we are lawfully seized of said premises, that they are free from encumbrance except as above noted.

that we have good right and lawful authority to sell the same, and we do hereby covenant to warrant and defend the title to said premises against the lawful claims of all persons whomsoever. And the said Margaret Lawlo hereby relinquishes all right of dower in and to the above described premises.

Signed this 3rd day of

In Presence of

A.D. 1953

Andrew Lawlo
 Margaret Lawlo

STATE OF NEBRASKA
 DOUGLAS County

On this 3rd day of August, A.D. 1953, before me, the undersigned, Barth F. Tracy, a Notary Public, duly commissioned and qualified for and residing in said county, personally came Andrew Lawlo and Margaret Lawlo, husband and

KNOW ALL MEN BY THESE PRESENTS

THAT Andrew Lawala and Margaret Lawala, husband and wife,

of the County of DOUGLAS and State of Nebraska for and in consideration of the

sum of ONE HUNDRED DOLLARS (\$100.00) correction of deed recorded in Book 932 at Page 690 between Andrew Lawala and Margaret Lawala, husband and wife, and Transport Repair Service, Inc. in and to be hereby given, granted, sold, conveyed and confirmed unto Transport Repair Service, Inc.

of the County of DOUGLAS and State of Nebraska the following described real estate to-wit:

East Omaha in Douglas County, and State of Nebraska

Lot 6, 7, 8, 9, 10 and 11, in Block 5, in East Omaha Land Company's Subdivision (sometimes known as Lots in Block 5, East Omaha) and being a Subdivision of Lot 1 of the East Omaha Land Company's Land (Tax lot 6) and being located within the appertaining to Government Lot 1 in Section 1 Township 15 North, Range 13 East of the 4th P.M. in Douglas County, Nebraska, and said Lot 6 of the East Omaha Land Company's Land occupying the same position as was formerly designated on the Iowa survey of the United States Government as SE 1/4 of NE 1/4 of Section 20 Township 15 North, Range 13 East of the 4th P.M., Pottawattamie County, Iowa (subject to covenants, agreements and conditions set forth in the deed recorded in Book 932 at Page 690.

TO HAVE AND TO HOLD the premises above described, together with all the Tenements, Hereditaments and appurtenances thereto belonging, unto the said Transport Repair Service, Inc.

and to its successors heirs and assigns forever.

And we do hereby covenant with the said Grantee and with its successors heirs and assigns, that we are lawfully seized of said premises; that they are free from encumbrance except as above noted.

that we have good right and lawful authority to sell the same; and we do hereby covenant to warrant and defend the title to said premises against the lawful claims of all persons whomsoever.

And the said Margaret Lawala hereby relinquishes all right of dower in and to the above described premises.

Signed (and) 10th day of November A.D. 1949

In Presence of Andrew Lawala
Margaret Lawala

Frank R. Pross

STATE OF NEBRASKA }
DOUGLAS County } On this 10th day of November A.D. 1949, before me, the undersigned Frank R. Pross a Notary Public duly commissioned and qualified for and residing in said county, personally came Andrew Lawala and Margaret Lawala husband and wife, to me known to be the identical person whose name is

BOOK 1124 PAGE 279

10. Corporation Warranty Deed

The Hoffman General Supply House, Omaha, Nebraska

KNOW ALL MEN BY THESE PRESENTS, That

OMAHA PUBLIC POWER DISTRICT,

a corporation

organized and existing under and by virtue of the laws of the State of Nebraska

for

and in consideration of the sum of Two Thousand and One (\$2,001.00)

DOLLARS

in hand paid does hereby grant, bargain, sell and convey unto

Andrew Lawalo, Sr.

grantee(s) the following described real estate situated in the County of

Douglas

and State of

Nebraska

to wit:

All of Lot One (1), Block Five (5) in East Omaha Land Company's Subdivision (sometimes known as Lot One (1), Block Five (5), East Omaha), and being a sub-division of Lot Six (6) of the East Omaha Land Company's Land (Tax Lot 6) as surveyed, platted and recorded by the East Omaha Land Company, and being located within the Accretions to Government Lot Ten (10) in Section One (1), Township Fifteen (15), North, Range Thirteen (13), East of the Sixth (6th) P. M. in Douglas County, Nebraska; said Lot Six (6) of the East Omaha Land Company's Land occupying the same position as was formerly designated on the Iowa survey of the United States Government as the Southeast Quarter of the Northeast Quarter (SE 1/4 NE 1/4) of Section Twenty-one (21), Township Seventy-five (75), North, Range Forty-four (44), West of the Fifth (5th) P. M. in Pottawattamie County, Iowa.



TO HAVE AND TO HOLD the premises above described, together with all the tenements, hereditaments and Appurtenances thereto in anywise appertaining unto the said grantee(s) and to his, her or their heirs and assigns forever.

And the grantor hereby for itself or its successors does hereby covenant and agree to and with the said grantee(s) and his, her or their heirs and assigns that at the time of the execution and delivery of these presents it is lawfully seized of said premises; that it has good right and lawful authority to convey the same; that they are free from encumbrance.

That grantor does hereby covenant to warrant and defend the said premises against the lawful claims of all persons whomsoever.

BOOK 1124 PAGE 280

STATE OF Nebraska
COUNTY OF Douglas

On this 17th day of July, 1961, the undersigned, a Notary Public in and for said County,

personally came J. M. Harding

Omaha Public Power District

to me personally known to be the President and the identical person whose name is affixed to the above conveyance, and acknowledged the execution thereof to be his voluntary act and deed as such officer and the voluntary act and deed of said corporation and that the Corporate seal of the said corporation was thereto affixed by its authority.

Witness my hand and Notarial Seal at Omaha, Nebraska, this 17th day of July, 1961.

Notary Public

My Commission expires this 6th day of August, 1961.

OMAHA PUBLIC POWER DISTRICT

CERTIFIED COPY OF
RESOLUTION NO. 882

WHEREAS, the Board of Directors has determined that all of Lot One (1), Block Five (5), in East Omaha Land Company's Subdivision (sometimes known as Lot One (1), Block Five (5), East Omaha), and being a subdivision of Lot Six (6) of the East Omaha Land Company's Land (Tax Lot 6), as surveyed, platted and recorded by the East Omaha Land Company, and being located within the Accretions to Government Lot Ten (10) in Section One (1), Township Fifteen (15), North, Range Thirteen (13) East of the Sixth (6th) P. M. in Douglas County, Nebraska, said Lot Six (6) of the East Omaha Land Company's Land occupy the same position as was formerly designated on the Iowa survey of the United States Government as the Southeast Quarter of the Northeast Quarter (SE 1/4 NE 1/4) of Section Twenty-one (21), Township Seventy-five (75), North, Range Forty-four (44) West of the Fifth (5th) P. M. in Pottawattamie County, Iowa, is no longer needed by the District; and

WHEREAS, the District has advertised the same for sale and has received several bids, the highest of which is from Andy Lawalo for \$2,001.00, which the directors have determined is a fair price for said real estate; and that it is in the best interests of the District that the said bid be accepted;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Omaha Public Power District:

1. That the bid of Andy Lawalo of \$2,001.00 for the purchase of the real estate described in the preambles hereof, be and hereby is accepted.
2. That the proper officers be and hereby are authorized and directed to execute for and on behalf of the District proper conveyance therefor and deliver the same to said bidder upon receipt of the purchase money.

1402 PAGE 251

CORPORATION SURVIVORSHIP WARRANTY DEED

12-102-103-110-111

The grantor TRANSPORT REPAIR SERVICE, INC.

a corporation organized and existing under and by virtue of the laws of the State of Nebraska,
in consideration of One Dollar and other valuable considerations,

received from grantee, does grant bargain, sell, convey and confirm unto REUBEN C. L. JOHNSON
and EUTH E. JOHNSON, husband and wife,

as joint tenants with right of survivorship, and not as tenants in common, the following described real
property in Douglas County, Nebraska

Lots Six (6), Seven (7), eight (8), Nine (9), Ten (10) and Eleven
(11), Block Five (5) in EAST OMAHA LAND COMPANY'S SUBDIVISION, an
Addition to the City of Omaha, Douglas County, Nebraska, as surveyed,
platted and recorded; and
Lots Sixteen (16) and Seventeen (17), in Block Six (6), in EAST
OMAHA LAND COMPANY'S SUBDIVISION, being a Subdivision of the South
Half of Lot 6 and the North Half of Lot 15, in EAST OMAHA LAND
COMPANY'S LAND and described as being within the NE 1/4 of SW 1/4
of Section 12, Township 15 North, Range 13 East of the 6th P.M., in
the City of Omaha, Douglas County, Nebraska, formerly described as
part of SE 1/4 of NE 1/4 of Section 21, Township 75 North, Range 44
West of 5th P.M., Pottawattamie County, Iowa.

To have and to hold the above described premises together with all tenements, hereditaments, and
appurtenances thereto belonging unto the grantees and to their assigns, or to the heirs and assigns of the
survivor of them forever.

And grantor for itself and its successors does hereby covenant with the grantees and with their
assigns and with the heirs and assigns of the survivor of them that grantor is lawfully seized of said
premises; that they are free from encumbrance except a first mortgage in favor of
Nebraska Savings & Loan Association, Omaha, Nebraska, recorded at
Book 1426, page 757, and Book 1396, page 705.

that grantor has good right and lawful authority to convey the same, and that grantor warrants and
will defend the title to said premises against the lawful claims of all persons whomsoever.

It is the intention of all parties hereto that in the event of the death of either of the grantees,
the entire fee simple title to the real estate shall vest in the surviving grantee.

In witness whereof, grantor has hereunto caused its corporate seal to be affixed and these presents
signed by its President.

October 31, 1969

NEBRASKA DOCUMENTARY

TRANSPORT REPAIR SERVICE, INC.

JAN 1 1970

10780

Reuben C. L. Johnson, President

STATE OF NEBRASKA County of Douglas

Before me, a notary public qualified for said county, personally came Reuben C. L.
Johnson,

President of

TRANSPORT REPAIR SERVICE, INC.

a corporation,

known to me to be the President and identical person who signed the foregoing instrument, and acknow-

NO. 309

WARRANTY DEED (DOUGLAS COUNTY FORM)

 Printed and For Sale by
 OMAHA STATIONERY CO.
 101 So. 10th St. Omaha

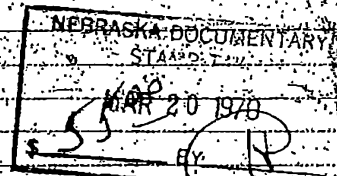
BOOK 1406 PAGE 263

KNOW ALL MEN BY THESE PRESENTS, That ANDY LAWSLO, a/k/a ANDREW LAWSLO,
a/k/a ANDREW LAWSLO, SR., a/k/a ANDREW J. LAWSLO, SR., a/k/a Ethelene
ANDREW J. LAWSLO, a widower, and ANDREW J. LAWSLO, JR., a/k/a ANDREW H. LAWSLO,
 in consideration of One Dollar & other good and valuable consideration, DOLLARS
 in hand paid, do hereby grant, bargain, sell, convey and confirm unto

HAROLD COOPERMAN

the following described real estate, situate in the County of Douglas and State of Nebraska, to-wit:

See reverse side hereof



together with all the tenements, hereditaments, and appurtenances to the same belonging, and all the estate, title, dower, right of homestead, claim or demand whatsoever of the said

Grantors

of, in, or to the same, or any part thereof;

TO HAVE AND TO HOLD the above described premises, with the appurtenances, unto the said

Harold Cooperman

and to his heirs and assigns forever, and all the said

Grantors

for themselves and their

heirs, executors, and administrators, do covenant with said

Harold Cooperman

and with his

heirs and assigns,

that they are lawfully seized of said premises, that they are free from encumbrance.

that they have good right and lawful authority to sell the same and that they will and their heirs, executors, and administrators shall warrant and defend the same unto the said Harold Cooperman and his heirs and assigns, forever, against the lawful claims of all persons, whomever

IN WITNESS WHEREOF, we have hereunto set our hands this 2nd day of January, A. D. 1970

In presence of

Andrew J. Lawslo, Sr.

Andrew J. Lawslo, Jr.

Ethelene H. Lawslo

STATE OF NEBRASKA

County of Douglas

On this 2nd day of January

A. D. 1970 before me, a Notary Public in and for said County, personally came the above named

BOOK 1466 PAGE 264

Legal description is as follows:

Lots A-2, 3, 4, 5, 12, 13, 14, 15, 16, 17, 18, 19, 20, A-1, 21 and 22, together with that part of Lot P commencing at the Northeast corner of Lot 21 and going thence in an Easterly direction a distance of 38' to the Northwest corner of Lot 2; thence in a Southerly direction a distance of 180' to the Southwest corner of Lot 3; thence in a Westerly direction a distance of 38' to the Southeast corner of Lot 20; thence in a Northerly direction a distance of 180 feet to the Northeast corner of Lot 21, being the point of beginning in Block 5 in East Omaha Land Company subdivision, an addition to the City of Omaha, in Douglas County, Nebraska, sometimes known as Lots in Block 5 in East Omaha and being a subdivision of Lot 6 of East Omaha Land Company's land (tax lot 6) and being located within the accretions to Government Lot 10 in Section 1, Township 15 North, Range 13, East of the 6th P.M. in Douglas County, Nebraska.

Num 1
Compared by
Paged Number
Time Recd

Compared by

Mail

By

for record in the city

Book

County

Deeds

Offered for

THE STATE OF NEBRASKA

Recorded in B

Page 19

at

From

to

W.M.

2146

DOUGLAS

County

Witness my hand and Notarial Seal the day and year last above written.

My Commission expires the 8th day of April, 1923

.Cody

On this..... day of....., 19....., before:

me, the undersigned a Notary Public, duly commissioned and qualified for
in said county, personally came.....

to me known to be the identical person or persons whose name is, or names are
affixed to the foregoing instrument and acknowledged the execution thereof to be
his, her, or their voluntary act and deed.

Witness my hand and Notarial Seal the day and year last above written.

My Commission expires the 15 day of May 1960

My Commission expires the 15 day of June 1964

○

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CLERK OF DISTRICT COURT
COUNTY OF HENDERSON

only filed for
nd filed for
ed filed for

atv Dlerk:

2007

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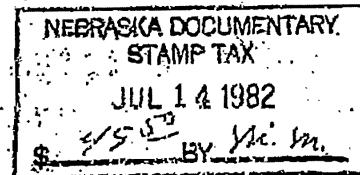
La. 2010

BOOK 1689 PAGE 144

WARRANTY DEED

Harold Cooperman and Merriam Cooperman, husband and wife, GRANTOR, in consideration of Ten Dollars and other valuable consideration---DOLLARS received from GRANTEE, Moweco, Inc., a Nebraska corporation, conveys to GRANTEE the following described real estate (as defined in Neb. Rev. Stat. 76-201):

Lots 12, 13, 14, 15, 16 and 17 inclusive, Block 5, EAST OMAHA LAND COMPANY'S SUBDIVISION of Lots 6 and 15, East Omaha Land Company's Land, an Addition to the City of Omaha, as surveyed, platted and recorded in Douglas County, Nebraska



GRANTOR covenants (jointly and severally, if more than one) with GRANTEE that GRANTOR:

- (1) is lawfully seized of such real estate and that it is free from encumbrances
- (2) has legal power and lawful authority to convey the same;
- (3) warrants and will defend title to the real estate against the lawful claims of all persons.

Executed July 2, 19 82

Harold Cooperman
Harold Cooperman

Merriam Cooperman
Merriam Cooperman

STATE OF NEBRASKA

COUNTY OF DOUGLAS

SS.

The foregoing instrument was acknowledged before me on July 2, 19 82

Harold Cooperman and Merriam Cooperman, husband and wife,



Steven J. Lustgarten
Notary Public
My commission expires Oct 14, 1984

2107 & Locust
68110

BOOK 1770 PAGE 669

29

JOINT TENANCY WARRANTY DEED

HAROLD COOPERMAN and MERRIAM COOPERMAN, husband and wife, GRANTOR in consideration of One Dollar (\$1.00) and Other Valuable Consideration ~~XXXXXX~~ received from GRANTEES, ROBERT M. McDERMOTT and DEBRA M. McDERMOTT, husband and wife,

conveys to GRANTEES, as joint tenants and not as tenants in common, the following described real estate (as defined in Neb. Rev. Stat. 76-201):

Lots 1, 2, 3, 4, 5, 18, 19, 20, 21, 22, A-1, A-2, and P in Block 5, in East Omaha Land Company subdivision, an addition to the City of Omaha, in Douglas County, Nebraska, sometimes known as Lots in Block 5 in East Omaha and being a subdivision of Lot 6 of East Omaha Land Company's land (Tax Lot 6) and being located in the accretions to Government Lot 10 in Section 1, Township 15 North, Range 13, East of the 6th P.M., Douglas County, Nebraska.

RECEIVED
1985 DEC 30 AM 11:00
GEORGE J. BUCLEWICZ
REGISTER OF DEEDS
DOUGLAS COUNTY, NEBR.

8697 Deed
BK 1770 Del. VK N 29A-4-11-90 Feb 11-90
PG 669 Indx. 11-90 0317A-01 MC 11-90
OF Deeds Comp. as Comp. as

GRANTOR covenants (jointly and severally, if more than one) with GRANTEES that GRANTOR:

(1) is lawfully seised of such real estate and that it is free from encumbrances except easements and restrictions of record and general ad valorem real estate taxes;

(2) has legal power and lawful authority to convey the same;

(3) warrants and will defend title to the real estate against the lawful claims of all persons.

Executed December 27, 1985.

NEBRASKA DOCUMENTARY
STAMP TAX
Date 12-20-85
\$ 2.50 BY CD

Harold Cooperman
Merriam Cooperman

STATE OF NEBRASKA)
COUNTY OF Douglas) ss.

The foregoing instrument was acknowledged before me on December 27, 1985 by Harold Cooperman and Merriam Cooperman, husband and wife.

GENERAL NOTARY - State of Nebraska
SUE ANN COSTELLO
My Comm. Exp. Dec. 10, 1986

Sue Ann Costello
Notary Public
My commission expires 12-10-86

STATE OF NEBRASKA, County of _____

103-WARRANTY DEED

300-1744 p. 155

KNOW ALL MEN BY THESE PRESENTS

THAT I or We,

REUBEN C. L. JOHNSON and RUTH E.
JOHNSON, Husband and Wife,

of the County of Douglas

, State of Nebraska

for and in consideration of the

sum of

DOLLARS,

in hand paid do hereby grant, bargain, sell, convey and confirm unto

MORGAN WHEEL & EQUIPMENT CO., a Nebraska
corporation,of the County of Douglas
situated in Omaha

, in Douglas County, State of Nebraska

the following described real estate
Nebraska to wit:as more particularly described on Exhibit "A" attached hereto
and incorporated herein by reference.NEBRASKA DOCUMENTARY
STAMP TAX

NOV 21 1984

\$148.50 BY D.W.

This deed is given in fulfillment of land contract entered into
between the parties hereto on the 1 day of October, 1974.TO HAVE AND TO HOLD the premises above described, together with all the Tenements, Hereditaments, and
appurtenances thereunto belonging, unto the said Grantee

and to their

Heirs and assigns forever

And I or We hereby covenant with the said Grantee or grantees and with his, her, or their heirs and assigns that I
am or We are lawfully seized of said premises; that they are free from encumbrance except first mort-
gage of record in favor of Nebraska Savings & Loan Assoc. and except reser-
vations and easements of record and further subject to liens and encumbrances
from and after October 1, 1974.that I or We have good right and lawful authority to sell the same, and I or We hereby covenant to warrant and
defend the title to said premises against the lawful claims of all persons, whomsoever.

And the said Grantors

hereby relinquishes all

their right, title and interest

in and to the above described premises.

Signed this 1 day of October

1974

STATE OF NEBRASKA
Douglas County

Book 74 Page 156

On this 22 day of October 1974 before

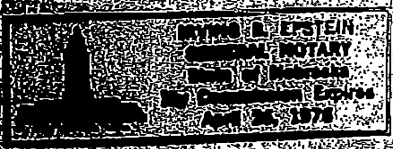
me, the undersigned a Notary Public, duly commissioned and qualified for said County, personally came Reuben C. L. Johnson and Ruth E. Johnson, Husband and Wife,

to me known to be the identical person or persons whose name is or names are subscribed to the foregoing instrument, and acknowledged the execution thereof to be, his, her or their voluntary act and deed.

Witness my hand and Notarial Seal the day and year last above written.

Myring B. Epstein Notary Public.

My commission expires the _____ day of _____, 19_____



STATE OF _____ } ss.
County _____

On this _____ day of _____, 19_____, before me, the undersigned a Notary Public, duly commissioned and qualified for said County, personally came _____

to me known to be the identical person or persons whose name is or names are subscribed to the foregoing instrument, and acknowledged the execution thereof to be, his, her or their voluntary act and deed.

Witness my hand and Notarial Seal the day and year last above written.

Notary Public.

My commission expires the _____ day of _____, 19_____

FILED
County of _____
and filed for
rec. of Deeds of
day of _____
19_____
at _____, Nebr.
on page _____
Book of Deeds _____
Deputy _____
Lincoln, Nebr.

BOOK 1744 PAGE 157

Lots Six (6), Seven (7), Eight (8), Nine (9), Ten (10) and Eleven (11), in Block Five (5), in East Omaha Land Company's Subdivision, in the City of Omaha, Douglas County, Nebraska, being a subdivision of the S 1/2 of Lot 6 and the N 1/2 of Lot 15, East Omaha Land Company's Land and described as being within the Northeast Quarter (NE 1/4) of the Southwest Quarter (SW 1/4) of Section Twelve (12), Township Fifteen (15) North of Range Thirteen (13), East of the Sixth (6th) Principal Meridian, in Douglas County, Nebraska, formerly described as a part of the SE 1/4 of the NE 1/4 of Section 21, Township 75 North, of Range 44, West of the 5th P.M., Pottawattamie County, Iowa; and All of Lot Sixteen (16) and Seventeen (17), except the North seven (7) feet thereof, in Block Six (6) in East Omaha Land Company's Subdivision, being a subdivision of the South half of Lot 6 and the North half of Lot 15, in East Omaha Land Company's Land, and described as being within the Northeast Quarter of the Southwest Quarter of Section 12, Township 15 North, Range 13 East of the 6th P.M., in the City of Omaha, in Douglas County, Nebraska, formerly described as part of the Southeast Quarter of the Northeast Quarter of Section 21, Township 75 North, Range 44 West of the 5th P.M., in Pottawattamie County, Iowa;

R.C.L.
R.C.J.

EXHIBIT "A"

9 12

NEBRASKA DOCUMENTARY
484 STAMP TAX
DEC 31 1984
\$ 24 EV m.m.

November 30 1997
P. H. K.

BOOK 1746 PAGE 586

Subdivision, in the City of Omaha, Douglas County, Nebraska, being a subdivision of the South Half (1/2) of Lot Six (6) and the North Half (1/2) of Lot Fifteen (15), East Omaha Land Company's Land and described as being within the Northeast Quarter of the Southwest Quarter (NE 1/4 of SW 1/4) of Section Twelve (S 12), Township Fifteen North (T 15 N), Range Thirteen East (R 13 E), Sixth (6th) Principal Meridian, in Douglas County, Nebraska, formerly described as a part of the Southeast Quarter of the Northeast Quarter (SE 1/4 of NE 1/4) of Section Twenty One (S 21), Township Seventy Five North (T 75 N), Range Forty Four West (R 44 W), Fifth (5th) Principal Meridian, Pottawattamie County, Iowa; (and all of Lots Sixteen (16) and Seventeen (17), except the North Seven Feet (N 7') thereof, in Block Six (6) in East Omaha Land Company's Subdivision, being a subdivision of the South Half (1/2) of Lot Six (6) and the North Half (1/2) of Lot Fifteen (15), in East Omaha Land Company's Land and described as being within the Northeast Quarter of the Southwest Quarter (NE 1/4 of SW 1/4) of Section Twelve (S 12), Township Fifteen North (T 15 N), Range Thirteen East (R 13 E), Sixth (6th) Principal Meridian, in the City of Omaha, in Douglas County, Nebraska, formerly described as part of the Southeast Quarter of the Northeast Quarter (SE 1/4 of NE 1/4) of Section Twenty One (S 21), Township Seventy Five North (T 75 N), Range Forty Four West (R 44 W), Fifth (5th) Principal Meridian, Pottawattamie County, Iowa.

Book

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DOUGLAS

1984 DEC 31

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Page 49 of 62



MTG 2005070601



JUL 06 2005 13:50 P. 7

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MTG
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BKP C/O COMP
DEL SCAN TV

Received - DIANE L. BATTIATO
Register of Deeds, Douglas County, NE
7/6/2005 13:50:53.24



2005070601

WHEN RECORDED MAIL TO:

Great Western Bank
American Plaza
6015 N.W. Radial Hwy.
P.O. Box 4070
Omaha, NE 68104-0070

FOR RECORDER'S USE ONLY

DEED OF TRUST

THIS DEED OF TRUST is dated June 27, 2005, among RESCUE MISSION, INC. D/B/A OPEN DOOR MISSION A NEBRASKA NON-PROFIT CORPORATION, whose address is 2828 NORTH 23RD STREET EAST, OMAHA, NE 68110; ("Trustor"); Great Western Bank, whose address is American Plaza, 6015 N.W. Radial Hwy., P.O. Box 4070, Omaha, NE 68104-0070 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and GREAT WESTERN BANK, whose address is PO BOX 4070, OMAHA, NE 68104-0070 (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, Trustor conveys to Trustee in Trust, WITH POWER OF SALE, for the benefit of Lender as Beneficiary, all of Trustor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in DOUGLAS County, State of Nebraska:

LOTS 1, 2, 3, 4, 5, 18, 19, 20, 21, 22, A-1, A-2 AND P, ALL IN BLOCK 5, ^{Hand Lot P} IN EAST OMAHA LAND COMPANY SUBDIVISION, AN ADDITION TO THE CITY OF OMAHA, IN DOUGLAS COUNTY, NEBRASKA, SOMETIMES KNOWN AS LOTS IN BLOCK 5 IN EAST OMAHA AND BEING A SUBDIVISION OF LOT 6 OF EAST OMAHA LAND COMPANY'S LAND (TAX LOT 6) AND BEING LOCATED IN THE ACCRETIONS TO GOVERNMENT LOT 10 IN SECTION 1, TOWNSHIP 15 NORTH, RANGE 13 EAST OF THE 6TH P.M., DOUGLAS COUNTY, NEBRASKA.

The Real Property or its address is commonly known as 2107 E. LOCUST STREET, OMAHA, NE 68110. The Real Property tax identification number is 0671-0000-10

CROSS-COLLATERALIZATION. In addition to the Note, this Deed of Trust secures all obligations, debts and liabilities, plus interest thereon, of Trustor to Lender, or any one or more of them, as well as all claims by Lender against Trustor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated whether Trustor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

Trustor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Trustor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Trustor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Trustor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Trustor's obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Trustor agrees that Trustor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Trustor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Trustor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Continued with Supplemental Laws. Trustor covenants and warrants to Lender that: (1) During the term of Trustor's ownership of

Loan No: 5173356

**DEED OF TRUST
(Continued)**

Page 2

of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Trustor's ownership or interest in the Property, whether or not the same was or should have been known to Trustor. The provisions of this section of the Deed of Trust, including the obligation to indemnify, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Trustor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Trustor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Trustor shall not demolish or remove any improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any improvements, Lender may require Trustor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Trustor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Trustor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Trustor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Trustor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Trustor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Trustor agrees neither to abandon or leave unattended the Property. Trustor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Trustor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Trustor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Nebraska law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

Payment. Trustor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Trustor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Trustor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Trustor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Trustor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Trustor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Trustor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Trustor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Trustor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialman's lien, or other lien could be asserted on account of the work, services, or materials. Trustor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Trustor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust.

Maintenance of Insurance. Trustor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on an actual cash value basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgages clause in favor of Lender. Trustor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustor and Lender being named as additional insureds in such liability insurance policies. Additionally, Trustor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Trustor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Trustor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Trustor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limit set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Trustor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$10,000.00. Lender may make use of these proceeds to repair or replace the damaged property.

**DEED OF TRUST
(Continued)**

Loan No: 5173356

Page

and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Trustor warrants that: (a) Trustor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust; and (b) Trustor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Trustor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Trustor's title or the interest of Trustee or Lender under this Deed of Trust, Trustor shall defend the action at Trustor's expense. Trustor may be the nominal party in such proceeding but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Trustor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Trustor warrants that the Property and Trustor's use of the Property complies with all existing applicable law ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Trustor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Trustor's indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

Proceedings. If any proceeding in condemnation is filed, Trustor shall promptly notify Lender in writing, and Trustor shall promptly take such steps as may be necessary to defend the action and obtain the award. Trustor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Trustor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding to purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean: the award after payment of a reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental tax fees and charges are a part of this Deed of Trust:

Current Taxes, Fees and Charges. Upon request by Lender, Trustor shall execute such documents in addition to this Deed of Trust as Lender may request by Lender to perfect and continue Lender's lien on the Real Property. Trustor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or part of the indebtedness secured by this Deed of Trust; (2) a specific tax on Trustor which Trustor is authorized or required to deduct for payments on the indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Trustor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided here unless Trustor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Lender action and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Trustor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Real and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, any time and without further authorization from Trustor, file executed counterparts, copies or reproductions of this Deed of Trust as financing statement. Trustor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default Trustor shall not remove, sever or detach the Personal Property from the Property. Upon default, Trustor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Trustor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Trustor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request of Lender, Trustor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgage deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Trustor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the lien or security interest created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Trustor. Unless prohibited by law or Lender agrees to the contrary in writing, Trustor shall reimburse Lender for all costs and expenses incurred in

Loan No: 5173356

**DEED OF TRUST
(Continued)**

Page 4

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

Default on Other Payments. Failure of Trustor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Default in Favor of Third Parties. Should Trustor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Trustor's property or Trustor's ability to repay the indebtedness or perform their respective obligations under this Deed of Trust or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Trustor or on Trustor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Trustor's existence as a going business, the insolvency of Trustor, the appointment of a receiver for any part of Trustor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Trustor.

Creditor or Foreclosure Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Trustor or by any governmental agency against any property securing the indebtedness. This includes a garnishment of any of Trustor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Trustor as to the validity or reasonableness of the claim which is the basis of the creditor or foreclosure proceeding and if Trustor gives Lender written notice of the creditor or foreclosure proceeding and deposits with Lender monies or a surety bond for the creditor or foreclosure proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Trustor under the terms of any other agreement between Trustor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Trustor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Trustor's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

IN PAYMENT DEFAULT, 10 DAYS WILL BE ALLOWED TO CURE.

Right to Cure. If any default, other than a default in payment is curable and if Trustor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured if Trustor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within twenty (20) days; or (2) if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Acceleration Upon Default/Additional Remedies. If any Event of Default occurs as per the terms of the Note secured hereby, Lender may declare all indebtedness secured by this Deed of Trust to be due and payable and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind. Thereafter, Lender may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Property, or any part thereof, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Property, or part of the Property or interest in the Property; increase the income from the Property or protect the security of the Property; and, with or without taking possession of the Property, sue for or otherwise collect the rents, issues and profits of the Property, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection attorneys' fees, to any indebtedness secured by this Deed of Trust, all in such order as Lender may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits, and the application thereof shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any act done in response to such default or pursuant to such notice of default; and, notwithstanding the continuance in possession of the Property or the collection, receipt and application of rents, issues or profits, Trustee or Lender shall be entitled to exercise every right provided for in the Note or the Related Documents or by law upon the occurrence of any event of default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver or specifically enforce any of the covenants hereof; and

(c) Deliver to Trustee a written declaration of default and demand for sale and a written notice of default and election to cause Trustor's interest in the Property to be sold, which notice Trustee shall cause to be duly filed for record in the appropriate offices of the County in which the Property is located; and

(d) With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Nebraska Uniform Commercial Code.

Foreclosure by Power of Sale. If Lender elects to foreclose by exercise of the Power of Sale herein contained, Lender shall notify Trustee and shall deposit with Trustee this Deed of Trust and the Note and such receipts and evidence of expenditures made and secured by this Deed of Trust as Trustee may require.

(a) Upon receipt of such notice from Lender, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Default and Notice of Sale as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after such time as may then be required by law and after recordation of such Notice of Default and after Notice of Sale having been given as required by law, sell the Property.

Loan No: 5173356

**DEED OF TRUST
(Continued)**

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Remedies Not Exclusive. Trustee and Lender, and each of them, shall be entitled to enforce payment and performance of any indebtedness or obligations secured by this Deed of Trust and to exercise all rights and powers under this Deed of Trust, under the Note, under any of the Related Documents, or under any other agreement or any laws now or hereafter in force; notwithstanding, some or all of such indebtedness and obligations secured by this Deed of Trust may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other powers contained in this Deed of Trust, shall prejudice or in any manner affect Trustee's or Lender's right to realize upon or enforce any other security now or hereafter held by Trustee or Lender, it being agreed that Trustee and Lender, and each of them, shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Lender or Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy conferred upon or reserved to Trustee or Lender, is intended to be exclusive of any other remedy in this Deed of Trust or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given in this Deed of Trust or now or hereafter existing at law or in equity or by statute. Every power or remedy given by the Note or any of the Related Documents to Trustee or Lender or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Lender, and either of them may pursue inconsistent remedies. Nothing in this Deed of Trust shall be construed as prohibiting Lender from seeking a deficiency judgment against the Trustor to the extent such action is permitted by law. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Trustor under this Deed of Trust, after Trustor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Request for Notice. Trustor, on behalf of Trustor and Lender, hereby requests that a copy of any Notice of Default and a copy of any Notice of Sale under this Deed of Trust be mailed to them at the addresses set forth in the first paragraph of this Deed of Trust.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Trustor also will pay any court costs, in addition to all other sums provided by law.

Rights of Trustee. Trustee shall have all of the rights and duties of Lender as set forth in this section.

POWERS AND OBLIGATIONS OF TRUSTEE. The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust:

Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Trustor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Successor Trustee. Lender, at Lender's option, may from time to time appoint a successor Trustee in any Trustee appointed under this Deed of Trust by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of DOUGLAS County, State of Nebraska. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Trustor, the book and page (or computer system reference) where this Deed of Trust is recorded, and the name and address of the successor trustee, and the instrument shall be executed and acknowledged by all the beneficiaries under this Deed of Trust or their successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for substitution.

NOTICES. Any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Trustor agrees to keep Lender informed at all times of Trustor's current address. Unless otherwise provided or required by law, if there is more than one Trustor, any notice given by Lender to any Trustor is deemed to be notice given to all Trustors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Trustor's residence, Trustor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Trustor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Governing Law. This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Nebraska without regard to its conflicts of law provisions. This Deed of Trust has been accepted by

**DEED OF TRUST
(Continued)**

Loan No: 5173356

Page 6

of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Trustor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Trustor, Lender, without notice to Trustor, may deal with Trustor's successors with reference to this Deed of Trust and the indebtedness by way of forbearance or extension without releasing Trustor from the obligations of this Deed of Trust or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

Waive Jury. All parties to this Deed of Trust hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

Waiver of Homestead Exemption. Trustor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Nebraska as to all indebtedness secured by this Deed of Trust.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Beneficiary. The word "Beneficiary" means Great Western Bank, and its successors and assigns.

Borrower. The word "Borrower" means RESCUE MISSION, INC. D/B/A OPEN DOOR MISSION and includes all co-signers and co-makers signing the Note.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Trustor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-469 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Trustor's obligations or expenses incurred by Trustee or Lender to enforce Trustor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust. Specifically, without limitation, indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Deed of Trust.

Lender. The word "Lender" means Great Western Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated June 27, 2005, in the original principal amount of \$750,000.00 from Trustor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Trustor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustee. The word "Trustee" means GREAT WESTERN BANK, whose address is PO BOX 4070, OMAHA, NE 68104-0070 and any substitute or successor trustees.

Trustor. The word "Trustor" means RESCUE MISSION, INC. D/B/A OPEN DOOR MISSION.

TRUSTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND TRUSTOR AGREES TO ITS TERMS.

Loan No: 5173356

DEED OF TRUST
(Continued)

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CORPORATE ACKNOWLEDGMENT

STATE OF NEBRASKA)
) ss
COUNTY OF DOUGLAS)On this 27th day of JUNE, 2005, before me, the undersigned Notary Public, personally appeared GANDACE L. GREGORY, President/CEO of RESCUE MISSION, INC. D/B/A OPEN DOOR MISSION, and known to me to be an authorized agent of the corporation that executed the Deed of Trust and acknowledged the Deed of Trust to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Deed of Trust and in fact executed the Deed of Trust on behalf of the corporation.By: Steven E. Gundersen
Notary Public in and for the State of NEBRASKA
Residing at 9140 W. DODD RD. (#414) OMAHA
My commission expires AUG. 8, 2007 68111REQUEST FOR FULL RECONVEYANCE
(To be used only when obligations have been paid in full)

To: _____ Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by this Deed of Trust have been fully paid and satisfied. You are hereby directed, upon payment to you of any sums owing to you under the terms of this Deed of Trust or pursuant to any applicable statute, to cancel the Note secured by this Deed of Trust (which is delivered to you together with this Deed of Trust) and to reconvey, without warranty, to the parties designated by the terms of this Deed of Trust, the estate now held by you under this Deed of Trust. Please mail the reconveyance and Related Documents to:

Date: _____

Beneficiary: _____

By: _____

He: _____

LHA 900 Leading, Inc. CLE 02/01 Copy to God Through Andrew, Inc. 1997, 2002 All Rights Reserved. * 102 2007/04/01/02 10:11:18 PM



DEED 2005075698



JUN 29 2005 14:48 P 2

11:57:03
Chmp Tax
6-29-05
Date
\$ 1,750.00
By LH

Received - DIANE L. BATTIATO
 Registrar of Deeds, Douglas County, NE
 6/29/2005 14:48:58



2005075698

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that Robert M. McDermott and Debra M. McDermott, Husband and Wife, herein called the GRANTOR, whether one or more, in consideration of One Dollar and other valuable consideration received from GRANTEE, does grant, bargain, sell, convey and confirm unto Rescue Mission, Inc., a Nebraska Non-Profit Corporation, herein called the Grantee whether one or more, the following described real property in Douglas County, Nebraska:

Lots 1, 2, 3, 4, 5, 18, 19, 20, 21, 22, A-1, A-2 and P, all in Block 5, in East Omaha Land Company Subdivision, an Addition to the City of Omaha, in Douglas County, Nebraska, sometimes known as Lots in Block 5 in East Omaha and being a subdivision of Lot 6 of East Omaha Land Company's land (Tax Lot 6) and being located in the accretions to Government Lot 10 in Section 1, Township 15 North, Range 13 East of the 6th P.M., Douglas County, Nebraska.

To have and to hold the above described premises together unto the GRANTEE and to the GRANTEE's successors and assigns forever; provided, however, that this Warranty Deed does not and shall not be construed to convey title to any buildings, tenements, hereditaments, appurtenances, structures of any kind, or personal property presently situated upon the above described real property, whether said structures are permanently or temporarily affixed thereto.

And GRANTOR does hereby covenant with the GRANTEE and with GRANTEE's successors and assigns that GRANTOR is lawfully seized of said premises; that they are free from encumbrance, except those easements, restrictions and covenants of record.

That GRANTOR has good right and lawful authority to convey the same; and that GRANTOR warrants and will defend the title to said premises against the lawful claims of all persons whomsoever.

EXECUTED: June 22, 2005

Robert M. McDermott

Debra M. McDermott

U.S. Nebraska Warranty Deed Rev. (7/12/04)

a. Seed 50
 116
 52-10340
 2 32-117
 13 32-61 67 003-11
 13 11 14 FY

File No. 410097

35-410097

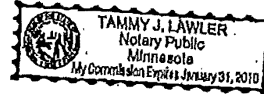
mn
STATE OF NEBRASKA)
Lincoln) ss.
COUNTY OF DOUGLAS)

On , before me, the undersigned, a Notary Public, duly commissioned and qualified in said County, personally came Robert M. McDermott and Debra M. McDermott, Husband and Wife known to be the identical person(s) whose name(s) are affixed to the foregoing instrument and acknowledged the execution thereof to be their voluntary act and deed:

Witness my hand and notarial seal the day and year last above written.

Tammy J. Lawler
NOTARY PUBLIC

My commission expires: 1-31-2010





DEED 2005090876



AUG 11 2005 08:13 P 3

Nebr Doc Stamp Tax
8-11-05
Date
\$ 1687.50
By <i>gc</i>

Received - DIANE L. BATTIATO
Register of Deeds, Douglas County, NE
8/11/2005 08:13:49.05
2005090876

THIS PAGE INCLUDED FOR INDEXING
PAGE DOWN FOR BALANCE OF INSTRUMENT

Deed
3/13
FEE *21.50* FB *52-10340*
BKP _____ C/O _____ COMP *MB*
DEL _____ SCAN _____ FV _____

1029620
✓ 5195

RETURN TO

Gunderson law offices
9140 W. Dodge # 414
Omaha, NE 68114

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that ROBERT M. McDERMOTT and DEBRA M. McDERMOTT (collectively, the "Donor"), as a gift and without consideration, do hereby convey, transfer, assign, and deliver to SECURITY NATIONAL BANK OMAHA, as Trustee under the McDermott Charitable Remainder Trust dated June 15, 2005, and its successors and assigns (the "Trustee"), any and all of Donor's right, title and interest in and to the building, trade fixtures and equipment presently located on the real estate located in the State of Nebraska, County of Douglas, and described as follows:

Lot P, Block O ~~LLK~~
Lots 1, 2, 3, 4, 5, 18, 19, 20, 21, 22, A-1, A-2 and V, all in Block 5, in East Omaha Land Company Subdivision, an Addition to the City of Omaha, in Douglas County, Nebraska, sometimes known as Lots in Block 5 in East Omaha and being a subdivision of Lot 6 of East Omaha Land Company's land (Tax Lot 6) and being located in the accretions to Government Lot 10 in Section 1, Township 15 North, Range 13 East of the 6th P.M., Douglas County, Nebraska.

To have and to hold the same unto the Trustee, its successors and assigns forever.

Provided, however, that this conveyance, assignment and transfer is without representation of any kind by Donor (including, without limitation, any warranty of title, merchantability or fitness for a particular purpose) and is without recourse to Donor.

And provided further, that by its acceptance and execution of this Bill of Sale, the Trustee accepts the building, trade fixtures and equipment "as is" and "where is".

IN WITNESS WHEREOF, the undersigned have executed this instrument the 24 day of June, 2005.

SECURITY NATIONAL BANK OMAHA, Trustee

By: _____
Its: _____

Robert M. McDermott
ROBERT M. McDERMOTT, Donor

Debra M. McDermott
DEBRA M. McDERMOTT, Donor

TJM/317725.1

STATE OF MN)
) ss.
COUNTY OF Hennepin)

On this 15 day of June, 2005, before me, a Notary Public, in and for said County, personally came the above-named, DEBRA M. McDERMOTT, who is personally known to me to be the identical person whose name is affixed to the above document as Donor; and ROBERT M. McDERMOTT, who is personally known to me to be the identical person whose name is affixed to the above document as Donor; and they (and each of them) acknowledged said instrument to be their voluntary act and deed.

WITNESS my hand and notarial seal the date above last aforesaid.

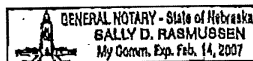


[Signature]
Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF DOUGLAS)

On this 21 day of June, 2005, before me, a Notary Public, in and for said County, personally came the above-named, DOMENEC S. DEWAS, S. D. RASMUSSEN of SECURITY NATIONAL BANK OMAHA, of Omaha, Nebraska, to me personally known to me to be such officer and the identical person whose name is affixed to the above document, as Trustee, and such officer acknowledged the execution thereof to be the voluntary act and deed of such officer, and the voluntary act and deed of the said SECURITY NATIONAL BANK OMAHA.

WITNESS my hand and notarial seal the date above last aforesaid.



[Signature]
Notary Public



DEED 2005098077



AUG 11 2005 08:13 P 1

Nebr Doc Stamp Tax
8-11-05
Date
\$1687.50
By: <i>[Signature]</i>

Received - DIANE L. BATT
Register of Deeds, Douglas County
8/11/2005 08:13:51.89
2005098077

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that SECURITY NATIONAL BANK OMAHA, as Trustee under the McDermott Charitable Remainder Trust dated June 15, 2005, (the "Seller"), for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby convey, transfer, assign, or deliver to RESCUE MISSION, Inc., a Nebraska non-profit corporation (the "Buyer"), any and all of Seller's right, title and interest in and to the building, trade fixtures and equipment presently located on the real estate located in the State of Nebraska, County of Douglas, and described as follows:

Lot P, Block O
Lots 1, 2, 3, 4, 5, 18, 19, 20, 21, 22, A-1, A-2 and K, all in Block 5, in East Omaha Land Company Subdivision, an Addition to the City of Omaha, in Douglas County, Nebraska, sometimes known as Lots in Block 5 in East Omaha and being a subdivision of Lot 6 of East Omaha Land Company's land (Tax Lot 6) and being located in the accretions to Government Lot 10 in Section 1, Township 15 North, Range 13 East of the 6th P.M., Douglas County, Nebraska.

To have and to hold the same unto the Buyer, its successors and assigns forever.

And provided further, that by its acceptance and execution of this Bill of Sale, the Buyer accepts the building, trade fixtures and equipment "as is" and "where is".

IN WITNESS WHEREOF, the undersigned have executed this instrument the 27th day of June, 2005.

Deed
1/13
50 52-10340
FEE _____ FR _____
SHP _____ C/O _____ C: *mb*
DEL _____ SCH _____ FI _____

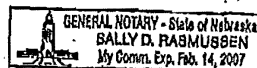
SECURITY NATIONAL BANK OMAHA, Trustee
McDermott Charitable Remainder Trust, Seller

By: *[Signature]*
Its: *Senior Vice President*

STATE OF NEBRASKA)
COUNTY OF DOUGLAS)

On this 27th day of June, 2005, before me, a Notary Public, in and for said County, personally came the above-named, Douglas S. Oldaker, Senior Vice President of SECURITY NATIONAL BANK OMAHA, Omaha, Nebraska, to me personally known to me to be such officer and the identical person whose name is affixed to the above document, as Seller, and such officer acknowledged the execution thereof to be the voluntary act and deed of such officer, and the voluntary act and deed of the said SECURITY NATIONAL BANK OMAHA.

WITNESS my hand and notarial seal the date above last aforesaid.



Return to: *Gunderson Law Offices*
9140 W. Dodge Rd # 414
Omaha NE 68114



City of Omaha
Jim Suttle, Mayor

Planning Department

Omaha/Douglas Civic Center
1819 Farnam Street, Suite 1100
Omaha, Nebraska 68183
(402) 444-5150
Telefax (402) 444-6140

R. E. Cunningham, RA, F.SAME
Director

November 19, 2009

Tina Alder
901 North 5th Street
Mailbox Code ERNB/SUPR
Kansas City, KS 66101

RE: Zoning Confirmation Letter
2717 North 21st Street East, 2716 North 22nd Street East and 2107 East Locust Street, Omaha, Nebraska

Dear Ms. Alder:

This is in response to your request for confirmation of zoning for the subject property, legally described as all of Block 5, E Omaha Land Cos Sub.

The property at 2717 North 21st Street East, 2716 North 22nd Street East and 2107 East Locust Street is zoned GI-General Industrial District. A copy of the GI district regulations is enclosed. Our records indicate that from 1987 to November 2008 the site was zoned Heavy Industrial District and prior to 1987 the site was zoned 4th Industrial District. The area was annexed into the city in 1958.

A portion of the site is designated with the FF-Flood Fringe Overlay District.

The City has no record of current building code or zoning regulation violations on this property.

This information is provided as a public service and is believed to be accurate; however, neither the undersigned nor the City assumes liability for errors or omissions.

If you have any further questions, please contact Michael Carter at 402/444-5495.

Sincerely
OMAHA CITY PLANNING DEPARTMENT


David Fanslau
Manager-Current Planning

1 OF 1 RECORD(S)

Assessment Record For DOUGLAS County**Estimated Roll Certification Date: 12/31/2005****Owner Information****Original Name:** MOWECO INC (COMPANY/CORPORATION)**Standardized Name:** MOWECO INC**Original Address:** 1002 GREY FAWN DR
OMAHA, NE 68154**Standardized Address:** 1002 GREY FAWN DR
OMAHA, NE 68154-3510
DOUGLAS COUNTY**Property Information****Original Property Address:** 2716 N 22 ST E
OMAHA, NE 68110**Standardized Property Address:** 2716 N 22ND ST E
OMAHA, NE 68110-2780
DOUGLAS COUNTY**Land Use:** STORAGE (MINI-WAREHOUSE)
Data Source: B**Legal Information****Assessor's Parcel Number:** 0673 0000 10**Tax Account Number:** 1006730000**Brief Description:** E OMAHA LAND COS SUB PT LOTS 6-15 LOT 11 BLOCK 5 LTS 6 TO & INC**Legal Description:** LOT NUMBER: 11; SUBDIVISION: E OMAHA LAND COS SUB PT LOTS 6-15; BLOCK: 5**Assessment Information****Assessment Year:** 2005**Total Assessed Value:** \$179,400**Property Characteristics****Year Built:** 1961**Units:** 1**Building Area:** 13,696 T TOTAL**Condo Project:** ;

Important: The Public Records and commercially available data sources used on reports have errors. Data is sometimes entered poorly, processed incorrectly and is generally not free from defect. This system should not be relied upon as definitively accurate. Before relying on any data this system supplies, it should be independently verified. For Secretary of State documents, the following data is for information purposes only and is not an official record. Certified copies may be obtained from that individual state's Department of State.

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Attachment E Former Carter White Lead Tax Inquiry and Assessment Records

Douglas County, Nebraska Property Record - R1006730000

Information is valid as of 2009-7-20

NEW Feature - Parcel Dimensions available @ scale 0-50 ft west of 52nd St -

Print Report
View on Map
Treasurer's Tax Report
New Feature → → → Auto Sales Search

Owner

MOWECO INC

1002 GREY FAWN DR
 OMAHA NE 68154-0000

Property Information**Key Number:** 0673 0000 10**Account Type:** Industrial**Parcel Number:** 1006730000**Parcel Address:** 2716 N 22 ST-E
OMAHA NE 68110-0000**Legal Description:** E OMAHA LAND COS SUB PT LOTS 6-15 LOT 11 BLOCK 5 LTS 6 TO & INC**Value Information**

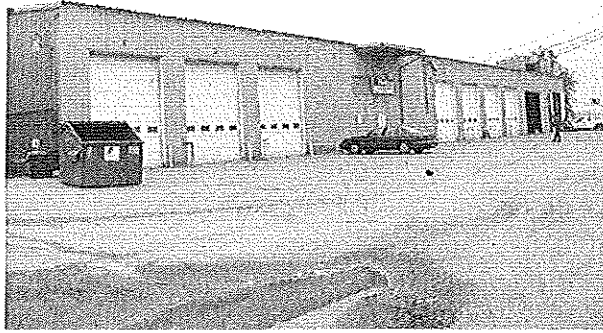
	<i>Land</i>	<i>Improvement</i>	<i>Total</i>
2009	\$21,000.00	\$179,800.00	\$200,800.00
2008	\$21,000.00	\$179,800.00	\$200,800.00
2007	\$21,000.00	\$179,800.00	\$200,800.00
2006	\$21,000.00	\$158,400.00	\$179,400.00
2005	\$21,000.00	\$158,400.00	\$179,400.00
2004	\$21,000.00	\$158,400.00	\$179,400.00

Land Information

<i>Acres</i>	<i>SF</i>	<i>Units</i>	<i>Depth</i>	<i>Width</i>	<i>Vacant</i>
0.96	42000.0	1.0	0.0	0.0	No

Improvement Information**Building 1**

Attachment E Former Carter White Lead Tax Inquiry and Assessment Records



CLICK TO ENLARGE IMAGE

2716 N 22 St-E
Bldg #1 of 2

Service Garage

CLICK TO ENLARGE IMAGE

CLICK TO ENLARGE IMAGE

Square Footage:	14136.0	Percent Complete:	100.0%
Perimeter	578.0	Quality:	Fair
Unit Type:		Condition:	Fair
Built As:	Service Garage	Condo Square Footage:	0.0
HVAC:	Space Heater	Rooms:	0.0
Exterior:		Units:	1.0
Interior:		Baths:	0.0
Roof Cover:		Bedrooms:	0.0
Roof Type:	Gable	Stories:	1.0
Floorcover:		Foundation:	
		Sprinkler Square Footage:	0.0

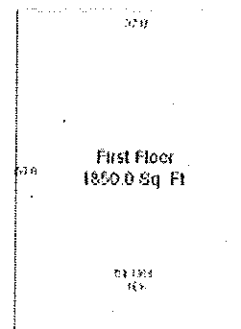
Year Built	Year Remodeled	Percent Remodeled	Adjusted Year Built	Physical Age
1961	0	0%	1961	48

Detail Type	Detail Description	Units
Mezzanine	Storage	900.0

Building 2



CLICK TO ENLARGE IMAGE

2716 N 22 St-E
Bldg #2 of 2

Service Garage

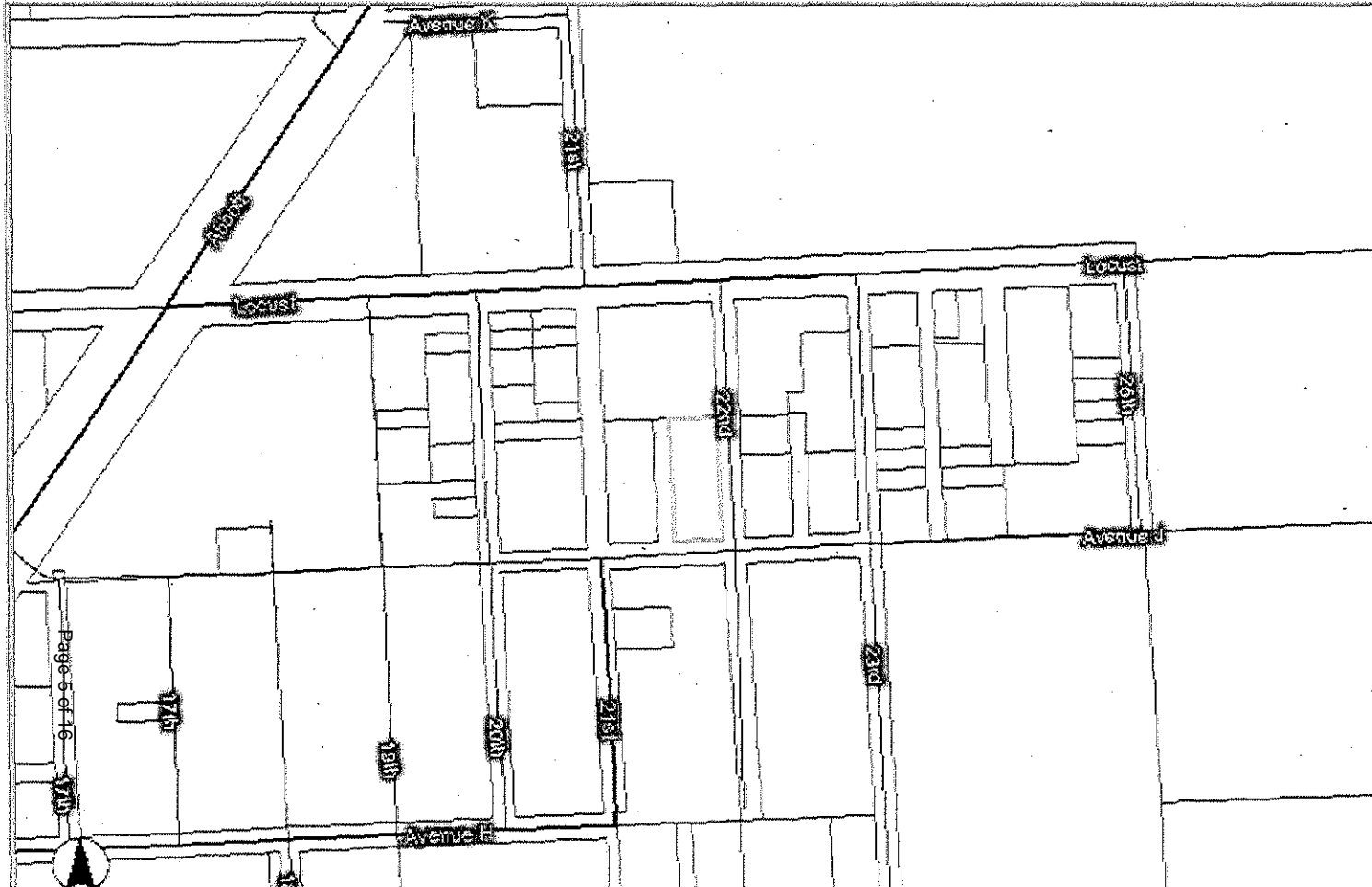
CLICK TO ENLARGE IMAGE

CLICK TO ENLARGE IMAGE

Attachment E Former Carter White Lead Tax Inquiry and Assessment Records

Square Footage:	1850.0	Percent Complete:	100.0%
Perimeter	124.0	Quality:	Low
Unit Type:		Condition:	Poor
Built As:	Service Garage	Condo Square Footage:	0.0
HVAC:	None	Rooms:	0.0
Exterior:		Units:	1.0
Interior:		Baths:	0.0
Roof Cover:		Bedrooms:	0.0
Roof Type:	Gable	Stories:	1.0
Floorcover:		Foundation:	
		Sprinkler Square Footage:	0.0

Year Built	Year Remodeled	Percent Remodeled	Adjusted Year Built	Physical Age
1984	0	0%	1984	25



View Property

Tools

- Zoom To This Parcel
- Buffer This Parcel

Parcel Information

Parcel ID 1006730000
Parcel City Omaha
Parcel Zip 68110-0000
Owner Name Mowen Inc
Owner Address
Owner Address 2 1002 Grey Fawn Dr
Owner City Omaha
Owner State Ne
Owner Zip 68164-0000
Addition E Omaha 1 Add One Sub P: Lots 5-15
Acres 0.96

Attachment E Former Carter White Lead Tax Inquiry and Assessment Records

Douglas County Treasurer

Nebraska


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[Contact Us](#)
[Search Page](#)

Taxpayer Information

Mailing Address: 1002 GREY FAWN DR
OMAHA, NE 68154

Property Information

Parcel Number: 1006730000

Key Number: 0673 0000 10

Property Address: 2716 NORTH 22 STREET EAST

Legal Description: E OMAHA LAND COS SUB PT LOTS 6-15 LOT 11 BLOCK 5

Tax Information for 2008

Property Value: \$200,800.00 [Assessor's Valuation Page](#)

Tax Levy: 2.05498 [Levy Info](#)

Tax Amount: \$3,953.46

Payment History

Tax Year	Tax Amount	Payment Date	Principal	Interest	Advertising	Total
2008	\$3,953.46	06-29-2009	\$1,976.73	\$0.00	\$0.00	\$1,976.73
		02-03-2009	\$1,976.73	\$0.00	\$0.00	\$1,976.73
2007	\$3,957.40	04-07-2008	\$3,957.40	\$0.00	\$0.00	\$3,957.40
2006	\$3,722.78	01-22-2007	\$3,722.78	\$0.00	\$0.00	\$3,722.78
2005	\$3,763.78	02-27-2006	\$3,763.78	\$0.00	\$0.00	\$3,763.78
2004	\$3,853.36	02-17-2005	\$3,853.36	\$0.00	\$0.00	\$3,853.36
2003	\$3,876.04	03-09-2004	\$3,876.04	\$0.00	\$0.00	\$3,876.04

1 OF 1 RECORD(S)

Assessment Record For DOUGLAS County

Estimated Roll Certification Date: 12/31/2005

Owner Information

Original Name: MOWECO INC (COMPANY/CORPORATION)

Standardized Name: MOWECO INC

Original Address: 1002 GREY FAWN DR
OMAHA, NE 68154

Standardized Address: 1002 GREY FAWN DR
OMAHA, NE 68154-3510
DOUGLAS COUNTY

Property Information

Original Property Address: 2717 N 21 ST E
OMAHA, NE 68110

Standardized Property Address: 2717 N 21 ST E
OMAHA, NE 68110
DOUGLAS COUNTY

Land Use: COMMERCIAL VACANT
Data Source: B

Legal Information

Assessor's Parcel Number: 0670 0000 10

Tax Account Number: 1006700000

Brief Description: E OMAHA LAND COS SUB PT LOTS 6-15 LOT 17 BLOCK 5 LTS 12 THRU
17

Legal Description: LOT NUMBER: 17; SUBDIVISION: E OMAHA LAND COS SUB PT LOTS 6-
15; BLOCK: 5

Assessment Information

Assessment Year: 2005

Total Assessed Value: \$17,900

Property Characteristics

Condo Project: ;

Important: The Public Records and commercially available data sources used on reports have errors. Data is sometimes entered poorly, processed incorrectly and is generally not free from defect. This system should not be relied upon as definitively accurate. Before relying on any data this system supplies, it should be independently verified. For Secretary of State documents, the following data is for information purposes only and is not an official record. Certified copies may be obtained from that individual state's Department of State.

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Attachment E Former Carter White Lead Tax Inquiry and Assessment Records

Douglas County, Nebraska Property Record - R1006700000

Information is valid as of 2009-7-20

NEW Feature - Parcel Dimensions available @ scale 0-50 ft west of 52nd St -

[Print Report](#)[View on Map](#)[Treasurer's Tax Report](#)[New Feature](#) → → → [Auto Sales Search](#)**Owner**

MOWECO INC

1002 GREY FAWN DR
OMAHA NE 68154-0000**Property Information****Key Number:** 0670 0000 10**Account Type:** Commercial**Parcel Number:** 1006700000**Parcel Address:** 2717 N 21 ST-E
OMAHA NE 68110-0000**Legal Description:** E OMAHA LAND COS SUB PT LOTS 6-15 LOT 17 BLOCK 5 LTS 12 THRU 17 &
1/2 VAC 21 ST ADJ 146 X 300**Value Information**

	<i>Land</i>	<i>Improvement</i>	<i>Total</i>
2009	\$17,900.00	\$0.00	\$17,900.00
2008	\$17,900.00	\$0.00	\$17,900.00
2007	\$17,900.00	\$0.00	\$17,900.00
2006	\$17,900.00	\$0.00	\$17,900.00
2005	\$17,900.00	\$0.00	\$17,900.00
2004	\$17,900.00	\$0.00	\$17,900.00

Land Information

<i>Acres</i>	<i>SF</i>	<i>Units</i>	<i>Depth</i>	<i>Width</i>	<i>Vacant</i>
1.0	43800.0	0.0	300.0	146.0	Yes

Douglas County, NE Geographic Information Web Server - Windows Internet Explorer

http://douglasne.mapping-online.com/DouglasCoNe/default.htm?Outside=true&ParcelId=1006700000

File Edit View Favorites Tools Help

Douglas County, NE Geographic Inf...

Home Page Tools

Douglas County, NE Geographic Information Web Server

Refresh Tools Home

Layers Legend Search

OV Map Zoom Full Zoom Last Zoom In Zoom Out Pan Navigation Identify Parcel Info Print Clear

Switch Toolbars

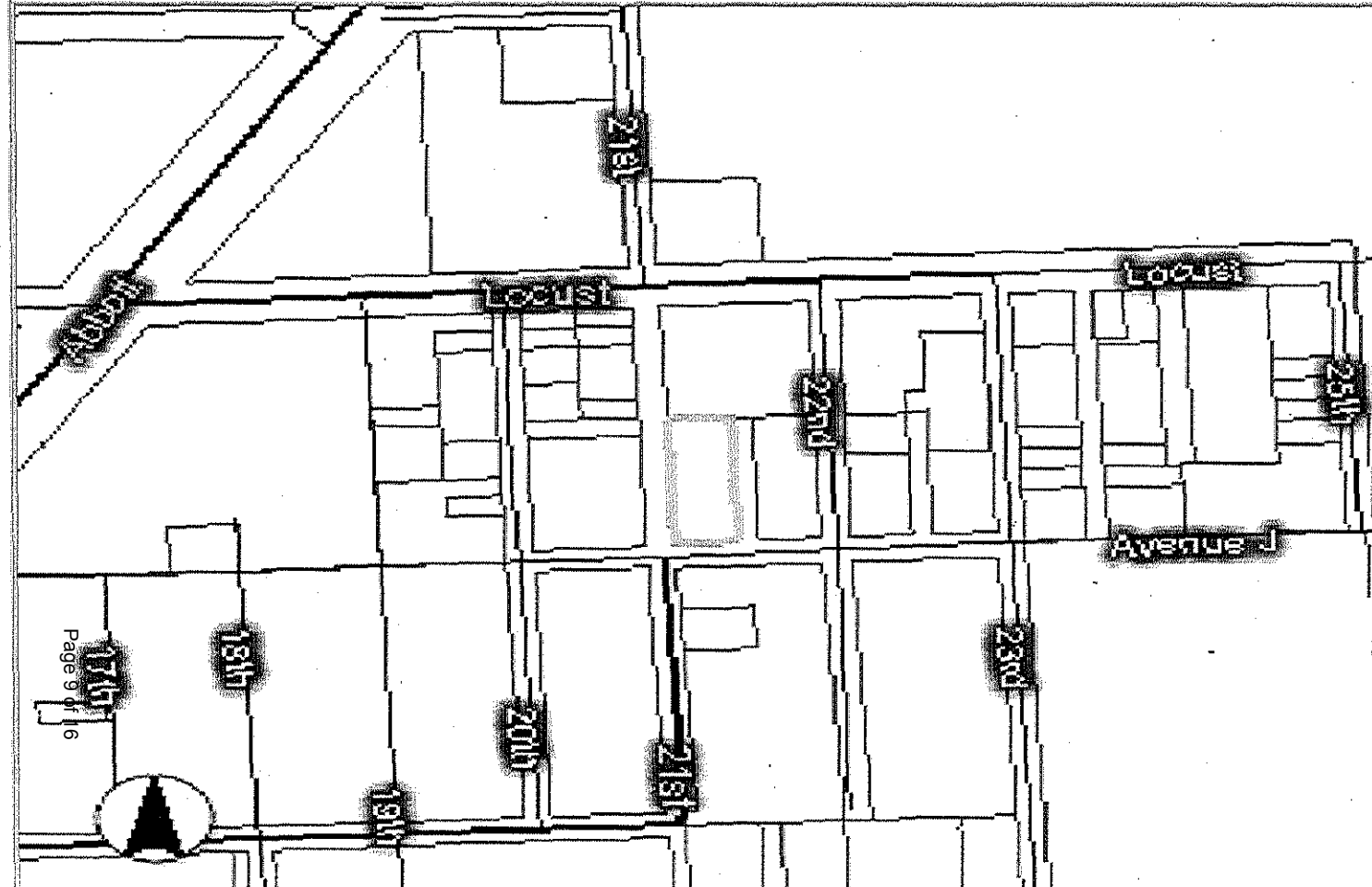
View Property

Tools

Zoom To This Parcel
 Buffer This Parcel

Parcel Information

Parcel ID 1006700000
Parcel City Omaha
Parcel Zip 68110-0000
Owner Name Mowbray Inc
Owner Address
Owner Address 2 1002 Grey Fawn Dr
Owner City Omaha
Owner State NE
Owner Zip 68154-0000
Addition E Omaha Land Cons Sub P; Lots 8-15
Acres 1



Attachment E Former Carter White Lead Tax Inquiry and Assessment Records

Douglas County Treasurer

Nebraska


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[Search Page](#)

Taxpayer Information

Mailing Address: 1002 GREY FAWN DR
OMAHA, NE 68154

Property Information

Parcel Number: 1006700000

Key Number: 0670 0000 10

Property Address: 2717 NORTH 21 STREET EAST

Legal Description: E OMAHA LAND COS SUB PT LOTS 6-15 LOT 17 BLOCK 5

Tax Information for 2008

Property Value: \$17,900.00 [Assessor's Valuation Page](#)

Tax Levy: 2.05498 [Levy Info](#)

Tax Amount: \$352.42

Payment History

Tax Year	Tax Amount	Payment Date	Principal	Interest	Advertising	Total
2008	\$352.42	06-29-2009	\$176.21	\$0.00	\$0.00	\$176.21
		02-03-2009	\$176.21	\$0.00	\$0.00	\$176.21
2007	\$352.78	04-07-2008	\$352.78	\$0.00	\$0.00	\$352.78
2006	\$371.46	01-22-2007	\$371.46	\$0.00	\$0.00	\$371.46
2005	\$375.54	02-27-2006	\$375.54	\$0.00	\$0.00	\$375.54
2004	\$384.48	02-17-2005	\$384.48	\$0.00	\$0.00	\$384.48
2003	\$386.74	03-09-2004	\$386.74	\$0.00	\$0.00	\$386.74

1 OF 1 RECORD(S)

Assessment Record For DOUGLAS County**Owner Information**

Original Name: RESCUE MISSION INC

Standardized Name: RESCUE MISSION INC

Property InformationOriginal Property Address: OMAHA, NE 68110-2617
2107 LOCUST ST EStandardized Property Address: 2107 E LOCUST ST
OMAHA, NE 68110-2617
DOUGLAS COUNTYLand Use: COMMERCIAL (NEC)
Data Source: A**Legal Information**

Assessor's Parcel Number: 0671-0000-10

Recording Date: 08/11/2005

Brief Description: E OMAHA LAND COS SUB PT LOTS 6-15 LOT 22 BLOCK 5 LT P ADJ & LTS
A-1 & A-2 & LTS 1 THRU 5 & LTS 18 THRU 22Legal Description: LOT NUMBER: 22; SUBDIVISION: EAST OMAHA LAND CO; BLOCK: 5;
TRACT: 0005002033**Sale Information**

Recording Date: 08/11/2005

Prior Recording Date: 08/11/2005

Sale Date: 06/27/2005

Sale Price: \$750,000

Prior Sales Price: \$750,000

Document Number: 98077

Assessment Information

Total Calculated Value: \$307,000

Total Assessed Value: \$307,000

Property Characteristics

Year Built: 1961

Units: 1

Building Area: 21,700 B

No. of Buildings: 1

Acres: 1.68

Square Footage: 73,460

Important: The Public Records and commercially available data sources used on reports have errors. Data is sometimes entered poorly, processed incorrectly and is generally not free from defect. This system should not be relied upon as definitively accurate. Before relying on any data this system supplies, it should be independently verified. For Secretary of State documents, the following data is for information purposes only and is not an official record. Certified copies may be obtained from that individual state's Department of State.

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Attachment E Former Carter White Lead Tax Inquiry and Assessment Records

Douglas County, Nebraska Property Record - R1006710000

Information is valid as of 2009-7-20

NEW Feature - Parcel Dimensions available @ scale 0-50 ft west of 52nd St - [View on Map](#)
Print Report
Treasurer's Tax Report
New Feature → → → Auto Sales Search

Owner

RESCUE MISSION INC

2828 N 23 ST E
 OMAHA NE 68110-0000

Property Information**Key Number:** 0671 0000 10**Account Type:** Ex Charitable**Parcel Number:** 1006710000**Parcel Address:** 2107 E LOCUST ST
OMAHA NE 68110-0000**Legal Description:** E OMAHA LAND COS SUB PT LOTS 6-15 LOT 22 BLOCK 5 LT P ADJ & LTS A-1 & A-2 & LTS 1 THRU 5 & LTS 18 THRU 22 BLK 5 & 1/2 VAC 12 ST ADJ 303 X 280**Value Information**

	Land	Improvement	Total
2009	\$0.00	\$0.00	\$0.00
2008	\$0.00	\$0.00	\$0.00
2007	\$0.00	\$0.00	\$0.00
2006	\$0.00	\$0.00	\$0.00
2005	\$36,700.00	\$270,300.00	\$307,000.00
2004	\$36,700.00	\$270,300.00	\$307,000.00

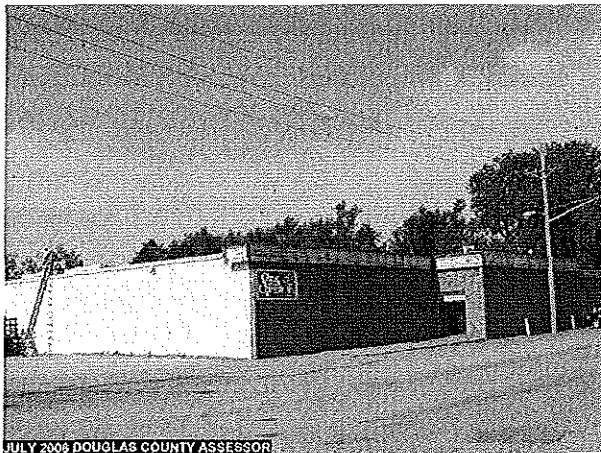
Sales Information**Sales Date:** 2005-06-27**Deed Type:** WD **Book:** 2005 **Page:** 075698**Price:** \$1,000,000.00**Grantor:** Robert M McDermott etal**Grantee:** Rescue Mission**Valid/Invalid:** Invalid**Exclusion Reason:** Exempt Parcel Sale - Invalid**Sales Date:** 2005-06-27**Deed Type:** BOS **Book:** 2005 **Page:** 098077**Price:** \$750,000.00**Grantor:** Security National Bank of Omaha

Attachment E Former Carter White Lead Tax Inquiry and Assessment Records

Grantee:	Rescue Mission, Inc.				
Valid/Invalid:	Invalid				
Exclusion Reason:	Non Bono with Doc Stamps				
Sales Date:	2005-06-24				
Deed Type:	BOS	Book:	2005	Page:	098076
Price:	\$750,000.00				
Grantor:	Robert McDermott Etal				
Grantee:	Security National Bank of Omaha Tr.				
Valid/Invalid:	Invalid				
Exclusion Reason:	Sale to Mortgage - Bank				

Land Information

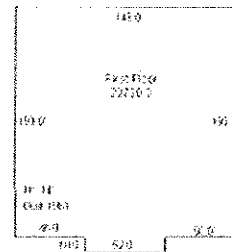
Acres	SF	Units	Depth	Width	Vacant
1.94	84840.0	1.0	280.0	303.0	No

Improvement Information**Building 1**

JULY 2006 DOUGLAS COUNTY ASSESSOR

[CLICK TO ENLARGE IMAGE](#)

Opel One Mission Center
Discount Store
2107 E Locust St



9-12-06 AM 7:16 LIA**

[CLICK TO ENLARGE IMAGE](#)

Square Footage:	22720.0	Percent Complete:	100.0%
Perimeter	616.0	Quality:	Average
Unit Type:		Condition:	Fair
Built As:	Discount Store	Condo Square Footage:	0.0
HVAC:	Package Unit	Rooms:	0.0
Exterior:		Units:	1.0
Interior:		Baths:	0.0
Roof Cover:		Bedrooms:	0.0
Roof Type:	Flat	Stories:	1.0
Floorcover:		Foundation:	

Attachment E Former Carter White Lead Tax Inquiry and Assessment Records

				Sprinkler Square Footage:	0.0
Year Built	Year Remodeled	Percent Remodeled	Adjusted Year Built	Physical Age	
1961	0	0%	1961	46	
Detail Type	Detail Description				Units
Add On	Loading Dock - Steel/conc				384.0
Add On	Ob Paving Asphalt Park				18600.0
Add On	Ob Paving Concrete - Average				3840.0
Mezzanine	Storage				3780.0

Douglas County, NE Geographic Information Web Server - Windows Internet Explorer

http://douglasne.mapping-online.com/DouglasCoNe/default.htm?Outside=true&ParcelId=1006710000

File Edit View Favorites Tools Help

Douglas County, NE Geographic Inf...

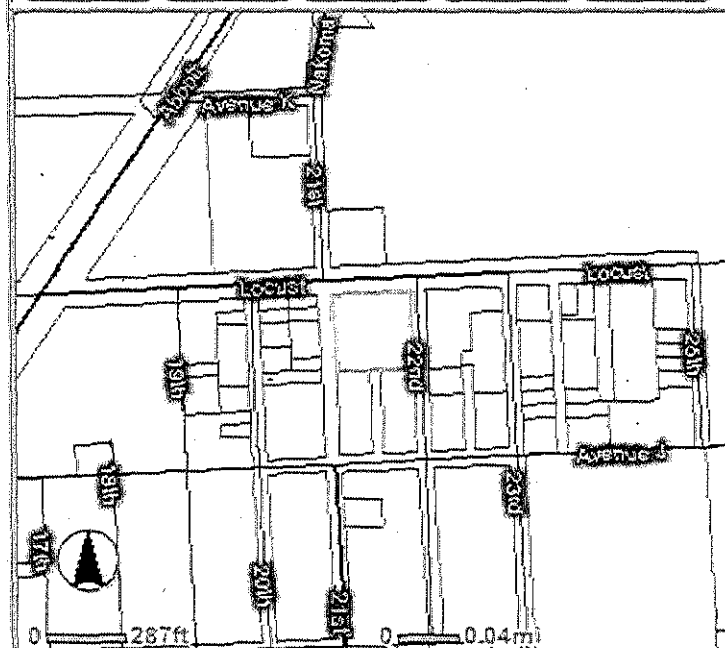
Page Tools

Douglas County, NE Geographic Information Web Server

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Layers Legend Search

OV Map Zoom Full Zoom Last Zoom In Zoom Out Pan Navigation Identify Parcel Info Print Clear Switch Toolbars



View Property

Tools

[Zoom To This Parcel](#)
 [Buffer This Parcel](#)

Parcel Information

Parcel ID 1006710000
Parcel City Omaha
Parcel Zip 68110-0000
Owner Name Beacon Mission Inc
Owner Address
Owner Address 2 2828 N 23 St E
Owner City Omaha
Owner State Ne
Owner Zip 68110-0000
Addition E Omaha Land Ops Sub P1 Lots 6-15
Acres 1.94

Attachment E Former Carter White Lead Tax Inquiry and Assessment Records

Douglas County Treasurer

Nebraska


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[Search Page](#)

Taxpayer Information

Mailing Address: 2828 N 23 ST E
OMAHA, NE 68110

Property Information

Parcel Number: 1006710000

Key Number: 0671 0000 10

Property Address: 2107 EAST LOCUST STREET

Legal Description: E OMAHA LAND COS SUB PT LOTS 6-15 LOT 22 BLOCK 5

Tax Information for 2008

Property Value: \$0.00 [Assessor's Valuation Page](#)

Tax Levy: 0.00000 [Levy Info](#)

Tax Amount: \$0.00

Payment History

Tax Year	Tax Amount	Payment Date	Principal	Interest	Advertising	Total
2008	\$0.00	NONE	\$0.00	\$0.00	\$0.00	\$0.00
2007	\$0.00	NONE	\$0.00	\$0.00	\$0.00	\$0.00
2006	\$0.00	NONE	\$0.00	\$0.00	\$0.00	\$0.00
2005	\$6,440.80	09-07-2006	\$3,220.40	\$44.47	\$0.00	\$3,264.87
		03-29-2006	\$3,220.40	\$0.00	\$0.00	\$3,220.40
2004	\$6,594.08	11-28-2005	\$3,297.04	\$151.75	\$0.00	\$3,448.79
		04-25-2005	\$3,297.04	\$15.18	\$0.00	\$3,312.22
2003	\$6,632.90	03-08-2005	\$3,316.45	\$281.12	\$5.00	\$3,602.57
		04-06-2004	\$3,316.45	\$0.00	\$0.00	\$3,316.45

Highland Environmental Management

1630 30th Street
Suite 598
Boulder, Colorado 80301
Telephone: 303.442.3950
Fax: 303.442.3951
E-mail: Marcus_A_Martin@email.msn.com

June 1, 2000

Mr. Donald Bahnke
Remedial Project Manager SUPR/FFSE
U.S. Environmental Protective Agency, Region VII
901 N. 5th Street
Kansas City, Kansas 66101

RECEIVED
JUN 2 2000
SUPERFUND DIVISION

Re: Omaha Lead Site, Omaha, Douglas County, Nebraska
Counsel Bluffs & Carter
Lake Pottawattamie County, Iowa

Dear Mr. Bahnke:

This letter in response is submitted on behalf of NL Industries, Inc. ("NL") to the United States Environmental Protection Agency's ("USEPA") Request for Information ("Request") under Section 104(e) of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §9604, as amended, regarding the above-referenced Omaha Lead Site ("Site"). Pursuant to my discussions with Steve Sanders of the USEPA, NL's deadline for submission of the response was extended to June 2, 2000.

Nothing in this response shall constitute an admission of liability by NL for the Site, and NL reserves its right to contest any allegations made against it with regard to this Site by any person or entity. By responding to the Request, NL does not intend to waive any applicable privilege, including but not limited to, the attorney-client privilege and the attorney-work product privilege. NL states that documents, some of which may have been responsive to questions contained in the Request, may have been disposed of in accordance with the normal business practices of NL prior to the receipt of the Request. NL can only respond to the extent it has documents which provide information responsive to the questions contained in the Request.

NL is submitting its response subject to and without waiving the following objections to the Instructions contained within the Request. NL notes that the USEPA has not identified any relevant time period for the Request and although NL will make every effort to respond with respect to the broadest time period for which it has knowledge, it can only respond to the Request for the time period covered by available records. NL further objects to the Instructions to the extent they require NL to identify sources of information not in its possession, custody or control. NL also objects to

NL10442

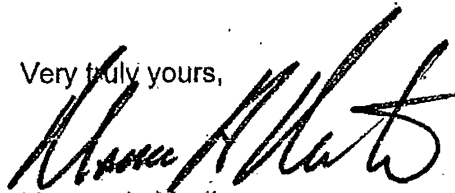
Mr. Donald Bahnke
June 1, 2000
Page 2

those instructions requiring it to seek out former employees and agents in order to obtain information. Such information as may be available to any former employees, to the extent such former employees still exist, is not in the possession, custody or control of NL. NL is not required to seek out former employees to respond to the Request, nor does it have the authority to require former employees and agents, or former employees and agents of other companies, to provide information. NL further objects to the Instructions to the extent they require NL to produce documents that would be protected from disclosure by the attorney-client privilege, attorney-work product, or other applicable privilege. NL states that it will not produce such documents in response to the Request.

NL also objects to the Definitions, specifically the Definitions of "you", "company", "arrangement", "material", "materials", "pollutant", "contaminant", "transaction" and "transact" as being overly broad, unduly burdensome, oppressive, causing unreasonable annoyance and harassment and substantial and unnecessary expense to NL. NL further objects to Definition 1 to the extent it requires NL to respond on behalf of its contractors and agents. NL further objects to Definition 10 as being overly broad, vague and ambiguous. NL objects to Definition 11 as being overly broad, vague and ambiguous. NL further objects to Definition 14 as containing terms which themselves have not been defined and thus render the Definition itself unreasonably vague and not susceptible to a precise response. NL further objects to Definition 15 as being overly broad, vague and ambiguous. NL further objects to Definition 9 as being overly broad and unduly burdensome to the extent it requires NL to identify sources of information not in its possession, custody and control.

Notwithstanding the foregoing objections, NL submits the attached responses to the Request.

Very truly yours,



Marcus A. Martin

NL10443

**NL INDUSTRIES, INC.
RESPONSES TO REQUESTS FOR INFORMATION**

1. Please identify the person(s) answering these questions for or on behalf of NL.

ANSWER:

Marcus Martin, of Highland Environmental Management, for NL Industries, Inc. ("NL"), in consultation with counsel, is answering these questions on behalf of NL.

2. If you have any reason to believe that there may be persons able to provide a more detailed or complete response to any questions contained herein, or may be able to provide additional responsive documents, identify such persons and how they may be contacted and the additional information or documents they may have.

ANSWER:

At the present time NL is unaware of any such persons.

3. List all names under which the facilities formerly located at 20th and Union Pacific Railroad, 21st and Locust; west side of 17th Street between Mason and the railroad tracks; 24th and Bancroft; 28th and A Streets; and 7025 Sarpy Avenue in Omaha, Nebraska, has ever operated or been incorporated and describe the relationship between these facilities and the following: (a) Omaha White Lead Works; (b) Carter White Lead; (c) Omaha Shot and Lead Works; (d) Northwestern Shot and Lead Company; (e) Lawrence Shot and Lead Company; (f) National Lead Company; (g) National Lead Products, Inc.; (h) National Lead Industries, Inc. Include all information on any additional companies or facilities not listed here that operated in the Omaha area where NL is a successor.

ANSWER:

a. Omaha White Lead Works - NL has no information on this company or its relationship to any of the facilities listed.

b. Carter White Lead - An agreement between the East Omaha Land Company and Carter White Lead Company dated July 15, 1895 indicates that pursuant to a prior agreement between the same two companies dated July 1, 1890, Carter White Lead Company purchased Lots 1-22 in Block 5 subdivision and the south one-half of Lot 6 in East Omaha, Nebraska. This purchase included all the tenement, hereditaments and appurtenances belonging to the property. NL has also reviewed an agreement dated February 21, 1906 between the National Lead Company and the stockholders of the Carter White Lead Company whereby the National Lead

NL10444

Company purchased all the outstanding stock (7,510 2/3 shares) of the Carter White Lead Company. NL has also reviewed a Resolution from the Board of Directors of the National Lead Company approving the aforementioned purchase of all the outstanding capital stock in the Carter White Lead Company which Resolution is dated March 15, 1906. Upon information and belief, NL understands that at the time National Lead purchased all the outstanding stock of Carter White Lead Company, the Carter White Lead Company was operating the plant located at 21st and Locust Street, Omaha, Nebraska. Based upon a review of the annual reports of the National Lead Company it appears that the Carter White Lead Company continued to operate at the property located at 21st and Locust from 1906 through 1933.

c. Omaha Shot and Lead Works - NL is unaware of the relationship between this company and any of the facilities referenced.

d. Northwestern Shot and Lead Company - Based upon a review of the Minutes of the Lawrence Shot and Lead Company it appears that the Lawrence Shot and Lead Company purchased certain buildings, and machinery owned by Northwestern Shot and located at 24th and Bancroft Streets in Omaha, Nebraska.

e. Lawrence Shot and Lead Company - Based upon a review of the Minutes of the Lawrence Shot and Lead Company it appears this company was organized in May of 1897, purchased certain buildings and equipment from the Northwestern Shot & Lead Company and constructed its own facility at a property described as "Lots Seven (7) and Eight (8) in Block Five (5) in South Omaha, Nebraska, and a strip of ground - forty (40) feet wide in the west and north of said lots lying between said lots and the right of way of the B&Mo. R. Ry. Co." Based upon a review of the Minutes of the Lawrence Shot and Lead Company and the annual reports of the National Lead Company, it appears that at some time in 1909 all of the stock in the Lawrence Shot and Lead Company was transferred to the United Lead Company, which was a subsidiary of the National Lead Company. In 1928, the United Lead Company was consolidated with the National Lead Company, based upon a review of the annual reports of the National Lead Company. Based upon a review of the Minutes of the Lawrence Shot and Lead Company, in June of 1946, the Lawrence Shot and Lead Company was dissolved and all of its assets transferred to the National Lead Company.

f. National Lead Company - Upon the dissolution of the Lawrence Shot and Lead Company in 1946, the National Lead Company operated the property located at 28th and A Street in Omaha, Nebraska from 1946 through at least 1956, based upon the review of the annual reports of the National Lead Company. In 1960, the National Lead Company sold the property in question to the State of Nebraska, as reflected in documents concerning said sale. As already noted, from 1906 through 1933, the Carter White Lead Company, a wholly-owned subsidiary of the National Lead Company, operated at the property located at 21st and Locust Streets in Omaha, Nebraska. According to the annual reports of the National Lead Company, the National Lead Company owned a warehouse at 1415 Dodge Street in Omaha, Nebraska from 1898 through 1905. The National Lead Company owned a warehouse at 1415-1417 Dodge Street in

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Omaha, Nebraska from 1906 to 1911. Again, according to the annual reports of the National Lead Company, it owned a warehouse at 1102 Dodge Street in 1912. Again, according to the annual reports, National Lead owned a warehouse 1426 Woodmen Building in Omaha, Nebraska from 1913 to 1914. According to the annual reports, National Lead owned a "Local Office" at 1404 Woodmen Building, Omaha, Nebraska in 1915. According to the annual reports, National Lead owned a "Local Office" at 1104 Woodmen Building from 1916 through 1927. According to the annual reports of the National Lead Company it owned a "Local Office" at 2810 A Street in Omaha, Nebraska from 1927 to 1932. In 1971, the National Lead Company changed its name to NL Industries, Inc.

g. National Lead Products, Inc. - NL has no information concerning the relationship of this company to the facilities.

h. National Lead Industries, Inc. - NL has no information concerning the relationship between this company and the facilities.

4. List any mergers, consolidations, asset sales or asset transfers in the history of the facilities described in Question 3 and submit all documents relating to such transactions, including, but not limited to, all documents pertaining to any agreements, express or implied, for the purchasing (or successor) corporation to assume the liabilities of the selling (or predecessor) corporation.

ANSWER:

a. 24th Street and Bancroft, Omaha, Nebraska - According to the annual minutes of the Lawrence Shot and Lead Company, certain buildings and equipment which existed at this property were purchased in 1897 by the Lawrence Shot and Lead Company. A new plant was thereafter built by the Lawrence Shot and Lead Company at property located at 2810 A Street, Omaha, Nebraska.

b. 28th and A Street, Omaha, Nebraska - Based upon a review of the annual reports of the National Lead Company, the Minutes of the Lawrence Shot and Lead Company and documentation associated with the sale of this property NL believes that the facility located at this site was operated by the Lawrence Shot and Lead Company until some time in 1909 when the stock of the Lawrence Shot and Lead Company was acquired by the United Lead Company. In 1928 the United Lead Company was consolidated with the National Lead Company. In 1946 the Lawrence Shot and Lead Company was dissolved and its assets and liabilities transferred to the National Lead Company. In 1960 the land and buildings at this site were sold to the State of Nebraska by the National Lead Company.

c. 21st and Locust Streets, Omaha, Nebraska - Based upon a review of the Articles of Incorporation of the Carter White Lead Company, certain documents associated with the sale of property from the East Omaha Land Company to the Carter White Lead Company, documents associated with the purchase of the stock of the Carter White Lead Company by the National Lead Company and the annual reports of the National Lead Company, it appears that this property was utilized by the Carter White Lead Company from 1895 through 1906. In 1906 all the stock of the Carter White Lead Company was purchased by the National Lead Company and the liabilities associated with the Carter White Lead Company were assumed by the National Lead Company. According to documentation associated with such liquidation, including Minutes of the Board of the Director's Meeting, Minutes of the Shareholder's Meeting, and a Memorandum of Agreement, Carter White Lead Company was liquidated in December of 1936 and the property of the Carter White Lead Company, subject to all debts, liabilities and obligations was transferred to the National Lead Company.

d. 20th and Union Pacific Railroad, Omaha, Nebraska - NL has no information concerning this facility.

e. West Side of 17th Street Between Mason and the Railroad Tracks, Omaha, Nebraska - NL has no information on this facility.

f. 7025 Sarpy Avenue, Omaha, Nebraska - NL has no information on this facility.

5. List the officers, directors and employees of NL and indicate whether any of them had been officers, directors and/or employees of any of the facilities listed in Question 3. If yes, identify the persons and the dates of service with each company.

ANSWER: NL objects to this Request as being overly broad, unduly burdensome and not relevant to the Site. Notwithstanding and subject to this objection, based upon the information available to it, NL is not aware that any of the current officers or directors of NL ever were officer or directors of any of the facilities listed in Question 3. There are no current employees of NL that were at one time employees of the National Lead Company at the facility located at 28th and A Street.

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6. Provide the corporate Minutes of the companies listed in Question 3 that discuss or pertain to any operations at the facilities located in the Omaha area.

ANSWER:

The Minutes of the Lawrence Shot and Lead Company are attached. The Minutes of Carter White Lead Company, which was dissolved in 1936, are not available. NL objects to the production of the Minutes of National Lead Company as being overly broad, burdensome and causing unnecessary and substantial expense to NL.

7. Describe the document retention policies for the companies listed in Question 3.

ANSWER: The document retention policy for the Lawrence Shot and Lead Company, if any, which existed from 1897 through 1946 is unknown to NL. The document retention policy for the Carter White Lead Company, if any, which existed from 1885 through 1936 is unknown to NL. NL is not aware that the National Lead Company had a document retention policy.

8. Describe the physical characteristics of the facilities listed in Question 3 as they existed during their operation in the entire period that you (including predecessors) had an ownership or leasehold interest in the facility. Provide a legal property description and street address of the facility and any available information about the following:

- a. Surface structures (e.g., buildings, tanks, stacks, chimneys, etc.), including the date(s) they were constructed;
- b. All construction, alterations, renovations, and/or demolition of the items listed in subpart (a) above. Provide maps which identify former locations and current locations of items listed in subpart (a) above.

ANSWER:

- a. 28th and A Street - According to the 1960 agreement to sale for this property to the State of Nebraska the property is described as follows: "A tract of land described as all of Lots 5, 6, 7 and 8 and part of "A" Street, adjacent to Lot 8, all in Block 5 and all improvements thereon, South Omaha addition to the City of Omaha, Douglas County, Nebraska, containing 32,350 square feet, more or less, being the area hereby secured." The street address appears to be 2810 A Street. According to documentation associated with the sale of this property to the State of Nebraska, the property apparently contained a five story dropping tower and other machinery and equipment of an undescribed nature. Information concerning other "surface structures" is presently unknown to NL. Based upon the Minutes of the Lawrence Shot and Lead Company it is possible that the five story drop tower was constructed at or about 1897. Based upon the

documentation associated with the sale of this property to the State of Nebraska, it appears that the five-story dropping tower was to be dismantled by the State of Nebraska and the machinery and equipment was to be, at the option of National Lead, removed from the property by National Lead Company. This documentation also indicates that the surface structures at the property in question were to be demolished in light of the proposed interstate construction at or about the area of the property by the State of Nebraska.

b. 24th and Bancroft, Omaha, Nebraska - Based upon a review of the Minutes of the Lawrence Shot and Lead Company, it appears that prior to May of 1897 there existed at this property one building 24' x 74' with a tower five stories high, and a one story building 16' x 28'. There also apparently existed a coal shed 10' x 20', a boiler sheet 18' x 22', a brick warehouse 16' x 46' and a "lean to" shed 12' x 46' along with articles of machinery "suitable for and part of a shot plant".

c. 21st and Locust, Omaha, Nebraska - Based upon a drawing of this facility contained in correspondence of the Carter White Lead Company circa 1906, it appears that the facility contained a number of buildings and a number of chimney and/or stacks. No further information concerning the structures located at this facility can be determined based upon a review of the drawing in question.

d. 20th and Union Pacific Railroad - NL has no information on this facility.

e. West Side of 17th Street Between Mason and the Railroad Tracks - NL has no information on this facility.

f. 7025 Sarpy Avenue, Omaha, Nebraska - NL has no information on this facility.

9. State when you (including predecessors) occupied the facilities listed in Question 3 and who currently owns it. Provide copies of all documents relating to rental or ownership interest, including, but not limited to Purchase Agreements, Deeds, or Leases.

ANSWER:

a. 28th and A Street - This property was owned and occupied by the Lawrence Shot and Lead Company from approximately 1897-1946. This property was owned and/or occupied by the National Lead Company from 1946 through 1960. The property was sold to the State of Nebraska in 1960.

b. 21st and Locust Streets - This property was apparently occupied by the Carter White Lead Company from approximately 1890-1895 and thereafter was owned and occupied by the Carter White Lead Company from 1895-1933. The Carter White Lead Company was dissolved in 1936 and NL is presently unsure as to who subsequently obtained ownership of the

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property in question. Operations by the Carter White Lead Company at the property in question apparently ceased at or about 1933. Documentation associated with the rental or ownership of these two properties is attached.

10. Describe in general terms the names and nature of any business that you conducted at the facilities listed in Question 3.

a. 28th and A Street - According to the Minutes of the Lawrence Shot and Lead Company, this property was utilized for the manufacture of various lead products including "shotgun ammunition, ammunition for air rifles, bar lead and pig lead".

b. 21st and Locust Street - This property was utilized by the Carter White Lead Company for the manufacture of white lead, red lead and litharge.

11. Describe the manufacturing process and the types of materials received, processed, handled, stored, treated, or disposed of at the facilities listed in Question 3 during the entire operating period of those facilities.

a. 28th and A Street - Based upon a review of the Minutes of the Lawrence Shot and Lead Company it appears that the manufacturing process involved the melting of lead, which melts at 621°, and the forming of the various lead products produced at this facility. The principal materials utilized would have included fuel to provide heat to melt the lead and the actual pig lead itself.

b. 21st and Locust Street - Based upon a review of the materials associated with the sale of the Carter White Lead Company and stock through the National Lead Company it appears that the principal material utilized for the manufacture of the products in question included pig lead, acid, coal, coke and linseed oil. Additional materials were used for the manufacture of the containers of wood or metal construction.

12. Describe the waste handling and disposal practices, procedures and policies at the facilities listed in Question 3, including the generation of waste from the beginning of your (including predecessors) occupation of the facility (include dates) through the end of your use of the facility.

a. 28th and A Street - NL is unaware of what wastes, if any, would have been generated and disposed of at this facility. NL is aware that the melting point of lead is 621° and the volatilization temperature of lead is 3182°. Inasmuch as the operation of this facility essentially involved the melting of lead to a liquid form for the purpose of forming lead products, it would appear that no lead, in the form of air emissions, would have been generated through

this operation.

b. 21st and Locust Street - NL is unaware of what wastes, if any, would have been generated and/or disposed of from this facility. Again, as noted above, to the extent lead was heated or melted as a part of the operations at this facility, the melting temperature for lead is 621° whereas its volatilization temperature is 3182°. This would indicate that no lead in the form of air emissions would have been created through the operations at this facility.

13. Identify all persons, including your past and current employees who have knowledge, information or documents about the manufacturing process, treatment, storage, disposal or other handling of materials at the facilities listed in Question 3.

ANSWER: To the best of its knowledge and belief, there are no current employees of NL who have any knowledge, information or documents concerning the site located at 21st and Locust Street inasmuch as operations terminated there approximately 67 years ago. Again, to the best of its knowledge and belief, there are no current employees of NL with information concerning the facility at 28th and A Street since operations there terminated approximately 44 years ago. To the best of its knowledge and belief, no former employees of NL, still alive, would have information concerning the facility located at 21st and Locust inasmuch as operations ceased at that facility approximately 67 years ago. There may be former employees of NL who may have knowledge of operations at the facility located at 28th and A Street, but it would be unduly burdensome for NL to review all of its employment records to determine which particular employees may have at some point been employed when that facility was still operational.

14. Provide any company documents that address environmental issues at the facilities, including letters to plant managers discussing any environmental or operating issues.

ANSWER: NL objects to this Request inasmuch as the phrase "environmental issues" is undefined as is the phrase "operating issues". The lack of such definition renders the request unreasonably vague and not susceptible to a precise response. Without waiving this objection NL states that its review of the documents attached to its response do not appear to address "environmental issues at the facilities" or "letters to plant manager discussing any environmental issues".

15. Provide all existing technical or analytical information about the facilities listed in Question 3, including, but not limited to, documents related to the soil, geology, geohydrology, and air quality. In particular, include any documents that contain data on emissions of lead and other metals into the air at the facilities.

NL10451

ANSWER: Information available to NL concerning the facility listed in Question 3 is attached to this response. Based upon NL's review of these documents, there is no information concerning soil, geology, geohydrology and air quality. Furthermore, there appear to be no documents containing data on "emissions of lead and other metals into the air at the facilities". As previously stated, in light of the fact that lead was apparently only heated to its approximate melting temperature, 621°, and not its volatilization temperature of 3182° at these facilities, NL does not believe that there would have been air emissions of lead.

16. Identify all leaks, spills, releases or threats of releases into the environment of any hazardous substance, and specifically lead, that occurred at the facilities listed in Question 3. In addition, identify:

- a. When such releases occurred;
- b. How the releases occurred;
- c. How much of each hazardous substance, in particular lead, was released;
- d. Where such releases occurred;
- e. All activities undertaken in response to each such release or threatened release;
- f. All persons with information relating to subparts (a) through (e) of this question.

ANSWER: NL has no information based upon its review of the available documents with respect to these subjects.

17. Describe if there were any air emissions, and in particular lead air emissions, released at the facilities listed in Question 3 and if so, describe the processes which release these emissions. If such releases were monitored, describe the monitoring process in detail.

ANSWER: NL has no information concerning any releases of lead into the air nor does it have information concerning the monitoring of any such releases. NL would refer to its previous answers to Questions 10, 11, 12 and 15 with respect to any potential emissions of lead into the air.

18. Provide information on the annual amount of lead emitted into the air at the facilities listed in Question 3 for as many years as data is available.

ANSWER: NL is not aware of any lead air emissions at the facilities listed in Question 3.

19. Provide information on how much of such air borne lead emitted annually at the facilities listed in Question 3 originated from the stacks or chimneys as opposed to other sources at the facility.

ANSWER: See response to Question 18.

20. Provide information indicating how far air borne lead from your stacks, chimneys or other sources may have migrated away from any of the facilities listed in Question 3.

ANSWER: NL has no information indicating that any lead was emitted from the facilities listed in Question 3.

21. Provide information on violations at the facilities listed in Question 3 of any environmental regulations, and in particular government air quality standards for lead, including, but not limited to EPA, occupational safety and health administration (OSHA), Nebraska Department of Environmental Quality (NDEQ) in any county or local violations.

ANSWER: NL has no information on any violations of this nature at the facilities listed in Question 3.

22. For each chemical, material, and lead product or bi-product identified in response to any above question, provide a copy of the product label, material safety data sheet, marketing brochures, and other documents pertaining to the composition, intended use or safety information.

ANSWER: NL has no such documents.

23. Provide copies of any documentation showing any transaction between your company and anyone involving the purchase, sale, or transfer of lead at the facilities listed in Question 3.

ANSWER: Some information concerning the purchase of lead by the Lawrence Shot and Lead Company in the very early 20th century can be found in the annual minutes of the Lawrence Shot and Lead Company.

NL10453

24. Describe the acts or omissions of any third-party that may have caused the release or threat of release of hazardous substances at the facilities listed in Question 3, in particular lead, and damages relating therefrom and identify such persons.

ANSWER: NL has no such information.

25. Describe what precautions you took against acts or omissions of any such third-parties and the consequences that could foreseeably result from such acts or omissions.

ANSWER: See response to Question 24.

26. If you have information about your potential responsibility (or the responsibility of your predecessors) as a land owner, lessee, lessor, or generator at the site, describe and provide copies of this information.

ANSWER: NL has no such information.

27. If you have documentation describing why you would not be responsible as a land owner, lessee, lessor, or generator at the site, describe and provide copies of such documentation.

ANSWER: NL has no such documentation at the present time.

736821-1

State of Nebraska
County Office.
Received and filed
for record this 2nd
day of January A.D. 1886
and recorded in Book
10 of Miscellaneous
Incorporation at Page
445.

E. D. Naggen
Secretary of State
Attestation
By



Articles of Incorporation

The undersigned have this day associated themselves together as a company for the purpose of manufacturing _____

The name of this corporation shall be the Carter White Lead Co. —

The principal place of transacting its business shall be at Omaha, State of Nebraska. —

The general nature of its business shall be the manufacture of white lead and paint. —

The amount of its capital stock shall be ninety thousand dollars (\$90000) divided into shares of \$100/ one hundred dollars each, which shall be paid in as called for by the Board of Directors. —

The time of commencement of this corporation shall be December 29th 1885, and the termination shall be December 29th 1905 —

The highest amount of indebtedness to which the corporation is at any time to subject itself shall be sixty thousand dollars. —

(60000)
 The affairs of the corporation shall be conducted by a Board of Directors who shall elect one of their number President and may appoint such other officers and agents as they may deem proper to transact their business.
 Signed at Omaha Neb. Dec 29th 1885

Levi Carter (Seal)

H. W. Yates (Seal)

S. B. Hayden (Seal)

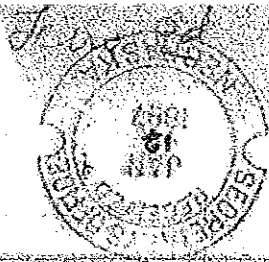
D. O. Clark (Seal)

W. H. S. Hughes (Seal)

State of Nebraska } ss.
 Douglas Co }

On this 19th day of Dec 1885 A.D. before me a Notary Public in and for said County personally called the above named Levi Carter H. W. Yates S. B. Hayden D. O. Clark and W. H. S. Hughes who are personally known to me to be the identical persons whose names are affixed to the foregoing instrument, and they jointly acknowledged the same to be their voluntary act and deed.

Witness my hand and official the day and year last aforesaid
 O. D. Miller
 Notary Public



State of Nebraska
Secretary's Office

Received and filed for
record this 12th day of
January A.D. 1887 and
recorded in Book "6"
Miscellaneous Incorporations
at page 328

J. H. Lewis
Secretary of State

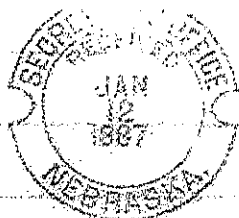
At a meeting of the Stockholders of the Carter White Lead Co.
of Omaha, State of Nebraska, held January 8th 1887, it was resolved

That Article fourth of the Articles of Incorporation of this
Company be amended to read as follows,

The amount of Capital stock authorized shall be Five hundred
thousand dollars (\$500,000), divided into shares of One hundred
dollars (\$100) each.

The time and condition on which the Capital is to be subscri-
bed and paid in shall be subject to the order of the Board of
Directors.

Levi Carter
President
H. H. Latta
V. Pres.
S. B. Hayden
Secretary



John A. Wilson
Secretary of State.

NOTICE OF AMENDED ARTICLES OF INCORPORATION OF CARTER WHITE LEAD COMPANY

Whereas the undersigned being all the stockholders of the Carter White Lead Company, do hereby amend the articles of incorporation of said Carter White Lead Company, which were filed with the Secretary of State on the 15th day of December 1892, and amended on January 17th 1893, in such manner that said articles of incorporation as amended shall be in the following form, which are hereby adopted as amended articles of incorporation of said Carter White Lead Company.

And the undersigned have this day associated themselves together as a corporation for the purpose of carrying on the business of manufacturing and the transaction of other lawful business, and agree to the following articles of incorporation:

I. The name of this corporation shall be Carter White Lead Company.

II. The principal place of transaction of business of this corporation shall be at Omaha, in the State of Nebraska.

III. The general nature of the business to be carried on by this corporation shall be: the manufacture and sale of white lead, red lead, white zinc, flaked oil, and paint, and the purchase and sale of land in all forms, and the purchase and sale of real estate, and the construction, equipment, and operation of factories for the manufacture and sale of white lead and lead, flaked oil, and paint, in Omaha, Nebraska, and Chicago, Illinois, and in such other place or places as may be desired, at the site of such factory or factories, taking in payment therefor, money, bonds, notes, stock in the corporation or corporations purchasing the same, or such other securities as may be desired; (b) the purchase and sale of real estate, and the construction and operation of such factories; (c) the purchase and sale of stock or stocks in other companies, or corporations organized for the manufacture and sale of white lead, red lead, flaked oil, paint, or other material, or painter's and artist's materials and supplies, and to generally to do all kinds of business connected with or pertaining to the manufacture and sale of such products.

IV. The amount of capital stock in this corporation shall be five hundred thousand (\$500,000) dollars, divided into five thousand (5,000) shares of one hundred (\$100.00) dollars each, of which amount the sum of three hundred and fifty thousand (\$350,000.00) dollars is subscribed and fully paid up at the date of these amended articles of incorporation. The residue of said capital stock shall be held by this corporation to be disposed of as treasury stock to such persons, in such manner, at such time, and at such price, as may be prescribed by the stockholders for the time being. Said corporation is authorized to acquire business on the capital stock now subscribed and paid for as above set forth.

V. The time of commencement of this corporation shall be December 23rd, A. D. 1892, and the termination shall be December 23rd, A. D. 1922.

VI. The highest amount of indebtedness or liability to which this corporation is at any time to subject itself shall not exceed one-fifth of the capital stock at that time subscribed and paid for.

VII. The affairs of this corporation shall be conducted by a board of directors who shall elect one of their number a president of this corporation, and may appoint such other officers and agents as they may deem proper to prosecute the business of this corporation.

Signed and sealed at Omaha, Nebraska, this 15th day of May, 1893.

LEVI CARTER,
SELINA C. CARTER,
CHARLES E. WELLS,
S. B. HAYDEN.

In presence of E. J. Cornish,
STATE OF NEBRASKA,
DOUGLAS COUNTY.

On this 15th day of May, A. D. 1893, before me E. J. Cornish, a Notary Public in and for said county, personally came the above named Levi Carter, Selina C. Carter, S. B. Hayden and Charles E. Wells, being all of the stockholders in the Carter White Lead Company, who are personally known to me to be the identical persons whose names are affixed to the foregoing instrument, and they severally acknowledged the same to be their voluntary act and deed for the uses and purposes therein set forth.

Witness my hand and notarial seal the day and year last above written.

(SEAL) EDWARD J. CORNISH,
Notary Public.

State of Nebraska,
Douglas County.

} ss.

I, Edward J. Cornish, a Notary Public within and for the County of Douglas and State of Nebraska, do hereby certify that the foregoing is a true and correct copy of the Amended Articles of Incorporation of the Carter White Lead Company dated on the 15th day of May A.D. 1893.

Witness my hand and Notarial Seal this 15th day of June 1893.

Edward J. Cornish
Notary Public.

STATE OF NEBRASKA)
SECRETARYS OFFICE.

Received and filed for record this
18 day of May A.D. 1874 and
recorded in Book _____
Incorporations at page _____

J. A. Phipps
Secretary of State
J. E. Evans
Deputy

THE UNDERSIGNED, being all of the stockholders of the Carter White Lead Company, do hereby amend the Articles of Incorporation of said Carter White Lead Company bearing date the 29th day of December, 1885, as amended on January 27th, 1887, and again amended on the 19th day of May, A. D., 1898 in such manner that said Articles of Incorporation as amended shall be in the following form, which are hereby adopted as amended Articles of Incorporation of said Carter White Lead Company.

"THE UNDERSIGNED have this day associated themselves together as a corporation for the purpose of engaging in the business of manufacturing, and the transaction of other lawful business, and adopt the following Articles of Incorporation.-

I- The name of this corporation will be Carter White Lead Company.

II- The principal place of transacting business of this corporation shall be in Omaha in the state of Nebraska.

III- The general nature of the business to be transacted by this corporation shall be (1) the manufacture and sale of White Lead, Red Lead, Litharge, Linseed Oil and Paints; (2) the purchase and sale of lead in all forms, coloring material, and all kinds of painter's and artist's materials and supplies; (3) the construction, equipment, operation and purchase of factories for the manufacture and sale of White Lead, Red Lead, Litharge, Linseed Oil and Paints, in Omaha, Nebraska, and Chicago, Illinois, and in such other place or places as may be desired; (4) the sale of such factory or factories, taking in payment therefor, money, bonds, notes, stock in the corporation or corporations purchasing the same or such other securities as may be desired; (5) the purchase and sale, receiving by gift, or otherwise, of lands for use in the construc-

Edward J. Cornish

Julius A. Board

S. B. Hayden

By L. Carter, Attorney in fact,

E. L. Bierbower

E. M. Morsman Jr.

By E. M. Morsman, Atty in fact.

George E. Barker

J. N. Cornish

Signed in presence of

Levi Carter

E. B. Fenn.

Selina C. Carter

State of Nebraska,)

)ss.

Douglas County.)

On this 6th day of May A. D. 1895, before me, Elizabeth Van Sant, a Notary Public in and for said county, personally came the above named E. M. Morsman, Joseph J. Morsman, S. B. Hayden, E. L. Bierbower, George E. Barker, J. N. Cornish, Levi Carter, Selina C. Carter, Francis A. Morsman Annie L. Hayden, Julius A. Board, by Levi Carter his attorney in fact, E. M. Morsman, Jr. by E. M. Morsman his attorney in fact and Edward J. Cornish, being all the stockholders of the Carter White Lead Company who are to me personally known to be the identical persons whose names are affixed to the foregoing instrument, and they severally acknowledged the same to be their voluntary act and deed, and the said Levi Carter, attorney in fact for Julius A. Board, and E. M. Morsman attorney in fact for E. M. Morsman, Jr. severally acknowledged the same to be the voluntary act and deed of Julius A. Board and E. M. Morsman Jr. respectively, and of themselves, as such attorneys in fact, respectively,

Witness my hand and notarial seal the day and year last above written.

Elizabeth Van Sant

(S E A L.)

Notary Public

tion and operation of such factories; (6) the purchase and sale of stock or stocks in other companies or corporations organized for the manufacture and sale of White Lead, red lead, litharge, Linseed oil, paints, coloring material or painter's and artist's materials and supplies, and (7) generally to do all kinds of business connected with or pertaining to the manufacture and sale of such products.

IV- The amount of capital stock shall be One Million (1,000,000) Dollars, divided into Ten Thousand (10,000) shares of One Hundred (100) Dollars each of which amount the sum of Five Hundred Thousand (500,000) Dollars is subscribed and fully paid up at the date of these amended Articles of Incorporation. The residue of said capital stock shall be held by this Corporation to be disposed of as treasury stock to such persons, in such manner, at such time, and at such price as may be prescribed by the stockholders for the time.

V- The time of commencement of this corporation shall be December 29th A. D. 1895, and the termination shall be December 29th A. D. 1905.

VI- The highest amount of indebtedness or liability to which this corporation is at any time to subject itself shall not exceed two-thirds of the capital stock at that time subscribed and paid for.

VII- The affairs of this corporation shall be conducted by a Board of Directors who shall elect one of their number President of this corporation, and may appoint such other officers and agents as they may deem proper to prosecute the business of this corporation.

SIGNED and sealed at Omaha, Nebraska, this 6th day of May 1895.

Frances A. Morsman

E. M. Morsman

Annie L. Hayden

Joseph J. Morsman

State of Nebraska,)
)ss.
Douglas County.)

Received and filed for record the 10th day of
May 1895 and recorded in Book H of Incar Record on page 180.

Fred J. Sackett

COUNTY CLERK.

Amended Articles of
Incorporation
of
Carter White Lead Co.

Certificate of
Incorporation

January 6, 1906
421
C. Taluska
J. D. Miller

RECORDED

COMPASS

Page 3-25
1/6/06

Amended Articles of Incorporation.

The undersigned, being all of the stockholders of the Carter White Lead Company, do hereby amend the Articles of Incorporation of said Carter White Lead Company, bearing date the 29th day of December, 1885, as amended on January 27th, 1887, and again amended on the 19th day of May A. D. 1895, and again amended on the 6th day of May A. D. 1895, in such manner that said Articles of Incorporation as amended shall be in the following form, which are hereby adopted as amended Articles of Incorporation of said Carter White Lead Company.

"The undersigned have this day associated themselves together as a corporation for the purpose of engaging in the business of manufacturing, and the transaction of other lawful business, and adopt the following Articles of Incorporation.

I. The name of this corporation will be Carter White Lead Company.

II. The principal place of transacting business of this corporation shall be in Omaha, in the State of Nebraska.

III. The general nature of the business to be transacted by this corporation shall be, first,- the manufacture and sale of white lead, red lead, litharge, linseed oil and paints; second- the purchase and sale of lead in all forms, coloring material, and all kinds of painter's and artist's materials and supplies; third- the construction equipment, operation and purchase of factories for the manufacture and sale of white lead, red lead, litharge, linseed oil and paints, in Omaha, Nebraska, and Chicago, Illinois, and in such other place or places as may be desired; fourth- the sale of such factory or factories taking in payment therefor money, bonds, notes, stock in the corporation or corporations purchasing the same, or such other securities as may be desired; fifth- the purchase and sale, receiving by gift or otherwise, of lands for use in the construction and operation of such factories; sixth- the purchase and sale of stock or stocks in other companies or corporations organized for the manufacture and sale of white lead, red lead, litharge, linseed oil, paints, coloring material or painter's and artist's materials and supplies; and seventh-

generally do all kinds of business connected with or pertaining to the manufacture and sale of such products.

IV. The amount of capital stock shall be one million (\$1,000,000.00) Dollars, divided into ten thousand (10,000) shares of one hundred (\$100.00) Dollars each, of which amount the sum of five hundred thousand (\$500,000.00) Dollars is subscribed and fully paid up at the date of these amended Articles of Incorporation. The residue of said capital stock shall be held by this corporation to be disposed of as treasury stock to such persons, in such manner, at such time, and such price as may be prescribed by the stockholders for the time.

V. The time of commencement of this corporation shall be December 29th A.D. 1885, and the termination shall be December 29th A. D. 1925.

VI. The highest amount of indebtedness or liability to which this corporation is at any time to subject itself shall not exceed two-thirds ($2/3$) of the capital stock at that time subscribed and paid for.

VII. The affairs of this corporation shall be conducted by a Board of seven Directors, who shall elect one of their number President of this corporation, and may appoint such other officers and agents as they may deem proper to prosecute the business of this corporation".

Signed and sealed at Omaha, Nebraska, this 27th day of December, A.D. 1905.

Signed.

Selina C. Carter,
K. C. Barton,
Eleanora B. Bierbower,
J. N. Cornish,
George E. Barker,
Edward J. Cornish,
F. M. Carter
J. A. Board,
E. M. Morsman,
Frances A. Morsman,
Joseph J. Morsman,
Casper E. Yost,
Edgar M. Morsman Jr.
Percy M. Carter.

STATE OF NEBRASKA
DOUGLAS COUNTY

Form No. 72

I, JOHN C. DREXEL, County Clerk in and for said State and County, do hereby certify that I have compared the above and foregoing

copy of

as it appears of Record in Book

of

on page

and the same is a true and correct copy thereof

WITNESS my signature and the seal of said County at Omaha

this

29

day of

December

A. D. 190

County Clerk

Deputy

Amendment

Carter White Lead Company

STATE OF NEBRASKA }
 SECRETARY'S OFFICE } DEC 28 1925

Received and filed for record...
 and recorded in book... 53
 Miscellaneous... Page 474

Charles P. Loeb
 Secretary of State
Frank B. Hays Deputy

INDEXED COMPARED
 RECORDED

6 50 DEC 28 1925

Filing 5.00
Rec 1.25
C.E. 1.25 12-28-25
6.50

Mosman, Maxwell Haggart
Kelue Amalia W. B.

**CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION
CARTER WHITE LEAD COMPANY**

BE IT REMEMBERED that at a stockholders' meeting of the Carter White Lead Company duly and legally held on the 23rd day of December, 1925, the Articles of Incorporation of said corporation were duly amended as follows, to-wit:

Article V was amended so as to read:

V. The time of commencement of this corporation shall be December 29th, A. D., 1885, and the termination shall be December 29th, A. D., 1975.

CARTER WHITE LEAD COMPANY

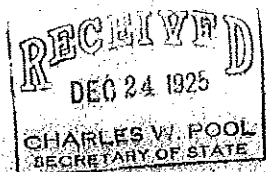
By Edgar M. Morsman, Jr.
Chairman of Stockholders' Meeting.

Henry E. Morsman, Jr.
Secretary of Stockholders' Meeting.

State of Nebraska, }
County of Douglas. } SS.

On this 23rd day of December, A. D., 1925, before me personally appeared Edgar M. Morsman, Jr., who is personally known to me and whose signature is affixed to the foregoing certificate as Chairman of Stockholders' Meeting, and he acknowledged the execution of said certificate to be his voluntary act and deed and the voluntary act and deed of said Carter White Lead Company for the purposes therein expressed.

WITNESS my hand and seal the date last above mentioned.



John R. Fife
Notary Public

NOTICE AND CERTIFICATE
OF DISSOLUTION

OF

CARTER WHITE LEAD COMPANY
OF NEBRASKA.

Omaha, Neb
Filing 5⁰⁰

INDEXED

Dated, June 28th, 1937.

PHOTO-COPIED

STATE OF NEBRASKA
SECRETARY'S OFFICE

Received and filed for record
and recorded in book

Wm. A. Anderson

Secretary of State
Deputy

National Lead Company
12042 So. Peoria Street
Chicago, Illinois

(84)

NOTICE AND CERTIFICATE OF DISSOLUTION OF
CARTER WHITE LEAD COMPANY of NEBRASKA.

KNOW ALL MEN BY THESE PRESENTS, that at a meeting of the Stockholders of the Carter White Lead Company, duly held at the office of the corporation on the 29th day of December, 1936, at which more than two-thirds of all the stockholders were present and voting, a Resolution was duly offered and was unanimously adopted by more than two-thirds of all the stockholders that the said corporation cease to do business, and that the same be dissolved; accordingly notice of such action and of the dissolution of the said CARTER WHITE LEAD COMPANY is hereby given.

In Witness Whereof, the signature and the corporate seal of said CARTER WHITE LEAD COMPANY are hereto affixed by its duly authorized officers on this twenty-eighth day of June, 1937.

CARTER WHITE LEAD COMPANY

By

J. J. Morrison

President.

In presence of

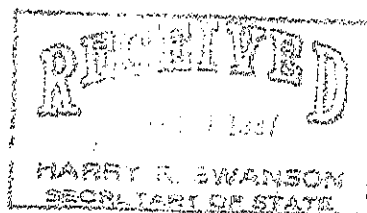
Burke & Voss

Attest

C. J. Voss

Secretary.

John H. Hagan



(82.)

State of Illinois }
County of Cook } ss.

On this twenty-eighth day of June, 1937, before me the undersigned, a Notary Public, duly commissioned, qualified and residing in said county and state personally appeared JOSEPH J. MORSMAN to me personally known to be the president of the corporation that executed the above instrument and the identical person whose name is affixed to the above instrument as president of the said corporation and he acknowledged the said instrument to be the voluntary act and deed of said corporation and of himself as president thereof, and that said corporation executed the same as its voluntary act and deed.

In witness Whereof, I have hereunto subscribed my name and affixed my official seal the day and year first above written.

Catherine L. Sugrue
Notary Public.

My commission expires on the 15th day of Nov
1939.

(83.)

Articles of Incorporation
of
Morgan Wheel & Equipment Co.
Omaha

Filing 50.00
Recording 1.70

perpetual

R.A. William F. Holmes,
2007 St. Marys Avenue
Omaha, Nebr.

STATE OF NEBRASKA } SS
SECRETARY'S OFFICE }
Received and filed for record SEP 29 1960
and recorded in book 287
Misc. Inc. at page 582
Frank Marsh
Secretary of State
By D. B. Weigert

INDEXED
PHOTO-COPIED

RECORDED

588-
1269

✓

ARTICLES OF INCORPORATION
of
MORGAN WHEEL & EQUIPMENT CO.

The undersigned, Grover F. Morgan, William F. Holmes and Raymond G. Young, of Omaha, Douglas County, Nebraska, associate themselves together for the purpose of establishing a corporation under the laws of Nebraska, and for that purpose adopt these Articles of Incorporation.

I.

NAME.

The name of the corporation is MORGAN WHEEL & EQUIPMENT CO.

II.

PLACE OF BUSINESS - RESIDENT AGENT.

The principal place of business of the corporation is Omaha, Douglas County, Nebraska. The resident agent is William F. Holmes, 2007 St. Mary's Avenue, Omaha, Nebraska.

III.

GENERAL NATURE OF BUSINESS.

The nature of the business and the objects and purposes to be transacted, promoted and carried on will be the

dealing in, handling and selling of automobile, truck, tractor and other vehicle parts, supplies, accessories, equipment, tools, machinery and devices at wholesale and at retail and a jobber, distributor, principal, agent, consignee, licensee or otherwise. It shall have the power to manufacture all kinds of supplies, parts, accessories, tools, equipment, machinery and devices for motor vehicles of every kind and character; and it shall also have the power to acquire, own, use, improve, rent, lease, mortgage, sell, convey and otherwise dispose of all kinds of property, real, personal or mixed, which may be necessary or proper for the carrying on of the general purposes of the business. It may acquire and hold notes, bonds, bills and other obligations of other corporations. It shall have the power to buy or otherwise acquire shares of its own capital stock, to redeem the same and either to cancel the shares so acquired and redeemed or to hold them in its treasury and re-issue them. It may borrow money and pledge or mortgage its assets as security. It shall have general power and authority to do whatever may be found necessary or expedient in the conduct of the business for the transaction of which the corporation is formed.

1271

IV.

CAPITAL STOCK.

The amount of the authorized capital stock of the corporation shall be One Hundred Thousand Dollars (\$100,000.00), divided into one thousand (1,000) shares of the par value of One Hundred Dollars (\$100.00) each, all of which shall be common stock.

The minimum amount of capital with which the corporation shall commence business is Fifty Thousand Dollars (\$50,000.00).

Capital stock may be paid for in cash or in real or personal property at valuations determined by the Board of Directors. Capital stock, when issued, shall be fully paid and non-assessable.

V.

INCORPORATORS.

The names and addresses of the incorporators are -

Grover F. Morgan,	110 South 49th Street, Omaha, Nebraska
William F. Holmes,	110 South 52nd Street, Omaha, Nebraska
Raymond G. Young,	411 South 38th Avenue, Omaha, Nebraska

VI.

COMMENCEMENT AND DURATION.

The existence of the corporation shall commence on the 1st day of October, 1960. It shall have perpetual existence. It may be dissolved by vote of the holders of a majority of the outstanding capital stock.

1272

~~584~~

VII.

PRIVATE PROPERTY NOT SUBJECT TO CORPORATE DEBTS.

The private property of the stockholders shall not be subject to the payment of corporate debts, but shall be exempt from liability therefor.

VIII.

BOARD OF DIRECTORS.

The business of the corporation shall be managed by a Board of Directors of not fewer than three directors. Until the first annual meeting and until their successors are elected and qualify, the directors shall be Grover F. Morgan, William F. Holmes and Raymond G. Young. Thereafter, directors shall be elected by the stockholders at the annual meeting. Vacancies in the Board occurring by death or resignation may be filled by the remaining director or directors. Additional directors may be elected as the By-Laws may provide.

IX.

OFFICERS.

The officers of the corporation shall be a president, vice-president, secretary, and treasurer who shall be chosen by the directors or stockholders as the By-Laws may direct. Any two offices, except those of president and vice-president, may

1273

be held by one person. The corporation may have other officers and agents who shall be chosen in such manner and hold their offices for such terms as may be prescribed by the By-Laws or determined by the Board of Directors.

X.

BY-LAWS.

Original By-Laws may be adopted by the incorporators. Thereafter, By-Laws may be made, altered or repealed by the Board of Directors.

XI.

ANNUAL MEETING.

The time and place of the annual meeting of the stockholders of this corporation shall be as fixed in the By-Laws.

XII.

AMENDMENT.

These Articles may be amended by vote of the holders of a majority of the issued and outstanding capital stock at any annual meeting, or at any special meeting called for that purpose in accordance with provisions of the By-Laws.

Grover F. Morgan
Grover F. Morgan

William F. Holmes
William F. Holmes

Raymond G. Young
Raymond G. Young

1071

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STATE OF NEBRASKA)
) SS.
COUNTY OF DOUGLAS)

BEFORE ME, the undersigned, a Notary Public in and for
Douglas County, Nebraska, on the 28th day of September,
1960, personally appeared Grover F. Morgan, William F. Holmes and
Raymond G. Young, to me known to be the identical persons who sign-
ed the above and foregoing Articles of Incorporation, and they
acknowledged the said Articles and the execution thereof to be
the voluntary act and deed of themselves, the signers, respective-
ly, and that the facts stated in said Articles are truly set forth.

WITNESS my hand and Notarial Seal affixed hereto at
Omaha, Nebraska, the date last aforesaid.



Patricia A. Leonard
Notary Public.

1275

507

To be filed with the Secretary of State

Notice is hereby given that the incorporation of the **THE DAILY RECORD OF OMAHA** is being made in the State of Nebraska. The principal place of business is Omaha, Nebraska. The general nature of the business to be conducted shall be the dealing in handling and selling of advertising space, telephone and other communications, supplies, access, office equipment, tools, machinery and devices, a wholesale and retail and jobber distributor, principal agent, consignee, licensee or otherwise. It shall have the power to manufacture all kinds of supplies, parts, accessories, tools, equipment, machinery and devices for motor vehicles of every kind and character, and it shall also have the power to acquire, own, use, improve, lease, mortgage, sell, convey or otherwise dispose of any kind of property, real, personal or mixed, which may be necessary or proper for the carrying on of the general purposes of the business. It may acquire and hold notes, bonds, bills and other obligations of other corporations. It shall have the power to buy or otherwise acquire shares of its own capital stock, redeem the same and either cancel the shares or acquire and resell them. It shall have the power to borrow money and pledge or mortgage its assets as security and shall have general power and authority to do whatever may be found necessary or expedient in the conduct of its business for the transaction of which the corporation is formed. The amount of capital stock authorized is \$1,000,000, divided into 100,000 shares of the par value of \$10.00 each, all of which shall be common stock. Stock when issued is to be fully paid in cash or in property at valuations determined by the Board of Directors and shall be non-assessable. The corporation may commence business when \$50,000.00 of the capital stock is subscribed and paid for. The time of commencement of the corporation is October 1, 1960, and it is to have perpetual existence. It may be dissolved by vote of the holders of a majority of the outstanding capital stock. The private property of the stockholders shall not be subject to the payment of corporate debts but shall be exempt from liability therefor. The affairs of the corporation shall be conducted by a Board of Directors, a President, Vice President, Secretary and Treasurer and such other officers as may be provided for by the laws of the State of Nebraska.

GROVER E. MORGAN
WILLIAM E. MORGAN
RAYMOND E. VAHNA

THE DAILY RECORD

OF OMAHA

PROOF OF PUBLICATION

UNITED STATES OF AMERICA,

THE STATE OF NEBRASKA,
DISTRICT OF NEBRASKA,
COUNTY OF DOUGLAS,
CITY OF OMAHA, } ss.

A. H. Henningsen

of lawful age, being duly sworn, deposes and says that he is

Manager

of THE DAILY RECORD, of Omaha, a legal newspaper, printed and published daily in the English language, having a bona fide paid circulation in Douglas County in excess of 300 copies, printed in Omaha, in said County of Douglas, for more than fifty-two weeks last past; that the printed notice hereto attached was published in THE DAILY RECORD,

of Omaha, for.....3..... consecutive weeks, on the same day of each week, beginning on.....October 1stth, 1960.....

and ending on.....October 25thth, 1960.....

That said Newspaper during that time was regularly published and in general circulation in the County of Douglas, and State of Nebraska.

Publisher's Fee, \$ 25.25

Affidavit, . . . 25

Total, . . . \$ 25.53

Subscribed in my presence and sworn to before me this.....25th.....day of October.....1960.....

Notary Public in and for Douglas County, State of Nebraska

1276

Change of R.A. & R.O.

Morgan Wheel & Equipment Co.

Omaha

9-29-60

Filing 5.00
Recording 1.00Receipt No. A4942STATE OF NEBRASKA }
SECRETARY'S OFFICE } SSReceived and filed for record JUN 24 1965
and recorded on film roll No. 15
Morgan at page 869Frank Marshall
Secretary of State
By [Signature]

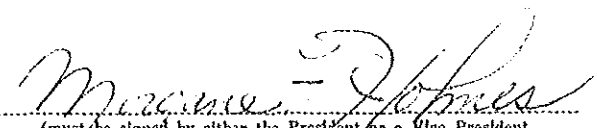
DOMESTIC CHANGE OF REGISTERED AGENT AND/OR REGISTERED OFFICE

To: FRANK MARSH, Secretary of State, Lincoln, Nebraska

1. The name of this corporation is MORGAN WHEEL & EQUIPMENT CO.
name of corporation
....., and said corporation is organized under the laws
of the State of NEBRASKA, with principal office located
at 7820 F Street, Omaha, Nebraska
street city state
and that pursuant to the laws of the State of Nebraska, does hereby wish to change its Registered Agent and/or
Registered Office, in the State of Nebraska.
2. The address of its present registered office is 2007 St. Mary's Avenue,
street
Omaha, Douglas NEBRASKA.
city county
3. If the address of its registered office be changed, the address will be:
7820 F Street, Omaha, Douglas NEBRASKA.
street city county
4. The name of its present registered agent is William F. Holmes (deceased), formerly
name
2007 St. Mary's Avenue, Omaha, Douglas NEBRASKA.
street city county
5. If the registered agent be changed the successor registered agent shall be:
Morgan F. Holmes, 7820 F Street, Omaha, Douglas NEBRASKA.
name street city county
6. The corporation further states that the address of its Registered Office and the address of the business office
of the Registered Agent are identical.

If not identical please explain Identical

Dated this 21st day of June, 19 65


(must be signed by either the President or a Vice President
of the corporation)

Morgan F. Holmes, President

1278

Fee: Filing \$5.00
Recording 1.00
\$6.00

REVISED ARTICLES OF

Morgan Wheel & Equipment Co.

Omaha

1279
621

Filing 5.00
Increase 25.00
Recording 3.40

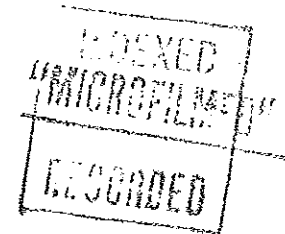
Receipt No. 162863STATE OF NEBRASKA }
SECRETARY'S OFFICE } SS

AUG 16 1967

Received and filed for record

and recorded on film roll No. 24Morgan Wheel & Equipment Co. at page 1917Frank Marshall

Secretary of State

By R. D. Weyers

REVISED
ARTICLES OF INCORPORATION
OF
MORGAN WHEEL & EQUIPMENT CO.

ARTICLE I

NAME

The name of the corporation is MORGAN WHEEL & EQUIPMENT CO.

ARTICLE II

DURATION

The period of the corporation's duration is perpetual.

ARTICLE III

PURPOSES

The general nature of the business to be transacted by this corporation, and the objects and purposes for which it is organized are:

(a) To buy, sell, handle, manufacture, fabricate, rent and deal in parts, supplies, accessories, equipment, tools, machinery and devices for all types of automotive equipment as a manufacturer, distributor, jobber, wholesaler, retailer, agent, consignee or otherwise.

(b) To acquire by purchase, lease, or otherwise, lands and interests in lands, and to own, hold, improve, occupy, develop, and manage any real estate so acquired, and to erect, or cause to be erected, on any lands owned, held, or occupied by the corporation, buildings or other structures, with their appurtenances, and to manage, operate, lease, rebuild, enlarge, alter or improve any buildings or other structures, now or hereafter erected on any lands so owned, held, or occupied, and to encumber or dispose of any lands or interests in lands, in any buildings or other structures, in any stores, shops, suites, rooms, or part of any buildings or other structures, at any time owned, held, or occupied by the corporation.

(c) To acquire by purchase, exchange, lease, bequest, or otherwise, to import, manufacture, produce, to hold, own, use, manage, improve, alter, develop, and to mortgage, pledge, sell, export, assign, transfer, lease, exchange, or otherwise dispose of or deal in or with goods, commodities, wares, machinery, supplies, merchandise and

other personal property of every kind and description, tangible or intangible, wheresoever situated, and every and all rights, interests, or privileges therein.

(d) To adopt, apply for, obtain, register, purchase, lease, or otherwise acquire, and to maintain, protect, hold, use, own, exercise, develop, manufacture under, operate, and introduce, and to sell and grant licenses, or other rights in respect of, assign or otherwise dispose of, or in any manner deal with and contract with reference to, any trademarks, trade names, patents, patent rights, patents pending, concessions, franchises, designs, copyrights, and distinctive marks and rights analogous thereto, and inventions, improvements, processes, recipes, formulae, and the like including, but not limited to such thereof as may be covered by, used in connection with, or secured or received under, letters patent of the United States of America or elsewhere, and any licenses in respect thereof and any or all rights connected therewith or appertaining thereto.

(e) To acquire by purchase, exchange, gift, bequest, subscription, or otherwise, and to hold, own, mortgage, pledge, hypothecate, sell, assign, transfer, exchange or otherwise dispose of or deal in or with securities (which term, for purposes of this Article includes, without limitation, any shares of stock, bonds, debentures, notes, mortgages, or other obligations, and any certificates, receipts, or other instruments respectively representing rights to receive, purchase, or subscribe for the same, or representing any other rights or interests therein or in any property or assets) created or issued by any persons, firms, associations, or corporations, or any governments or subdivisions, agencies, or instrumentalities thereof; to make payment therefore in any lawful manner or to issue in exchange therefore its own securities; and to exercise, as owner or holder of any securities, any and all rights, powers and privileges in respect thereof.

(f) To acquire by purchase, exchange or otherwise, all, or any part of, or any interest in, the properties, assets, business and goodwill of any one or more persons, firms, associations, or corporations, now or hereafter engaged in any business for which a corporation may now or hereafter be organized under the Nebraska Business Corporation Act; to pay for the same in cash, property or its own or other securities; to hold, operate, reorganize, liquidate, mortgage, pledge, sell, exchange, or in any other manner deal in or with or dispose of the whole or any part thereof; and in connection therewith, to assume or guarantee performance of any liability, obligation, or contracts of such persons, firms, associations, or corporations; and to conduct in any lawful manner the whole or any part of any business thus acquired, provided such business is of a kind herein stated.

(g) To promote, organize, aid or assist, financially or otherwise, persons, firms, associations, or corporations engaged in any business whatsoever, to such extent as a corporation organized under the Nebraska Business Corporation Act may now or hereafter lawfully do; and to a like extent, to advance monies or property of any kind thereto,

1281

or to assume, guarantee or underwrite the securities thereof as to principal, interest, dividends, or sinking fund obligations in respect thereof or all or any thereof, or the performance of all or any of their liabilities, obligations or contracts.

(h) To such extent as a corporation organized under the Nebraska Business Corporation Act may now or hereafter lawfully do, to undertake, conduct, manage, assist, promote and to engage or participate in every kind of commercial, industrial, manufacturing, agricultural, scientific, or other enterprise, business, undertaking, venture, or operation of every kind and description.

(i) To carry out all or any part of the foregoing purposes as principal, agent, or otherwise, either alone or in association with any other persons, firms, associations, or corporations, and in any part of the world, or, to such extent as a corporation organized under the Nebraska Business Corporation Act may now or hereafter lawfully do, as a member of, or as the owner or holder of any stock of, or shares or securities or interests in, any firm, association, corporation, trust, or syndicate; and to a like extent, in connection therewith, to make, enter into and perform such contracts or deeds with any persons, firms, associations, or corporations or any governments or subdivisions, agencies, or instrumentalities thereof, and to do such acts and things and to exercise such powers as a natural person could lawfully make, enter into, do or exercise.

(j) To such extent as a corporation organized under the Nebraska Business Corporation Act may now or hereafter lawfully do, to do each and everything necessary, suitable, convenient, or proper for, or in connection with, or incidental to, the accomplishment of any one or more of the purposes or the exercise of any one or more of the powers herein enumerated, or designed directly or indirectly to promote the interests of the corporation, or to enhance the value of its property; and in general to do any and all things and exercise any and all powers, rights, and privileges for which a corporation may now or hereafter be organized under the Nebraska Business Corporation Act, or under any act amendatory thereof, supplemental thereto, or substituted therefore.

ARTICLE IV

POWERS

The corporation shall have and exercise all powers and rights conferred upon corporations by the Nebraska Business Corporation Act and any enlargement of such powers conferred by subsequent legislative acts; and, in addition thereto, the corporation shall have and exercise all powers and rights, not otherwise denied corporations by the laws of the State of Nebraska, as are

1282

1919

necessary, suitable, proper, convenient or expedient to the attainment of the purposes set forth in the foregoing Article.

ARTICLE V

AUTHORIZED SHARES

The aggregate number of shares which the corporation shall have the authority to issue is one thousand five hundred (1,500) shares of common stock and the par value of each of such shares shall be One Hundred Dollars (\$100.00).

ARTICLE VI

PREEMPTIVE RIGHTS

The shareholders of the corporation shall have no preemptive right to acquire and/or subscribe for either unissued shares of the corporation or treasury shares of the corporation, whether now or hereafter authorized.

ARTICLE VII

AMENDMENT

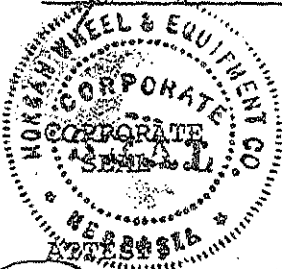
Any amendments to these Articles of Incorporation shall require the approval of shareholders in that proportion of the outstanding stock as is then required by the laws of the State of Nebraska.

ARTICLE VIII

ORIGINAL ARTICLES

These Revised Articles of Incorporation supersede the original Articles of Incorporation and all Amendments thereto.

IN WITNESS WHEREOF, the undersigned President and Secretary of the corporation have hereunto set their hands this 28th day of June, 1967.



MORGAN WHEEL & EQUIPMENT CO.

By: Morgan F. Holmes

Morgan F. Holmes, President

Roger H. Vandenack
Roger H. Vandenack, Secretary

1283

STATE OF NEBRASKA)
) ss
 COUNTY OF DOUGLAS)

On this 28th day of June, 1967, before me, a Notary Public in and for said county, personally appeared MORGAN F. HOLMES, President of MORGAN WHEEL & EQUIPMENT CO., who is personally known to me to be such officer and the identical person whose name is affixed to the above Revised Articles of Incorporation, and he acknowledged the execution thereof to be his voluntary act and deed and the voluntary act and deed of such corporation.

WITNESS my hand and notarial seal the date aforesaid at Omaha, Nebraska.



Judith E. Lundberg
 Notary Public

Commission expires: 7/7/71

REVISED ARTICLES OF INCORPORATION
of
Morgan Wheel & Equipment Co.
Omaha

1286

405

Filing 5.00
Increase 50.00
Recording 3.00

perpetual

R.A.

R.A.

Roger H. Vandenack
236 Lakin Bldg.
8990 West Dodge Road
Omaha 68114

Receipt No. C48936

STATE OF NEBRASKA
SECRETARY OF STATE

Recorded and indexed MAY 14 1974

and recorded as first and only
Miss. Inc. at pay. \$22Allen J. [Signature]By [Signature] Secretary of State

INDEXED

MICROFILMED

RECORDED

MORGAN WHEEL & EQUIPMENT CO.REVISED ARTICLES OF INCORPORATIONARTICLE INAME

The name of the corporation is MORGAN WHEEL & EQUIPMENT CO.

ARTICLE IIDURATION

The period of the corporation's duration is perpet u.

ARTICLE IIIPURPOSES

The corporation is organized for the purpose or purposes of transacting any or all lawful business for which corporations may be incorporated under the Nebraska Business Corporation Act.

ARTICLE IVPOWERS

The corporation shall have and exercise all powers and rights conferred upon corporations by the Nebraska Business Corporation Act and any enlargement of such powers conferred by subsequent legislative acts; and, in addition thereto, the corporation shall have and exercise all powers and rights, not otherwise denied corporations by the laws of the State of Nebraska, as are necessary, suitable, proper, convenient or expedient to the attainment of the purposes set forth in the foregoing Article.

ARTICLE VAUTHORIZED SHARES

The aggregate number of shares which the corporation shall have the authority to issue is two hundred fifty thousand (250,000) shares of common stock and the par value of each such share shall be one dollar (\$1.00).

ARTICLE VI
CHANGE OF PAR VALUE

Pursuant to these Revised Articles of Incorporation, the par value of the common stock of this corporation is being changed from one hundred dollars (\$100.00) per share to one dollar (\$1.00) per share. Each currently issued and outstanding one hundred dollar (\$100.00) par share shall be surrendered to the corporation in exchange for one hundred one dollar (\$1.00) par shares.

ARTICLE VII
PRE-EMPTIVE RIGHTS

The shareholders of the corporation shall have no pre-emptive right to acquire and/or subscribe for either unissued shares of the corporation or treasury shares of the corporation, whether now or hereafter authorized.

ARTICLE VIII
REGISTERED OFFICE AND REGISTERED AGENT

The street address of the registered office of the corporation is 236 Lakin Building, 8990 West Dodge Road, Omaha, Nebraska, 68114. The name and street address of its registered agent is Roger H. Vandennack, 236 Lakin Building, 8990 West Dodge Road, Omaha, Nebraska, 68114.

ARTICLE IX
AMENDMENT

Any amendment to these Articles of Incorporation shall require the approval of shareholders in that proportion of the outstanding stock as is then required by the laws of the State of Nebraska.

ARTICLE XORIGINAL ARTICLES SUPERCEDED

These Revised Articles of Incorporation supercede the original Articles of Incorporation, all Amendments thereto and previous Revised Articles.

IN WITNESS WHEREOF, the undersigned president and secretary have executed these Revised Articles of Incorporation this 22nd day of April, 1974.

MORGAN WHEEL & EQUIPMENT CO.
(a Nebraska corporation)

By:

Morgan F. Holmes
Morgan F. Holmes, President

And:

Roger H. Vandenaack
Roger H. Vandenaack, Secretary

m 9-29-60

To be filed with the Secretary of State.

Valentine & Co.,
330 Fifth Building
800-140-1400
Notice is hereby given that MARGAN
WHOLESALE & RETAIL has adopted
articles of incorporation changing its author-
ized capital stock from 1,500
shares of common stock per val-
ue \$100.00 each to 250,000 shares
of common stock per value
\$100.00 each, providing for the
exchange of old shares for new
shares and providing the cor-
poration a purpose and modern-
izing its articles.

W. H. HODGSON, President.

THE DAILY RECORD OF OMAHA

A. H. HENNINGSEN, Publisher

PROOF OF PUBLICATION

UNITED STATES OF AMERICA.

THE STATE OF NEBRASKA,

DISTRICT OF NEBRASKA,

COUNTY OF DOUGLAS,

CITY OF OMAHA,

ss.

JOHN P. EGLSAER

being duly sworn, deposes and says that he is

ADVERTISING MANAGER

of THE DAILY RECORD, of Omaha, a legal newspaper, printed and
published daily in the English language, having a bona fide paid circula-
tion in Douglas County in excess of 300 copies, printed in Omaha, in said
County of Douglas, for more than fifty-two weeks last past: that the
printed notice hereto attached was published in THE DAILY RECORD,
of Omaha, for 3 consecutive weeks, on the same day of each
week, beginning on May 22nd, 1974

and ending on June 12th, 1974

That said Newspaper during that time was regularly published and
in general circulation in the County of Douglas, and State of Nebraska.

Published for

Additional Copies

Total

\$ 18.96

\$ 18.96

Subscribed in my presence and sworn to
before me this 12th day of

June

1974

Notary Public in and for Douglas County,
State of Nebraska

RECEIVED

JUN 12 1974

SECRETARY OF STATE
CORPORATION DIVISION

1000

Change of R.A. and R.O.

of

Morgan Wheel & Equipment Co.

Omaha, NOW: Yutan

Filing 5.00
Recording 2.00

R.A.
Roger H. Vandenack
R.R. 1, Box 11B
Yutan, NE 68073

Receipt No. C-66539

STATE OF NEBRASKA }
SECRETARY'S OFFICE } SS

Received and filed for record NOV 21 1975
and recorded on film roll No. 1016
1711A Sine at page 635

Allen J. Beermann

Secretary of State

By in [signature]

INDEXED

MICROFILMED

RECORDED

9-24-00
1291
656

DOMESTIC
CHANGE OF REGISTERED AGENT AND/OR REGISTERED OFFICE

To: ALLEN J. BEERMANN, Secretary of State, Lincoln, Nebraska 68509

1. The name of this corporation is MORGAN... Wheel... & Equipment... Co.
name of corporation
 and said corporation is organized under
 the laws of the State of NEBRASKA with principal office located
 at 7820 "F" Street Omaha NEBRASKA
street city state
 and that pursuant to the laws of the State of Nebraska, does hereby wish to change its Registered Agent
 and/or Registered Office, in the State of Nebraska.
2. The street address of its previously designated registered office:
7820 "F" Street Omaha Douglas NEBRASKA 68111
street city county ZIP CODE
3. If the street address of its registered office is to be changed;
Rural Route 1, Box 11-B, Yutan Saunders NEBRASKA 68073
street city county ZIP CODE
4. The name of its previously designated registered agent:
MORGAN F. Holmes 7820 "F" Street Omaha Douglas NEBRASKA
name street city county
5. If its registered agent is to be changed:
ROGER H. VANDENACK
Rural Route 1, Box 11-B, Yutan Saunders NEBRASKA 68073
name street city county ZIP CODE

IMPORTANT

6. The street address of the registered agent must be identical to that of the registered office.
7. The changes designated above were authorized by resolution duly adopted by the Board of Directors on
 the 1st day of DECEMBER 1974.

Dated this 1st day of DECEMBER 1974.

Morgan F. Holmes
 MUST BE signed by either the President or
 Vice President of the corporation,
Morgan F. Holmes, President

Fee: Filing	\$5.00
Recording	1.00
	<u>\$6.00</u>

SUBMIT TO THE SECRETARY OF STATE IN DUPLICATE.

-655-

1092

[illegible]

MOWECO INC.(FORMERLY MORGAN WHEEL & EQUIPMENT CO.)REVISED ARTICLES OF INCORPORATIONARTICLE INAME

The name of the corporation is MOWECO INC. Its name formerly was MORGAN WHEEL & EQUIPMENT CO.

ARTICLE IIDURATION

The period of the corporation's duration is perpetual.

ARTICLE IIIPURPOSE

The purpose for which the corporation is organized is the transaction of any or all lawful business for which corporations may be incorporated under the Nebraska Business Corporation Act.

ARTICLE IVAUTHORIZED SHARES

The aggregate number of shares which the corporation shall have the authority to issue is two hundred fifty thousand (250,000) shares of common stock and the par value of each such share shall be one dollar (\$1.00).

ARTICLE VPREEMPTIVE RIGHTS

The shareholders of the corporation shall have no preemptive right to acquire either unissued or treasury shares of the corporation, whether now or hereafter authorized.

ARTICLE VIREGISTERED OFFICE AND REGISTERED AGENT

The street address of the registered office of the corporation is Rural Route 1, Box 11-B, Yutan, Nebraska, 68073. The name and street address of its registered agent is Roger H. Vandenack, Rural Route 1, Box 11-B, Yutan, Nebraska, 68073.

ARTICLE VIIORIGINAL ARTICLES SUPERSEDED

These Revised Articles of Incorporation supersede the original Articles of Incorporation and all amendments thereto.

IN WITNESS WHEREOF, the undersigned president and secretary of the corporation have executed these Revised Articles of Incorporation this 29th day of April, 1977.

MOWECO INC.
(a Nebraska corporation)

By:

Morgan F. Holmes
Morgan F. Holmes, President

And:

Roger H. Vandenack
Roger H. Vandenack, Secretary

I, Donna Belle Weyers, having reserved the corporate name

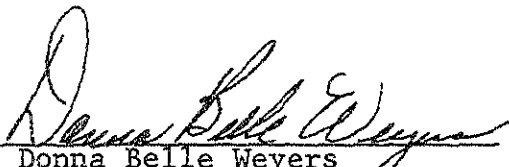
Moweco Inc.,

do hereby give my consent to the use of said corporate name

for the purpose of allowing Morgan Wheel & Equipment Co.,

to change its corporate name to MOWECO Inc..

DATE: April 29, 1977



Donna Belle Weyers
211 Executive Building
521 South 14th Street

Lincoln, Nebraska 68508.

RECEIVED

SECRET
SECRETARY OF STATE
CORPORATION DIVISION

1001

AFFIDAVIT OF PUBLICATION

M
THE STATE OF NEBRASKA
Saunders County

ss:

4-29-77

Steven Audi, being first duly sworn,

on his oath says that he has personal knowledge of the facts
hereinafter set forth; that he is the bookkeeper of

The Wahoo Newspaper; a weekly legal newspaper of general circula-
tion in, and printed and published at Wahoo, Nebraska, in said county
and state;

That said paper is printed in the English language, has a bona
fide circulation of more than three hundred copies, and has been
printed and published for more than fifty-two consecutive weeks in
an office maintained at Wahoo, Saunders County, Nebraska;

That the annexed notice marked exhibit "A." was published in
said newspaper for Three consecutive weeks, being the
issues of Feb. 21, 28, Mar. 6, 1980

RECEIVED
MAR 07 1980

SECRETARY OF STATE
CORPORATION DIVISION

Printers Fee - \$ 10.08 Subscribed in my presence and sworn to before me this 7th
day of Mar. A. D., 1980

Affidavit - - -

Total - - - \$ 10.08 My commission expires 11-19-83 19

A GENERAL NOTARY, State of Nebraska
L. C. THEGE
Notary Public.
My Comm. Exp. Nov. 19, 1983

Articles of Incorporation

of

Morgan Wheel & Equipment Co.

Yutan

Perpetual

Filing 35.00
Recording 4.00R.A.
Roger H. Vandenack
RR 1, Box 11-B
Yutan, Nebraska 68073

397881

Receipt No. C 87179

APR 29 1977

[Signature] 27-7
928
Secretary of State
[Signature]

INDEXED

MICROFILMED

RECORDED

MORGAN WHEEL & EQUIPMENT CO.ARTICLES OF INCORPORATIONARTICLE INAME

The name of the corporation formed hereby is MORGAN
WHEEL & EQUIPMENT CO.

ARTICLE IIDURATION

The period of the corporation's duration is perpetual.

ARTICLE IIIPURPOSE

The purpose for which the corporation is organized is the transaction of any or all lawful business for which corporations may be incorporated under the Nebraska Business Corporation Act.

ARTICLE IVAUTHORIZED SHARES

The aggregate number of shares which the corporation shall have authority to issue is twenty five thousand (25,000) shares of common stock and the par value of each such share shall be one dollar (\$1.00).

ARTICLE VPREEMPTIVE RIGHTS

The shareholders of the corporation shall have no preemptive right to acquire either unissued or treasury shares of the corporation, whether now or hereafter authorized.

ARTICLE VIINITIAL REGISTERED OFFICE AND REGISTERED AGENT

The address of the initial registered office of the corporation is Rural Route 1, Box 11-B, Yutan, Nebraska, 68073. The name and address of its initial registered agent is Roger H. Vandennack, Rural Route 1, Box 11-B, Yutan, Nebraska, 68073.

ARTICLE VIIINCORPORATORS

The name and street address of each incorporator is:

Roger H. Vandennack
Rural Route 1, Box 11-A
Yutan, Nebraska 68073

Denise A. Reuter
13302 Kingswood Drive
Omaha, Nebraska 68144

Signed in duplicate this 29th day of April, 1977.

Roger H. Vandennack
Roger H. Vandennack

Denise A. Reuter
Denise A. Reuter

VANDENACK P. C.
Rural Route 1, Box 11-F
Yutan, Nebraska 68073

**NOTICE OF
INCORPORATION OF
MORGAN WHEEL
& EQUIPMENT CO.**

May 1, 1977

Notice is hereby given that a corporation has been formed under the Nebraska Business Corporation Act.

(1) The name of the corporation is **MORGAN WHEEL & EQUIPMENT CO.**

(2) The address of its registered office is Rural Route 1, Box 11-F, Yutan, Nebraska, 68073.

(3) The general nature of the business to be transacted by the corporation is anything legal.

(4) The amount of capital stock authorized is \$25,000.00, divided into 25,000 shares of \$1.00 each. Each stock shall be fully paid for when issued.

(5) The corporation commenced on May 1, 1977, and has perpetual existence.

(6) The affairs of the corporation are to be conducted by a Board of Directors. President, Vice President, Treasurer, Secretary and such other officers as may be elected shall be the Board of Directors.

INCORPORATORS:
VANDENACK P. C.
DAVID A. REUTER

AFFIDAVIT OF PUBLICATION

ss:

Steven Ladi

, being first duly sworn,

on his oath says that he has personal knowledge of the facts hereinafter set forth; that he is the bookkeeper of

The Wahoo Newspaper; a weekly legal newspaper of general circulation in, and printed and published at Wahoo, Nebraska, in said county and state;

That said paper is printed in the English language, has a bona fide circulation of more than three hundred copies, and has been printed and published for more than fifty-two consecutive weeks in an office maintained at Wahoo, Saunders County, Nebraska;

That the annexed notice marked exhibit "A" was published in said newspaper for Three consecutive weeks, being the issues of May 12, 19, 26, 1977

RECEIVED

MAY 31 1977

Printers Fee **SECRETARY OF STATE
CORPORATION DIVISION**

Affidavit - - -

Total - - - \$ 25.60

Subscribed in my presence and sworn to before me this 27th day of May, 1977 A. D., 1977

GENERAL NOTARY - State of Neb.
L. C. THEGE

Notary Public.

My commission expires Nov. 19, 1978, 1978

DEC 20 1989

STATE OF NEBRASKA

RECEIVED AND FILED FOR RECORD

and recorded on file with the

89-26 at page 283

STATEMENT OF INTENT TO DISSOLVE

MORGAN WHEEL & EQUIPMENT CO.

BY WRITTEN CONSENT OF SOLE STOCKHOLDER

TO THE SECRETARY OF STATE
OF THE STATE OF NEBRASKA:

Secretary of State

By 9/18

21.00 pd.

Pursuant to the provisions of Sections 21-2082 and 21-2084 of the Nebraska Business Corporation Act, the undersigned corporation submits the following Statement of Intent to Dissolve the corporation upon written consent of its sole stockholder:

FIRST: The name of the corporation is MORGAN WHEEL & EQUIPMENT CO.

SECOND: The names and respective addresses of its officers are:

NAME	OFFICE	ADDRESS
Morgan F. Holmes	President/ Vice President/ Treasurer	1002 Grey Fawn Drive Omaha, Nebraska 68154
Roger H. Vandennack	Secretary	Rural Route 1, Box 116 Yutan, Nebraska 68073

THIRD: The name and address of its sole director is:

NAME	ADDRESS
Morgan F. Holmes	1002 Grey Fawn Drive Omaha, Nebraska 68154

FOURTH: A written consent to dissolution of the corporation has been signed by the sole stockholder of the corporation. A copy of such consent is attached hereto, identified as Exhibit A, and made a part of this Statement of Intent to Dissolve.

Dated this 19th day of December, 1989.

MORGAN WHEEL & EQUIPMENT CO.

By:

Morgan F. Holmes, President

And:

Roger H. Vandennack,
Secretary

SECRETARY'S CERTIFICATION

I, Roger H. Vandennack, secretary of MORGAN WHEEL & EQUIPMENT CO., do hereby certify that the above and foregoing is a true and correct copy of the Statement of Intent to Dissolve MORGAN WHEEL & EQUIPMENT CO. adopted pursuant to the written consent of the sole stockholder of corporation and that the consent contained as Exhibit A hereto and referred to in Part FOURTH hereof is a true and correct copy of a written consent to dissolution executed by the sole stockholder of MORGAN WHEEL & EQUIPMENT CO.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the corporation to be affixed this 19th day of December, 1989.

CORPORATE
SEAL

Roger H. Vandennack, Secretary

Subscribed and sworn to before me this 19th day of December, 1989.

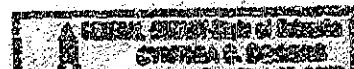
Cynthia S. Eggers
Notary PublicMy commission expires: November 15, 1993

EXHIBIT AMORGAN WHEEL & EQUIPMENT CO.WRITTEN CONSENT OF SOLE STOCKHOLDERTO DISSOLUTION

The undersigned, the sole owner of all the issued and outstanding stock of MORGAN WHEEL & EQUIPMENT CO., a Nebraska corporation, hereby consents to the following:

(1) MORGAN WHEEL & EQUIPMENT CO., a Nebraska corporation, shall be formally dissolved as soon as reasonably possible.

(2) The officers of such corporation shall execute a Statement of Intent to Dissolve and file the same with the Secretary of State of Nebraska as soon as possible.

(3) After such Statement of Intent to Dissolve is filed, the officers of MORGAN WHEEL & EQUIPMENT CO. shall complete the process of collecting and selling the corporation's assets, pay, satisfy, discharge or make other provisions for payment of its liabilities and obligations and complete all other acts required to liquidate its business and affairs, including the distribution of the remaining assets of corporation, subject to any remaining liabilities, to the sole stockholder.

(4) After completion of the above, Articles of Dissolution shall then be executed by the officers of the corporation and filed with the Secretary of State of Nebraska.

(5) The officers of MORGAN WHEEL & EQUIPMENT CO. are hereby authorized and directed to take all steps necessary to accomplish items (1) through (4) above.

The above actions are adopted by the written consent of the sole stockholder of MORGAN WHEEL & EQUIPMENT CO. this 14th day of December, 1989.

STOCKHOLDER:

MOWECO INC.
(a Nebraska corporation)

By: Morgan F. Holmes
Morgan F. Holmes, President

ATTEST:

Roger H. Vandennack
Roger H. Vandennack, Secretary

SECRETARY'S CERTIFICATION

I, Roger H. Vandennack, secretary of MORGAN WHEEL & EQUIPMENT CO., do hereby certify that the foregoing contains and constitutes consent of the sole stockholder of the corporation to the actions therein described, duly executed as of the 14th day of December, 1989.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the corporation to be affixed hereto, this 14th day of December, 1989.

CORPORATE
SEAL

Roger H. Vandennack
Roger H. Vandennack, Secretary

201

DEC 29 1989

STATE OF NEBRASKA
SECRETARY'S OFFICEReceived and filed for record
and recorded on file, with file
70-1 at page 9

MORGAN WHEEL & EQUIPMENT CO.

ARTICLES OF DISSOLUTION

Secretary of State

Pursuant to the provisions of Section 21-2091 of the

Nebraska Business Corporation Act, the undersigned corporation
adopts the following Articles of Dissolution for the purpose of
dissolving the corporation.

FIRST: The name of the corporation is MORGAN WHEEL &
EQUIPMENT CO.

SECOND: A Statement of Intent to Dissolve the
corporation was filed with the Secretary of State of the State of
Nebraska on December 2, 1989, and with the County Clerk of
Saunders County on December 2, 1989.

THIRD: All debts, obligations and liabilities of the
corporation have been paid and discharged or adequate provision
has been made therefor.

FOURTH: All remaining property and assets of the
corporation have been distributed to the corporation's sole
shareholder.

FIFTH: There are no suits pending against the
corporation in any court, in respect of which adequate provision
has not been made for the satisfaction of any judgment, order or
decree which may be entered against it.

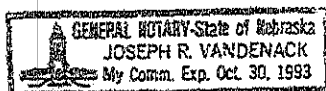
Dated this _____ day of _____, 1989.

MORGAN WHEEL & EQUIPMENT CO.

CORPORATE
SEALBy: Morgan F. Holmes
Morgan F. Holmes, PresidentAnd: Roger H. Vandennack
Roger H. Vandennack,
Secretary

VERIFICATION

I, Roger H. Vandennack, secretary of MORGAN WHEEL &
EQUIPMENT CO., do hereby certify that the above and foregoing is
a true and correct copy of the Articles of Dissolution of this
corporation, duly executed by the president and secretary of the
corporation.



Roger H. Vandennack
Roger H. Vandennack, Secretary

Subscribed and sworn to before me this 27th day of

December, 1989.

Joseph R. Vandennack
Notary Public

My commission expires: 10-30-93

790

RECEIVED

AFFIDAVIT OF PUBLICATION

THE STATE OF NEBRASKA,
Saunders County

ss:

STATE OF NEBRASKA
CORPORATION DIVISION

..... Sue A. Lucas....., being first duly sworn,
on..... her..... oath says that..... she..... has personal knowledge of the facts
hereinafter set forth; that..... she..... is..... an employee..... of

The Wahoo Newspaper; a weekly legal newspaper of general circulation in, and printed and published at Wahoo, Nebraska, in said county and state;

That said paper is printed in the English language, has a bona fide circulation of more than three hundred copies, and has been printed and published for more than fifty-two consecutive weeks in an office maintained at Wahoo, Saunders County, Nebraska;

That the annexed notice marked exhibit A..... was published in said newspaper for..... three..... consecutive weeks, being the issues of..... January 18, 27 & February 1, 1990.....

Joe Vandenberg & Associates P.C.
Rural Route 1, Box 2117
Vernon, Nebraska 68073
**NOTICE OF DISSOLUTION OF
MORGAN WHEEL
& EQUIPMENT CO.**
Notice is hereby given that MORGAN WHEEL & EQUIPMENT CO., a corporation formed under the Nebraska Business Corporation Act, is being voluntarily dissolved by the written consent of its sole stockholder. The business of the corporation has been liquidated and all of its assets, subject to its liabilities, have been distributed to the corporation's sole stockholder. The affairs of the corporation shall be managed by Morgan F. Holmes, president of the corporation. The corporation currently has no assets and no liabilities.
MORGAN F. HOLMES
President

Printers Fee - \$.....27.59.....

Subscribed in my presence and sworn to before me this..... 1st.....

day of..... February..... A. D., 1990.....

Affidavit - - -4.00.....

Total - - - \$.....31.59.....

My commission expires..... 19.....



A GENERAL NOTARY PUBLIC OF NEBRASKA
SUSAN M. JONES
My Comm. Expires.....

Saunders County Publishing, Ltd

FEB 23 1998

DOMESTIC CHANGE OF REGISTERED AGENT AND/OR OFFICE

Submit in Duplicate

Scott Moore, Secretary of State
Room 1301 State Capitol, P.O. Box 94608
Lincoln, NE 68509

STATE OF NEBRASKA
SECRETARY'S OFFICE
Date of Filing recorded on

film roll no. 98-4

at page 373

Secretary of State

By CH 3000pl 915am

The following corporation, pursuant to the laws of the state of Nebraska, does hereby wish to change its Registered Agent and/or Registered Office

Name of Corporation: **MOWECO INC.**

Current:

Registered Agent: Roger H. Vandenack

Registered Office: Route 1, Box 116 Yutan NE 68073
Street Address City Zip

New:

Registered Agent: JOE VANDENACK & ASSOCIATES P.C.

Registered Office*: 1701 County Road 6 Yutan NE 68073-5001
Street Address City Zip

*The Business Corporation Act requires that the street address of the registered office and the street address of the registered agent be identical.

DATED 2/2/98

Morgan F. Holmes
Morgan F. Holmes, President

NOTE: The Business Corporation Act requires that every filing be signed by the chairperson of the board of directors, the president, or one of the officers of the corporation. If the corporation has not yet been formed or directors have not yet been selected, the filing shall be signed by an incorporator. If the corporation is in the hands of a receiver, trustee, or other court appointed fiduciary, the filing shall be signed by that fiduciary.

Registered Agent: Please Circle A (current agent) or B (new agent) below and sign

A. I hereby state that the above named corporation has been notified of the change in address of my registered office

B. I hereby consent to act as registered agent for the above named corporation:

JOE VANDENACK & ASSOCIATES P.C.
By: Joseph R. Vandenack, President

Joseph R. Vandenack
Signature of Registered Agent

FILING FEE: \$30.00

373

6461

NEBRASKA CORPORATION OCCUPATION TAX REPORT



STATE OF NEBRASKA - SCOTT MOORE, SECRETARY OF STATE
Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.

MOWECO INC.

JOE VANDENACK & ASSOCIATES PC
1701 COUNTY ROAD 6

0098329

For calendar year commencing
January 1,

1999**DELINQUENT APRIL 16, 1999**

YUTAN

NE 68073-5001

Refer to the current information on our files from last year's corporate occupation tax report. If there are no changes from last year, please check the appropriate space below. If there are changes, fill in the appropriate information in the space provided.

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)

MOWECO INC.

2. OFFICERS (complete name and address is required for each officer and director)

Name	Street Address	City, State	Zip
President: MORGAN F HOLMES	1002 GREY FAWN DR	OMAHA	NE 68154
Secretary: JOE VANDENACK	1701 COUNTY RD 6	YUTAN	NE 68073
Treasurer: MORGAN F HOLMES	1002 GREY FAWN DR	OMAHA	NE 68154

3. PRINCIPAL OFFICE OF CORPORATION:

1002 GREY FAWN DR

OMAHA

NE 68154

4. REGISTERED OFFICE:

1701 COUNTY ROAD 6

YUTAN

NE 68073-5001

5. REGISTERED AGENT:

JOE VANDENACK & ASSOCIATES PC

6. NATURE OF BUSINESS:

TRANSACTIONING ANY ALL LAWFUL BUSINESS FOR WHICH CORPORATIONS MAY BE INCORPORATED under the laws of the State of Nebraska

If the pre-printed information above is correct for this year's report please check here _____

YOU MUST COMPLETE THESE TWO ITEMS	Amount of Paid Up Capital Stock (definition in Instructions)	\$13,814.00
	Occupation Fee (Fee Schedule on Page 2 of report)	\$ 20.00

The above named corporation has a legal interest in land used for agricultural purposes or engages in agricultural activity in Nebraska YES ☒ NO ☐ . If YES, please fill out the included report (see instructions).

MAKE CHECKS PAYABLE TO SECRETARY OF STATE Your Cancelled Check is Your Receipt

I hereby affirm that the information reported for the above named corporation is true and correct as of January 1, 1999, and that the reported amount of capital stock and occupation fee are correct.

SIGN HERE

Signature of Officer

Printed name of officer

Morgan F. Holmes, President

DATE 1/1/99

COT1 10/98

DOMESTIC CORPORATION OCCUPATION TAX REPORT

Corporation #: 0098329

Page 2

STATE OF NEBRASKA - SCOTT MOORE, SECRETARY OF STATE

7. DIRECTORS

	Name	Street Address	City, State	Zip
1.	MORGAN F HOLMES	1002 GREY FAWN DR	OMAHA NE	68154
2.	JOHN R HOLMES	1319 NORTH AZTEC	FLAGSTAFF AZ	86001
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				

USE ADDITIONAL PAGES IF NEEDED

If the pre-printed director information above is correct for this year's report please check here X**OCCUPATION TAX FEE SCHEDULE**

Amount of Paid Up Capital Stock	Fee	Amount of Paid Up Capital Stock	Fee
\$ 0.00 - 10,000.00	\$ 13.00	\$ 450,000.01 - 500,000.00	\$ 400.00
10,000.01 - 20,000.00	20.00	500,000.01 - 600,000.00	455.00
20,000.01 - 30,000.00	30.00	600,000.01 - 700,000.00	505.00
30,000.01 - 40,000.00	40.00	700,000.01 - 800,000.00	560.00
40,000.01 - 50,000.00	50.00	800,000.01 - 900,000.00	615.00
50,000.01 - 60,000.00	60.00	900,000.01 - 1,000,000.00	665.00
60,000.01 - 70,000.00	70.00	1,000,000.01 - 2,000,000.00	1,065.00
70,000.01 - 80,000.00	80.00	2,000,000.01 - 3,000,000.00	1,465.00
80,000.01 - 90,000.00	90.00	3,000,000.01 - 4,000,000.00	1,865.00
90,000.01 - 100,000.00	100.00	4,000,000.01 - 5,000,000.00	2,265.00
100,000.01 - 125,000.00	120.00	5,000,000.01 - 6,000,000.00	2,665.00
125,000.01 - 150,000.00	140.00	6,000,000.01 - 7,000,000.00	3,065.00
150,000.01 - 175,000.00	160.00	7,000,000.01 - 8,000,000.00	3,465.00
175,000.01 - 200,000.00	180.00	8,000,000.01 - 9,000,000.00	3,865.00
200,000.01 - 225,000.00	200.00	9,000,000.01 - 10,000,000.00	4,265.00
225,000.01 - 250,000.00	220.00	10,000,000.01 - 15,000,000.00	6,000.00
250,000.01 - 275,000.00	240.00	15,000,000.01 - 20,000,000.00	7,330.00
275,000.01 - 300,000.00	260.00	20,000,000.01 - 25,000,000.00	8,665.00
300,000.01 - 325,000.00	280.00	25,000,000.01 - 50,000,000.00	10,330.00
325,000.01 - 350,000.00	300.00	50,000,000.01 - 100,000,000.00	10,665.00
350,000.01 - 400,000.00	333.00	When paid up capital stock exceeds \$100,000,000.00	11,995.00
400,000.01 - 450,000.00	365.00		

SECRETARY OF STATE

1305 State Capitol

P.O. Box 94608

Lincoln, NE 68509-4608

The names of all officers and directors should be those persons holding office on January 1, 1999. Failure to file the form and pay the tax by April 15 will cause an automatic dissolution of the corporation by operation of law.



Filed 01/14/2000 02:13 PM

VANDENACK & ASSOCIATES P

1701 County Road 6
Yutan, Nebraska 68073-5001
Tel: (402) 625-2151
Fax: (402) 625-2244

Joe R. Vandenack, Attorney

Mary E. Vandenack, Attorney

December 22, 1999

Scott S. Moore
Nebraska Secretary of State
State Capitol, Suite 2300
P.O. Box 94608
Lincoln, NE 68509-4608

Re: VANDENACK LAW OFFICE P.C. (formerly JOE VANDENACK & ASSOCIATES P.C.)

Dear Sir:

Enclosed are an original and a duplicate copy of a First Amendment to the Restated Articles of Incorporation for the above corporation. Please record the original amendment and return the stamped duplicate copy to this office.

Enclosed is our check in the amount of \$30.00 in payment of the filing and recording costs.

Please adjust your records concerning this name change for the following entities for which JOE VANDENACK & ASSOCIATES P.C. serves as registered agent:

CORPORATIONS:

ABLE ELECTRIC COMPANY
ALANSCO LTD.
ARLINGTON TELEPHONE COMPANY

B & B THOROUGHBREDS INC.
B & B BLOODSTOCK INC.
BNF, INC.
BARGER FARMS INC.
BERG FARMS INC.
BILL BLANK AGENCY INC.
BRASE ELECTRICAL CONTRACTING CORPORATION
BRAUNSTROTH TRUCKING INC.

C. H. KNUDSEN CONSTRUCTION CO. INC.
~~CTR INC.~~

Page 2

CARLSON INVESTMENTS INC.
CEDRIC PRANGE ASSOCIATES INC.
CLARKSON CLINIC P.C.
CLEARWATER IMPLEMENT INC.
COLON AND RECTAL SURGERY INC.
COLUMBUS MEDICAL CENTER P.C.
CONCRETE EQUIPMENT COMPANY, INC.
CURRAN FUNERAL CHAPEL INC.
CYRCRAFT CORP.

D. K. CONSTRUCTION INC.
~~DEELLO INC.~~
DESERT MOUNTAIN INC.
DOUBLE "L" CATTLE INC.
DRICKEY'S G W MARKET INC.

EAST LINCOLN FAMILY HEALTH PROFESSIONALS P.C.
EASTERN NEBRASKA TELEPHONE COMPANY
ENSITE INCORPORATED

FAMILY PRACTICE ASSOCIATES P.C.
4 M FARMS INC.
FIRST STEP FARM INC.

GALAXY LEASING INC.
GANGWISH BROS. INC.

H. AND L. CONTRACTING CO.
HAGGSTROM STABLES INC.
HOFMANN PHARMACY INC.
HUNTEL CABLEVISION INC.
HUNTEL COMMUNICATIONS INC.
HUNTEL CUSTOMER1 INC.
HUNTEL ENGINEERING INC.
HUNTEL.NET INC.
HUNTEL SYSTEMS, INC.

INTERSTATE HEATING & AIR CONDITIONING INC.

JDR FARMS INC.

Page 3

J. V. PORK, INC.
JINDRA FARMS INC.

KINGSON BUILDERS INC.
KNOBBE FARMS INC.

LLO BAR CORPORATION
~~LEAK LOCATION CONSULTANTS INC.~~

MACKEPRANG BROS. INC.
McARDLE GRADING CO.
MICHEELS CONSTRUCTION CO.
MID AMERICA COMPUTER CORPORATION
MOWECO INC.

NATE INC.
NEBRASKA AQUASTORE INC.
NEBRASKA HARVESTORE SYSTEMS, INC.
NORTH CENTRAL RADIOLOGY INC.

OLMSTED & PERRY CONSULTING ENGINEERS INC.

PRECISION OPTICS, INC.

RAH CO.
ROCK COUNTY TELEPHONE COMPANY

SAFEWAY CABS INC.
SONDERUP SEED FARMS, INC.
STORM TRANSPORT INC.
SUBURBAN WEST MEDICAL P.C.
SURGICAL ASSOCIATES OF LINCOLN P.C.
SURGICAL CARE P.C.

TEETER-SIMPSON INC.
THE BLAIR TELEPHONE COMPANY

VIC'S JACK & ENGINE SERVICE INC.
VOMIL INC.

Page 4

LIMITED LIABILITY COMPANIES:

COLUMBUS MEDICAL PROPERTIES LLC
MDK ENTERPRISES LLC
TRAD~~X~~ LLC

Yours truly,

JOE VANDENACK & ASSOCIATES P.C.

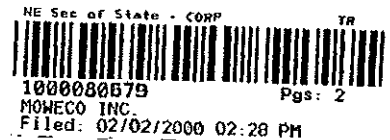
By: 

Joseph R. Vandenack
Attorney

JRV/jv0058tk.cor
Encls.

DOMESTIC CORPORATION OCCUPATION TAX REPORT STATE OF NEBRASKA - SCOTT MOORE, SECRETARY OF STATE

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.



FOR CALENDAR YEAR COMMENCING
JANUARY, 1

2000

DELINQUENT APRIL 16, 2000

MOWECO INC.

JOE VANDENACK & ASSOCIATES P.
1701 COUNTY ROAD 6
YUTAN, NE 68073-5001

0098329



Below is the current information on our files from last year's corporate occupation tax report. If there are no changes from last year, please check the appropriate space below. If there are changes, fill out the appropriate information in the space provided.

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)
MOWECO INC.

2. OFFICERS (complete name and address is required for each officer and director)				
Name	Street Address	City	State	Zip
President MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	681540000
Secretary JOSEPH R VANDENACK	1701 COUNTY RD 6 YUTAN		NE	680730000
Treasurer MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	681540000

3. Principal Office of Corporation:
1002 GREY FAWN DR OMAHA NE 681540000

4. Registered Office:
1701 COUNTY ROAD 6 YUTAN NE 68073-5001

5. Registered Agent: JOE VANDENACK & ASSOCIATES P.

6. Nature of Business: TRANSACTING ANY ALL LAWFUL BUSINESS FOR WHICH CORPORATIONS MAY BE INCORPORATED

7. If the pre-printed information above is correct for this year's report please check here ☒ X

8. If there have been no changes to the agricultural activity report currently on file with the Secretary of State
OR you are not required to file an agricultural activity report (see instructions) please check here ☒ X
Otherwise return agricultural activity report

YOU MUST COMPLETE	Amount of Paid Up Capital Stock	\$ 13,814.00
THESE TWO ITEMS	Occupation Fee (Fee Schedule on Page 2 of report)	\$ 20.00

MAKE CHECKS PAYABLE TO SECRETARY OF STATE

Your Cancelled Check is Your Receipt

SIGN HERE

Signature of Officer

Morgan F. Holmes, President

Printed name of officer

DATE

1/19/00

DOMESTIC CORPORATION OCCUPATION TAX REPORT

Corporation #: 0098329

Page 2

STATE OF NEBRASKA - SCOTT MOORE, SECRETARY OF STATE**9. DIRECTORS**

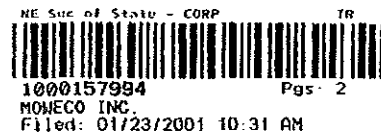
JOHN	R HOLMES	1319 NORTH AZTEC	FLAGSTAFF	AZ 860010000
MORGAN	F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE 681540000

USE ADDITIONAL PAGES IF NEEDED10. If the pre-printed director information above is correct for this year's report please check here X **OCCUPATION TAX FEE SCHEDULE**

Amount of Paid Up Capital Stock	Fee	Amount of Paid Up Capital Stock	Fee
\$ 0.00 - 10,000.00	\$ 13.00	\$ 450,000.01 - 500,000.00	\$ 400.00
10,000.01 - 20,000.00	20.00	500,000.01 - 600,000.00	455.00
20,000.01 - 30,000.00	30.00	600,000.01 - 700,000.00	505.00
30,000.01 - 40,000.00	40.00	700,000.01 - 800,000.00	560.00
40,000.01 - 50,000.00	50.00	800,000.01 - 900,000.00	615.00
50,000.01 - 60,000.00	60.00	900,000.01 - 1,000,000.00	685.00
60,000.01 - 70,000.00	70.00	1,000,000.01 - 2,000,000.00	1,065.00
70,000.01 - 80,000.00	80.00	2,000,000.01 - 3,000,000.00	1,465.00
80,000.01 - 90,000.00	90.00	3,000,000.01 - 4,000,000.00	1,885.00
90,000.01 - 100,000.00	100.00	4,000,000.01 - 5,000,000.00	2,265.00
100,000.01 - 125,000.00	120.00	5,000,000.01 - 6,000,000.00	2,685.00
125,000.01 - 150,000.00	140.00	6,000,000.01 - 7,000,000.00	3,065.00
150,000.01 - 175,000.00	160.00	7,000,000.01 - 8,000,000.00	3,465.00
175,000.01 - 200,000.00	180.00	8,000,000.01 - 9,000,000.00	3,865.00
200,000.01 - 225,000.00	200.00	9,000,000.01 - 10,000,000.00	4,285.00
225,000.01 - 250,000.00	220.00	10,000,000.01 - 15,000,000.00	6,000.00
250,000.01 - 275,000.00	240.00	15,000,000.01 - 20,000,000.00	7,330.00
275,000.01 - 300,000.00	260.00	20,000,000.01 - 25,000,000.00	8,665.00
300,000.01 - 325,000.00	280.00	25,000,000.01 - 50,000,000.00	10,330.00
325,000.01 - 350,000.00	300.00	50,000,000.01 - 100,000,000.00	12,665.00
350,000.01 - 400,000.00	333.00	When paid up capital stock exceeds \$100,000,000.00	1,995.00
400,000.01 - 450,000.00	365.00		

SECRETARY OF STATE 1305 State Capitol P.O. Box 94608 Lincoln, NE 68609-4608

The names of all officers and directors should be those person holding office on January 1, 2000. Failure to file the form and pay the tax by April 15 will cause an automatic dissolution of the corporation by operation of law.



DOMESTIC CORPORATION OCCUPATION TAX REPORT STATE OF NEBRASKA, SECRETARY OF STATE

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.

FOR CALENDAR YEAR COMMENCING
JANUARY, 1

2001

DELINQUENT APRIL 16, 2001
0098329

MOWECO INC.

VANDENACK LAW OFFICE P.C.
1701 COUNTY ROAD 6
YUTAN, NE 68073-5001

Below is the current information on our files from last year's corporate occupation tax report. If there are no changes from last year, please check the appropriate space below. If there are changes, fill out the appropriate information in the space provided.

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)
MOWECO INC.

2. OFFICERS (complete name and address is required for each officer and director)

Name	Street Address	City	State	Zip
President: MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	681540000
Secretary: JOSEPH R VANDENACK	1701 COUNTY RD 6	YUTAN	NE	680730000
Treasurer: MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	681540000

3. Principal Office of Corporation:

1002 GREY FAWN DR OMAHA NE 681540000

4. Registered Office:

1701 COUNTY ROAD 6 YUTAN NE 68073-5001

5. Registered Agent: VANDENACK LAW OFFICE P.C.

6. Nature of Business: TRANSACTING ANY ALL LAWFUL BUSINESS FOR WHICH CORPORATIONS MAY BE INCORPORATED

7. If the pre-printed information above is correct for this year's report please check here ☒ X

8. If you are not required to file an agricultural activity report (see instructions) OR there have been no changes to the agricultural activity report currently on file with the Secretary of State - Check Here ☒ X
Otherwise return agricultural activity report completed

YOU MUST COMPLETE	Amount of Paid Up Capital Stock	\$ 13,814.00
THESE TWO ITEMS	Occupation Fee (Fee Schedule on Page 2 of report)	\$ 20.00

MAKE CHECKS PAYABLE TO SECRETARY OF STATE Your Cancelled Check is Your Receipt

SIGN HERE

Morgan F. Holmes
Signature of Officer

Morgan F. Holmes, President
Printed name of officer

DATE

1/15/01

DOMESTIC CORPORATION OCCUPATION TAX REPORT

STATE OF NEBRASKA, SECRETARY OF STATE

9. DIRECTORS

JOHN	R HOLMES	1319 NORTH AZTEC	FLAGSTAFF	AZ 860010000
MORGAN	F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE 681540000

USE ADDITIONAL PAGES IF NEEDED

10. If the pre-printed director information above is correct for this year's report please check here X

OCCUPATION TAX FEE SCHEDULE

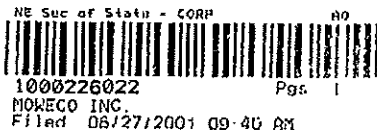
Amount of Paid Up Capital Stock	Fee	Amount of Paid Up Capital Stock	Fee
\$ 0.00 - 10,000.00	\$ 13.00	\$ 450,000.01 - 500,000.00	\$ 400.00
10,000.01 - 20,000.00	20.00	500,000.01 - 600,000.00	455.00
20,000.01 - 30,000.00	30.00	600,000.01 - 700,000.00	505.00
30,000.01 - 40,000.00	40.00	700,000.01 - 800,000.00	560.00
40,000.01 - 50,000.00	50.00	800,000.01 - 900,000.00	615.00
50,000.01 - 60,000.00	60.00	900,000.01 - 1,000,000.00	665.00
60,000.01 - 70,000.00	70.00	1,000,000.01 - 2,000,000.00	1,065.00
70,000.01 - 80,000.00	80.00	2,000,000.01 - 3,000,000.00	1,465.00
80,000.01 - 90,000.00	90.00	3,000,000.01 - 4,000,000.00	1,865.00
90,000.01 - 100,000.00	100.00	4,000,000.01 - 5,000,000.00	2,265.00
100,000.01 - 125,000.00	120.00	5,000,000.01 - 6,000,000.00	2,665.00
125,000.01 - 150,000.00	140.00	6,000,000.01 - 7,000,000.00	3,065.00
150,000.01 - 175,000.00	160.00	7,000,000.01 - 8,000,000.00	3,465.00
175,000.01 - 200,000.00	180.00	8,000,000.01 - 9,000,000.00	3,865.00
200,000.01 - 225,000.00	200.00	9,000,000.01 - 10,000,000.00	4,265.00
225,000.01 - 250,000.00	220.00	10,000,000.01 - 15,000,000.00	6,000.00
250,000.01 - 275,000.00	240.00	15,000,000.01 - 20,000,000.00	7,330.00
275,000.01 - 300,000.00	260.00	20,000,000.01 - 25,000,000.00	8,665.00
300,000.01 - 325,000.00	280.00	25,000,000.01 - 50,000,000.00	10,330.00
325,000.01 - 350,000.00	300.00	50,000,000.01 - 100,000,000.00	10,665.00
350,000.01 - 400,000.00	333.00	When paid up capital stock exceeds \$100,000,000.00	11,995.00
400,000.01 - 450,000.00	365.00		

SECRETARY OF STATE 1305 State Capitol P.O. Box 94608 Lincoln, NE 68509-4608

The names of all officers and directors should be those person holding office on January 1, 2001. Failure to file the form and pay the tax by April 15 will cause an automatic dissolution of the corporation by operation of law.

DOMESTIC CHANGE OF REGISTERED AGENT AND/OR OFFICE

Submit in Duplicate



Secretary of State
Room 1301 State Capitol, P.O. Box 94608
Lincoln, NE 68509

The following corporation, pursuant to the laws of the state of Nebraska, does hereby wish to change its Registered Agent and/or Registered Office

Name of Corporation MOWECO INC.

Current:

Registered Agent: Vandenack Law Office P.C.

Registered Office: 1701 County Road 6 Yutan NE 68073
Street Address City Zip

New:

Registered Agent: Mary E. Vandenack

Registered Office*: 1000 Commercial Federal Tower
2120 S. 72nd Street Omaha NE 68124
Street Address City Zip

*The Business Corporation Act requires that the street address of the registered office and the street address of the registered agent be identical.

✓ DATED 5/10/01

Signature

✓ Morgan F. Holmes, President

Printed Name/Title

NOTE: The Business Corporation Act requires that every filing be signed by the chairperson of the board of directors, the president, or one of the officers of the corporation. If the corporation has not yet been formed or directors have not yet been selected, the filing shall be signed by an incorporator. If the corporation is in the hands of a receiver, trustee, or other court appointed fiduciary, the filing shall be signed by that fiduciary.

Registered Agent: Please Circle A (current agent) or B (new agent) below and sign

 A. I hereby state that the above named corporation has been notified of the change in address of my registered office

✓ B. I hereby consent to act as registered agent for the above named corporation:

Mary E. Vandenack
Signature of Registered Agent - Mary E. Vandenack

FILING FEE: \$30.00

Revised 12/19/2000

Neb.Rev.Stat. 521-2032

**DOMESTIC CORPORATION
CHANGE OF REGISTERED OFFICE
Submit in Duplicate**



**John Gale, Secretary of State
Room 1301 State Capitol, P.O. Box 94608
Lincoln, NE 68509**

Filed 09/25/2001 04:30 PM

The Registered Office of the following corporations is hereby changed as set forth below, pursuant to Section 21-2032(2) of the Business Corporation Act of the State of Nebraska.

Previous Registered Office Address: 1000 Commercial Federal Tower
2120 South 72nd Street
Omaha, Nebraska 68124

New Registered Office Address: 13220 California Street, Suite 400
Omaha, Nebraska 68154-5225

Registered Agent: Mary E. Vandenack

Names of Corporations:

ABLE ELECTRIC COMPANY
ALANSCO LTD.
B & B BLOODSTOCK, INC.
B & B THOROUGHBREDS, INC.
BARGER FARMS INC.
BERG FARMS
BERGS THREE AND ONE INC.
BILL BLANK AGENCY INC.
BNF, INC.
BRAUNSTROTH TRUCKING INC.
CARLSON INVESTMENTS INC.
COLON AND RECTAL SURGERY INC.
COLUMBUS MEDICAL CENTER P.C.
COMMANDER HOME IMPROVEMENT INC.
CURRAN FUNERAL CHAPEL INC.
CYR CO.
CYRCRAFT CORP.
D. K. CONSTRUCTION INC.
DOUBLE L CATTLE INC.
DREWS CONCRETE PLACEMENT CO.
DRICKEY'S G W MARKET INC.
E & C TRANSPORT INC.
EAST LINCOLN FAMILY HEALTH
PROFESSIONALS P.C.
FAMILY PRACTICE ASSOCIATES P.C.

FOOT CARE CENTER P.C.
GRIFFIN & GOLDMAN HOMES INC.
HAGGSTROM STABLES INC.
HOFMANN PHARMAY INC.
HOLLST TRUCK SERVICE INC.
INNOVISION, INC.
JEFF KNUDSEN RESTORATIONS INC.
JINDRA FARMS INC.
KIBBIE CONSTRUCTION INC.
KNOBBE FARMS INC.
KS DESIGNS INC.
LLO BAR CORPORATION
MICHEELS CONSTRUCTION CO.
MOWECO INC.
NATE INC.
NORTH CENTRAL RADIOLOGY INC.
PRECISION OPTICS, INC.
SAFEWAY CABS, INC.
SKYLIGHT INCORPORATED
STORM TRANSPORT INC.
SURGICAL ASSOCIATES OF
LINCOLN P.C.
SURGICAL CARE P.C.
TB FLOORING INC.

The above named corporations have been notified of the change in address of the registered office.

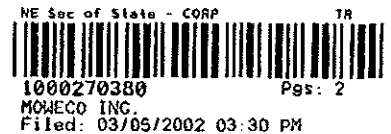
After the change, the address of the registered office and the business office address of the registered agent will be identical.

9/13/01
Date

Mary E. Vandenack
Registered Agent

DOMESTIC CORPORATION OCCUPATION TAX REPORT STATE OF NEBRASKA, SECRETARY OF STATE

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.



FOR CALENDAR YEAR COMMENCING
JANUARY, 1

2002

DELINQUENT APRIL 16, 2002

MOWECO INC.

0098329

MARY E. VANDENACK
SUITE 400
13220 CALIFORNIA STREET
OMAHA NE 68154

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)
MOWECO INC.

2. OFFICERS (complete name and address is required for each officer and director)

Name	Street Address	City	State	Zip
President: MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	68154

Secretary: JOSEPH R VANDENACK	1701 COUNTY RD 6	YUTAN	NE	68073
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Treasurer: MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	68154
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3. Principal Office of Corporation:	1002 GREY FAWN DR	OMAHA	NE	68154
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4. Registered Office:	SUITE 400 13220 CALIFORNIA STREET	OMAHA	NE	68154
-----------------------	--------------------------------------	-------	----	-------

5. Registered Agent: MARY E. VANDENACK

6. Nature of Business: TRANSACTING ANY ALL LAWFUL BUSINESS FOR WHICH CORPORATIONS MAY BE INCORPORATED

7. If the pre-printed information above is correct for this year's report please check here ☒

8. If you are not required to file an agricultural report (see instructions) OR there have been no changes to the agricultural activity report currently on file with the Secretary of State - Check Here ☒
Otherwise return the agricultural activity report completed

YOU MUST COMPLETE THESE TWO ITEMS	Amount of Paid Up Capital Stock	\$ 13,814.00
	Occupation Fee (Fee Schedule on Page 2 of report)	\$ 20.00

MAKE CHECKS PAYABLE TO SECRETARY OF STATE Your Cancelled Check is Your Receipt

SIGN HERE

Signature of Officer

MORGAN F. HOLMES,

Printed name of officer
President

DATE

1/28/02

DOMESTIC CORPORATION OCCUPATION TAX REPORT Corporation#: 0098329
STATE OF NEBRASKA, SECRETARY OF STATE

9. DIRECTORS

JOHN R HOLMES

1319 NORTH AZTEC

FLAGSTAFF AZ 86001

MORGAN F HOLMES

1002 GREY FAWN DRIVE

OMAHA NE 68154

USE ADDITIONAL PAGES IF NEEDED

10. If the pre-printed director information above is correct for this year's report please check here X **OCCUPATION TAX FEE SCHEDULE**

Amount of Paid Up Capital Stock	Fee	Amount of Paid Up Capital Stock	Fee
\$ 0.00 - 10,000.00	\$ 13.00	\$ 450,000.01 - 500,000.00	400.00
10,000.01 - 20,000.00	20.00	500,000.01 - 600,000.00	455.00
20,000.01 - 30,000.00	30.00	600,000.01 - 700,000.00	505.00
30,000.01 - 40,000.00	40.00	700,000.01 - 800,000.00	560.00
40,000.01 - 50,000.00	50.00	800,000.01 - 900,000.00	615.00
50,000.01 - 60,000.00	60.00	900,000.01 - 1,000,000.00	665.00
60,000.01 - 70,000.00	70.00	1,000,000.01 - 2,000,000.00	1,065.00
70,000.01 - 80,000.00	80.00	2,000,000.01 - 3,000,000.00	1,465.00
80,000.01 - 90,000.00	90.00	3,000,000.01 - 4,000,000.00	1,865.00
90,000.01 - 100,000.00	100.00	4,000,000.01 - 5,000,000.00	2,265.00
100,000.01 - 125,000.00	120.00	5,000,000.01 - 6,000,000.00	2,665.00
125,000.01 - 150,000.00	140.00	6,000,000.01 - 7,000,000.00	3,065.00
150,000.01 - 175,000.00	160.00	7,000,000.01 - 8,000,000.00	3,465.00
175,000.01 - 200,000.00	180.00	8,000,000.01 - 9,000,000.00	3,865.00
200,000.01 - 225,000.00	200.00	9,000,000.01 - 10,000,000.00	4,265.00
225,000.01 - 250,000.00	220.00	10,000,000.01 - 15,000,000.00	6,000.00
250,000.01 - 275,000.00	240.00	15,000,000.01 - 20,000,000.00	7,330.00
275,000.01 - 300,000.00	260.00	20,000,000.01 - 25,000,000.00	8,665.00
300,000.01 - 325,000.00	280.00	25,000,000.01 - 50,000,000.00	10,330.00
325,000.01 - 350,000.00	300.00	50,000,000.01 - 100,000,000.00	10,665.00
350,000.01 - 400,000.00	333.00	When paid up capital stock exceeds \$100,000,000.00	11,995.00
400,000.01 - 450,000.00	365.00		

SECRETARY OF STATE 1305 State Capitol P.O. Box 94608 Lincoln, NE 68509-4608

The names of all officers and directors should be those person holding office on January 1, 2002. **Failure to file the form and pay the tax by April 15 will cause an automatic dissolution of the corporation by operation of law.**



Filed 11/04/2002 01:15 PM

**DOMESTIC CORPORATION
CHANGE OF REGISTERED OFFICE
(Submit in Duplicate)**

**John Gale, Secretary of State
P.O. Box 94608
Lincoln, NE 68509**

The Registered Office of the following corporations is hereby changed as set forth below, pursuant to § 21-2032(2) of the Business Corporation Act of the State of Nebraska.

Previous Registered Office Address: 13220 California Street, Suite 400
Omaha, Nebraska 68154

New Registered Office Address: 1125 South 103rd Street, Suite 800
Omaha, Nebraska 68124

Registered Agent: Mary E. Vandennack

Name of Corporations

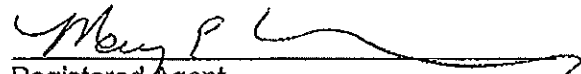
4 M FARMS INC.	5 M INC.
ABLE ELECTRIC COMPANY	ARINGTON TRAINING STABLE INC.
ALANSCO LTD.	B & B THOROUGHBREDS, INC.
B & B BLOODSTOCK, INC.	BERG FARMS INC.
BARGER FARMS INC.	BILL BLANK AGENCY INC.
BERGS THREE AND ONE INC.	BRAUNSTROTH TRUCKING INC.
BNF, INC.	COLON AND RECTAL SURGERY INC.
CARLSON INVESTMENTS INC.	CURRAN FUNERAL CHAPEL INC.
COLUMBUS MEDICAL CENTER P.C.	CYRCRAFT CORP.
CYR CO.	DOUBLE L CATTLE INC.
D.K. CONSTRUCTION INC.	DRICKEY'S G W MARKET INC.
DREWS CONCRETE PLACEMENT CO.	EAST LINCOLN FAMILY HEALTH PROFESSIONALS P.C.
E & C TRANSPORT INC.	FOOT CARE CENTER P.C.
FAMILY PRACTICE ASSOCIATES P.C.	HAGGSTROM STABLES INC.
GRIFFIN & GOLDMAN HOMES INC.	HOLLST TRUCK SERVICE INC.
HOFMANN PHARMACY INC.	INTERSTATE HEATING & AIR CONDITIONING, INC.
INNOVISION, INC.	JINDRA FARMS INC.
J.V. PORK, INC.	KNOBBE FARMS INC.
KIBBIE CONSTRUCTION INC.	KS DESIGNS INC.
JEFF KNUDSEN RESTORATIONS INC.	MACKEPRAANG BROS. INC.
LLO BAR CORPORATION	MICHEELS CONSTRUCTION CO.
MCARDLE GRADING CO.	NATE INC.
MOWECO INC.	NEBRASKA HARVESTORE SYSTEMS, INC.
NEBRASKA AQUASTORE INC.	NORTH CENTRAL RADIOLOGY INC.
PIERCE CARNEGIE LIBRARY FOUNDATION	PRECISION OPTICS, INC.

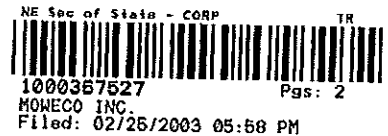
SAFEWAY CABS, INC.	SKYLIGHT INCORPORATED
SONDERUP SEED FARMS, INC.	STORM TRANSPORT INC.
SUBURBAN WEST MEDICAL P.C.	SURGICAL ASSOCIATES OF LINCOLN P.C.
SURGICAL CARE P.C.	TB FLOORING INC.
WILWERDING CONTRACTING INC.	

The above named corporations have been notified of the change in address of the registered office.

After the change, the address of the registered office and the business office address of the registered agent will be identical.

Dated this 30th day of October, 2002.


Registered Agent



DOMESTIC CORPORATION OCCUPATION TAX REPORT STATE OF NEBRASKA, SECRETARY OF STATE

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.

FOR CALENDAR YEAR COMMENCING
JANUARY, 1

2003

DUE MARCH 1, 2003

MOWECO INC.

0098329

MARY E. VANDENACK
SUITE 800
1125 SOUTH 103RD STREET
OMAHA NE 68124

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)
MOWECO INC.

2. OFFICERS (complete name and address is required for each officer and director)

Name	Street Address	City	State	Zip
President: MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	68154
Secretary: JOSEPH R VANDENACK MARY E. VANDENACK	1701 COUNTRY DR 1125 S 103RD ST	OMAHA	NE	68124
Treasurer: MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	68154

3. Principal Office of Corporation: 1002 GREY FAWN DR OMAHA NE 68154

4. Registered Office: SUITE 800
1125 SOUTH 103RD STREET OMAHA NE 68124

5. Registered Agent: MARY E. VANDENACK

6. Nature of Business: TRANSACTING ANY ALL LAWFUL BUSINESS FOR WHICH CORPORATIONS MAY BE INCORPORATED

7. If the pre-printed information above is correct for this year's report please check here ☐

8. If you are not required to file an agricultural report (see instructions) OR there have been no changes to the agricultural activity report currently on file with the Secretary of State -- Check Here ☒
Otherwise return the agricultural activity report completed

YOU MUST COMPLETE THESE TWO ITEMS	Amount of Paid Up Capital Stock	\$ 13,814.00
	Occupation Fee (Fee Schedule on Page 2 of report)	\$ 20.00

MAKE CHECKS PAYABLE TO SECRETARY OF STATE Your Cancelled Check is Your Receipt

SIGN HERE

Signature of Officer

PRESIDENT

Printed name of officer

DATE 1-24-03

DOMESTIC CORPORATION OCCUPATION TAX REPORT Corporation#: 0098329
STATE OF NEBRASKA, SECRETARY OF STATE

9. DIRECTORS

JOHN R HOLMES

1319 NORTH AZTEC

FLAGSTAFF AZ 86001

MORGAN F HOLMES

1002 GREY FAWN DRIVE

OMAHA NE 68154

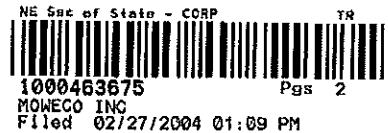
USE ADDITIONAL PAGES IF NEEDED

10. If the pre-printed director information above is correct for this year's report please check here X **OCCUPATION TAX FEE SCHEDULE**

Amount of Paid Up Capital Stock	Fee	Amount of Paid Up Capital Stock	Fee
\$ 0.00 - 10,000.00	\$ 13.00	\$ 450,000.01 - 500,000.00	400.00
10,000.01 - 20,000.00	20.00	500,000.01 - 600,000.00	455.00
20,000.01 - 30,000.00	30.00	600,000.01 - 700,000.00	505.00
30,000.01 - 40,000.00	40.00	700,000.01 - 800,000.00	560.00
40,000.01 - 50,000.00	50.00	800,000.01 - 900,000.00	615.00
50,000.01 - 60,000.00	60.00	900,000.01 - 1,000,000.00	665.00
60,000.01 - 70,000.00	70.00	1,000,000.01 - 2,000,000.00	1,065.00
70,000.01 - 80,000.00	80.00	2,000,000.01 - 3,000,000.00	1,465.00
80,000.01 - 90,000.00	90.00	3,000,000.01 - 4,000,000.00	1,865.00
90,000.01 - 100,000.00	100.00	4,000,000.01 - 5,000,000.00	2,265.00
100,000.01 - 125,000.00	120.00	5,000,000.01 - 6,000,000.00	2,665.00
125,000.01 - 150,000.00	140.00	6,000,000.01 - 7,000,000.00	3,065.00
150,000.01 - 175,000.00	160.00	7,000,000.01 - 8,000,000.00	3,465.00
175,000.01 - 200,000.00	180.00	8,000,000.01 - 9,000,000.00	3,865.00
200,000.01 - 225,000.00	200.00	9,000,000.01 - 10,000,000.00	4,265.00
225,000.01 - 250,000.00	220.00	10,000,000.01 - 15,000,000.00	6,000.00
250,000.01 - 275,000.00	240.00	15,000,000.01 - 20,000,000.00	7,330.00
275,000.01 - 300,000.00	260.00	20,000,000.01 - 25,000,000.00	8,665.00
300,000.01 - 325,000.00	280.00	25,000,000.01 - 50,000,000.00	10,330.00
325,000.01 - 350,000.00	300.00	50,000,000.01 - 100,000,000.00	10,665.00
350,000.01 - 400,000.00	333.00	When paid up capital stock exceeds \$100,000,000.00	11,995.00
400,000.01 - 450,000.00	365.00		

SECRETARY OF STATE 1305 State Capitol P.O. Box 94608 Lincoln, NE 68509-4608

The names of all officers and directors should be those person holding office on January 1, 2003. Failure to file the form and pay the tax by April 15 will cause an automatic dissolution of the corporation by operation of law.



DOMESTIC CORPORATION OCCUPATION TAX REPORT STATE OF NEBRASKA, SECRETARY OF STATE

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.

TAX REPORTING YEARS
2004 - 2005

MOWECO INC.

0098329

DUE MARCH 1, 2004
DELINQUENT APRIL 15, 2004

MARY E. VANDENACK
SUITE 800
1125 SOUTH 103RD STREET
OMAHA NE 68124

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)
MOWECO INC.

2. OFFICERS (complete name and address is required for each officer and director)

Name	Street Address	City	State	Zip
President: MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	68154

Secretary: MARY E VANDENACK	1125 S 103RD ST	OMAHA	NE	68124
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Treasurer: MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	68154
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3. Principal Office of Corporation:	1002 GREY FAWN DR	OMAHA	NE	68154
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4. Registered Office:	SUITE 800 1125 SOUTH 103RD STREET	OMAHA	NE	68124
-----------------------	--------------------------------------	-------	----	-------

5. Registered Agent: MARY E. VANDENACK

6. Nature of Business: TRANACTING ANY ALL LAWFUL BUSINESS FOR WHICH CORPORATIONS MAY BE INCORPORATED

7. If the pre-printed information above is correct for this year's report please check here ☒

8. If you are not required to file an agricultural report (see instructions) OR there have been no changes to the agricultural activity report currently on file with the Secretary of State - Check Here ☒
Otherwise return the agricultural activity report completed

YOU MUST COMPLETE THESE TWO ITEMS	Amount of Paid Up Capital Stock	\$ 13,814.00
	Occupation Fee (Fee Schedule on Page 2 of report)	\$ 40.00

MAKE CHECKS PAYABLE TO SECRETARY OF STATE Your Cancelled Check is Your Receipt

SIGN HERE

Signature of Officer

Printed Name of Officer

DATE 2/4/04

9. DIRECTORS

JOHN R HOLMES

1319 NORTH AZTEC

FLAGSTAFF AZ 86001

MORGAN F HOLMES

1002 GREY FAWN DRIVE

OMAHA NE 68154

USE ADDITIONAL PAGES IF NEEDED

10. If the pre-printed director information above is correct for this year's report please check here X

OCCUPATION TAX FEE SCHEDULE

Amount of Paid Up Capital Stock	Fee	Amount of Paid Up Capital Stock	Fee
\$ 0.00 - 10,000.00	\$ 28.00	\$ 450,000.01 - 500,000.00	800.00
10,000.01 - 20,000.00	40.00	500,000.01 - 600,000.00	910.00
20,000.01 - 30,000.00	60.00	600,000.01 - 700,000.00	1,010.00
30,000.01 - 40,000.00	80.00	700,000.01 - 800,000.00	1,120.00
40,000.01 - 50,000.00	100.00	800,000.01 - 900,000.00	1,230.00
50,000.01 - 60,000.00	120.00	900,000.01 - 1,000,000.00	1,330.00
60,000.01 - 70,000.00	140.00	1,000,000.01 - 2,000,000.00	2,130.00
70,000.01 - 80,000.00	160.00	2,000,000.01 - 3,000,000.00	2,930.00
80,000.01 - 90,000.00	180.00	3,000,000.01 - 4,000,000.00	3,730.00
90,000.01 - 100,000.00	200.00	4,000,000.01 - 5,000,000.00	4,530.00
100,000.01 - 125,000.00	240.00	5,000,000.01 - 6,000,000.00	5,330.00
125,000.01 - 150,000.00	280.00	6,000,000.01 - 7,000,000.00	6,130.00
150,000.01 - 175,000.00	320.00	7,000,000.01 - 8,000,000.00	6,930.00
175,000.01 - 200,000.00	360.00	8,000,000.01 - 9,000,000.00	7,730.00
200,000.01 - 225,000.00	400.00	9,000,000.01 - 10,000,000.00	8,530.00
225,000.01 - 250,000.00	440.00	10,000,000.01 - 15,000,000.00	12,000.00
250,000.01 - 275,000.00	480.00	15,000,000.01 - 20,000,000.00	14,860.00
275,000.01 - 300,000.00	520.00	20,000,000.01 - 25,000,000.00	17,330.00
300,000.01 - 325,000.00	560.00	25,000,000.01 - 50,000,000.00	20,660.00
325,000.01 - 350,000.00	600.00	50,000,000.01 - 100,000,000.00	21,330.00
350,000.01 - 400,000.00	686.00	When paid up capital stock	
400,000.01 - 450,000.00	730.00	exceeds \$100,000,000.00	23,990.00

SECRETARY OF STATE 1301 State Capitol P.O. Box 94608 Lincoln, NE 68509-4608

The names of all officers and directors should be those persons holding office on January 1, 2004. Failure to file the form and pay the tax by April 15, 2004 will cause an automatic dissolution of the corporation by operation of law.

FREDERICK S. CASSMAN
 HOWARD J. KASLOW
 FRANK E. POSPISHIL
 RONALD K. PARSONAGE
 JOHN W. HERDZINA
 HARVEY B. COOPER
 RANDALL C. HANSON
 R. CRAIG FRY
 TIMOTHY M. KENNY
 ERIC H. LINDQUIST
 SANDRA L. MAASS
 THOMAS J. MALICKI
 AARON D. WEINER
 MARLON M. LOFGREN



8712 WEST DODGE ROAD, SUITE 300 • OMAHA, NEBRASKA 68114-3419
 (402) 392-1250 • FAX: (402) 392-0816
 www.akclaw.com

JAMES M. PFEFFER
 JEFFREY J. BLUMEL
 KIM M. ARGO
 MARK A. WILLIAMS
 TYLER P. MCLEOD
 JOSEPH T. BRECKENRIDGE
 NICHOLAS T. DAFNEY
 JAMES A. TEWS

MILTON R. ABRAHAMS
 1905-2000

BEN E. KASLOW
 1907-1993

June 7, 2004



Filed: 06/09/2004 09:57 AM

Nebraska Secretary of State
 Attn: Corporations Division
 P.O. Box 94608
 Lincoln, Nebraska 68509-4608

Re: Global Change of Address for Registered Agent

Dear Sir or Madam:

The undersigned is the appointed Registered Agent for the following corporations:

4 M Farms Inc.	Cyrcraft Corp.
5-M Inc.	D.K. Construction Inc.
Able Electric Company	Double L Cattle Inc.
Alansco Ltd.	Drickey's G W Market Inc.
Arlington Training Stable Inc.	E & C Transport Inc.
B & B Bloodstock, Inc.	East Lincoln Family Health
B & B Thoroughbreds, Inc.	Professionals P.C.
Barger Farms Inc.	Family Practice Associates P.C.
Berg Farms Inc.	Foot Care Center P.C.
Bergs Three and One Inc.	Griffin & Goldman Homes Inc.
Bernard P. and Janice M. Taulborg	Haggstrom Stables Inc.
Family Foundation	Hofmann Pharmacy Inc.
Bill Blank Agency Inc.	Hollst Truck Service Inc.
BNF, Inc.	Innovision, Inc.
Boston Medical Publishing Corp.	Interstate Heating & Air
Braunsroth Trucking Inc.	Conditioning, Inc.
Carlson Investments Inc.	J.V. Pork, Inc.
Colon and Rectal Surgery Inc.	Jeff Knudsen Restorations Inc.
Columbus Medical Center P.C.	Jindra Farms Inc.
Curran Funeral Chapel Inc.	Knobbe Farms Inc.
CYR Co.	KS Designs Inc.

MEV/299724.1

OMAHA AFFILIATE OF  MERITAS LAW FIRMS WORLDWIDE

ABRAHAMS KASLOW & CASSMAN LLP

Nebraska Secretary of State

-2-

June 7, 2004

LLO Bar Corporation
McArdle Grading Co.
Mackeprang Bros. Inc.
Micheels Construction Co.
Moweco Inc.
Nate Inc.
Nebraska Aquastore Inc.
Nebraska Harvestore Systems, Inc.
North Central Radiology Inc.
Pearls Reviews Inc.
Pierce Carnegie Library Foundation

Precision Optics, Inc.
Safeway Cabs Inc.
Skylight Incorporated
Sonderup Seed Farms, Inc.
Storm Transport Inc.
Suburban West Medical P.C.
Surgical Associates of Lincoln P.C.
Surgical Care P.C.
The Colonoscopy Center Inc.
Wilwerding Contracting Inc.

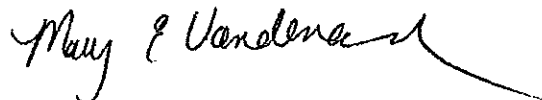
Please be advised that my address has changed from 1125 South 103rd Street, Suite 800, Omaha, Nebraska 68124, to the following new address:

Mary E. Vandenack
8712 West Dodge Road, Suite 300
Omaha, Nebraska 68114-3419

The corporations outlined above have been notified of this change and have consented thereto. I have included a check in the amount of \$1,010.00 for your fees associated with this matter.

Thank you for your assistance. If you have any questions, please feel free to contact me.

Very truly yours,



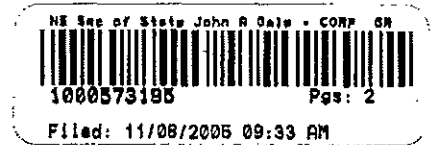
Mary E. Vandenack
For the Firm

MEV/kmb
Enclosure

MEV/299724.1

VANDENACK & WILLIAMS, LLC

ATTORNEYS AT LAW
1701 COUNTY ROAD 6
YUTAN, NE 68073-5001
TELEPHONE: (402) 625-2786
FACSIMILE: (402) 625-2244



From the Desk of:
Mary E. Vandenack
Mvandenack@vwlawoffice.com
Cell: (402) 321-2334

November 7, 2005

Nebraska Secretary of State
Attn: Corporations Division
P.O. Box 94608
Lincoln, NE 68509-4608

Re: Global Change of Address for Registered Agent

Dear Sir or Madam:

The undersigned is the appointed Registered Agent for the following corporations:

4 M Farms Inc.
5-M Inc.
Able Electric Company
Alansco Ltd.
Arlington Training Stable Inc.
B & B Bloodstock Inc.
B & B Thoroughbreds, Inc.
Barger Farms Inc.
Berg Farms Inc.
Bergs Three and One Inc.
Bernard P. and Janice M. Taulborg
Family Foundation
Bill Blank Agency Inc.
BNF, Inc.
Boston Medical Publishing Corp.
Braunsroth Trucking Inc.
Carlson Investments Inc.
Colon and Rectal Surgery Inc.
Columbus Medical Center P.C.
Curran Funeral Chapel Inc.
CYR Co.
Cycrcraft Corp.

Double L Cattle Inc.
Drickey's G W Market Inc.
E & C Transport Inc.
East Lincoln Family Health
Professionals P.C.
Family Practice Associates P.C.
Foot Care Center P.C.
Griffin & Goldman Homes Inc.
Haggstrom Stables Inc.
Hofmann Pharmacy Inc.
Pierce Carnegie Library
Foundation
Hollst Truck Service Inc.
Innovision, Inc.
Interstate Heating & Air
Conditioning, Inc.
J.V. Pork, Inc.
Jeff Knudsen Restorations Inc.
Jindra Farms Inc.
Knobbe Farms Inc.
KS Designs Inc.
LLO Bar Corporation

VANDENACK & WILLIAMS, LLC
Nebraska Secretary of State
Page 2 of 2

Not Registered
Agent

D.K. Construction Inc.
~~Mackeprang Bros. Inc.~~
Micheels Construction
Moweco Inc.
Nate Inc.
Nebraska Harvestore Systems, Inc.
North Central Radiology Inc.
Nebraska Aquastore Inc.
Pearls Reviews Inc.
Precision Optics, Inc.
Safeway Cabs Inc.

McArdle Grading Co.
Skylight Incorporated
Sonderup Seed Farms, Inc.
Storm Transport Inc.
Suburban West Medical P.C.
Surgical Associates of Lincoln P.C.
Surgical Care P.C.
~~Skylight Incorporated~~
The Colonoscopy Center Inc.
Wilwerding Contracting Inc.
Withers Real Estate Services, Inc.

Duplicate

Please be advised that my address has changed from 8712 West Dodge Road, Suite 300, Omaha, Nebraska 681144 to the following new address:

Mary E. Vandenack
1701 County Road 6, Suite 2
Yutan, Nebraska 68073

The corporations outlined above have been notified of this change and have consented thereto. I have included a check in the amount of \$1,010.00 for your fees associated with this matter.

Thank you for your assistance. If you have any questions, please feel free to contact me.

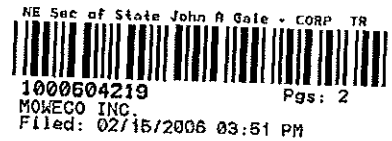
Sincerely,

VANDENACK & WILLIAMS, LLC

Mary E. Vandenack

Mary E. Vandenack

MEV/adh
Enclosures



DOMESTIC CORPORATION OCCUPATION TAX REPORT STATE OF NEBRASKA, SECRETARY OF STATE

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.

TAX REPORTING YEARS
2006 - 2007

MOWECO INC.

0098329

DUE MARCH 1, 2006
DELINQUENT APRIL 15, 2006

MARY E. VANDENACK
SUITE 2
1701 COUNTY ROAD 6
YUTAN NE 68073

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)
MOWECO INC.

2. OFFICERS (complete name and address is required for each officer and director)

Name	Street Address	City	State	Zip
President: MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	68154
Secretary: MARY E VANDENACK	1125 S 103RD ST 1701 County Road 6	OMAHA	NE	68124 Yutan, NE 68073
Treasurer: MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	68154

3. Principal Office of Corporation: 1002 GREY FAWN DR OMAHA NE 68154

4. Registered Office: SUITE 2
1701 COUNTY ROAD 6 YUTAN NE 68073

5. Registered Agent: MARY E. VANDENACK

6. Nature of Business: TRANSACTING ANY ALL LAWFUL BUSINESS FOR WHICH CORPORATIONS MAY BE INCORPORATED

7. If the pre-printed information above is correct for this year's report please check here ☐

8. If you are not required to file an agricultural report (see instructions) OR there have been no changes to the agricultural activity report currently on file with the Secretary of State - Check Here xx
Otherwise return the agricultural activity report completed

YOU MUST COMPLETE THESE TWO ITEMS	Amount of Paid Up Capital Stock	\$ 13,814.00
	Occupation Fee (Fee Schedule on Page 2 of report)	\$ 40.00

MAKE CHECKS PAYABLE TO SECRETARY OF STATE

Your Cancelled Check is Your Receipt

SIGN HERE

Signature of Officer

Printed Name of Officer

DATE 2-4-06

DOMESTIC CORPORATION OCCUPATION TAX REPORT Corporation#: 0098329
STATE OF NEBRASKA, SECRETARY OF STATE
9. DIRECTORS

JOHN R HOLMES

1319 NORTH AZTEC

FLAGSTAFF AZ 86001

MORGAN F HOLMES

1002 GREY FAWN DRIVE

OMAHA NE 68154

USE ADDITIONAL PAGES IF NEEDED

10. If the pre-printed director information above is correct for this year's report please check here X **OCCUPATION TAX FEE SCHEDULE**

Amount of Paid Up Capital Stock	Fee	Amount of Paid Up Capital Stock	Fee
\$ 0.00 - 10,000.00	\$ 26.00	\$ 450,000.01 - 500,000.00	800.00
10,000.01 - 20,000.00	40.00	500,000.01 - 600,000.00	910.00
20,000.01 - 30,000.00	60.00	600,000.01 - 700,000.00	1,010.00
30,000.01 - 40,000.00	80.00	700,000.01 - 800,000.00	1,120.00
40,000.01 - 50,000.00	100.00	800,000.01 - 900,000.00	1,230.00
50,000.01 - 60,000.00	120.00	900,000.01 - 1,000,000.00	1,330.00
60,000.01 - 70,000.00	140.00	1,000,000.01 - 2,000,000.00	2,130.00
70,000.01 - 80,000.00	160.00	2,000,000.01 - 3,000,000.00	2,930.00
80,000.01 - 90,000.00	180.00	3,000,000.01 - 4,000,000.00	3,730.00
90,000.01 - 100,000.00	200.00	4,000,000.01 - 5,000,000.00	4,530.00
100,000.01 - 125,000.00	240.00	5,000,000.01 - 6,000,000.00	5,330.00
125,000.01 - 150,000.00	280.00	6,000,000.01 - 7,000,000.00	6,130.00
150,000.01 - 175,000.00	320.00	7,000,000.01 - 8,000,000.00	6,930.00
175,000.01 - 200,000.00	360.00	8,000,000.01 - 9,000,000.00	7,730.00
200,000.01 - 225,000.00	400.00	9,000,000.01 - 10,000,000.00	8,530.00
225,000.01 - 250,000.00	440.00	10,000,000.01 - 15,000,000.00	12,000.00
250,000.01 - 275,000.00	480.00	15,000,000.01 - 20,000,000.00	14,660.00
275,000.01 - 300,000.00	520.00	20,000,000.01 - 25,000,000.00	17,330.00
300,000.01 - 325,000.00	560.00	25,000,000.01 - 50,000,000.00	20,660.00
325,000.01 - 350,000.00	600.00	50,000,000.01 - 100,000,000.00	21,330.00
350,000.01 - 400,000.00	666.00	When paid up capital stock	
400,000.01 - 450,000.00	730.00	exceeds \$100,000,000.00	23,990.00

SECRETARY OF STATE 1301 State Capitol P.O. Box 94608 Lincoln, NE 68509-4608

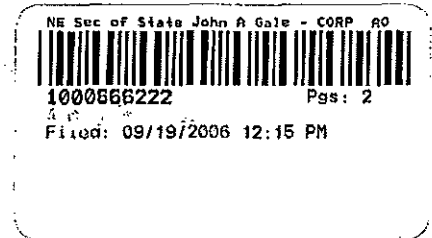
The names of all officers and directors should be those persons holding office on January 1, 2006. Failure to file the form and pay the tax by April 15, 2006 will cause an automatic dissolution of the corporation by operation of law.

PARSONAGE VANDENACK WILLIAMS LLC

ATTORNEYS AT LAW

5332 S. 138TH ST., SUITE 100 • OMAHA, NEBRASKA 68137
TELEPHONE: (402) 504-1300 • FACSIMILE: (402) 504-1935*From the Desk of:*
Mary E. Vandenack
mvandenack@pvwlaw.com

September 1, 2006

Nebraska Secretary of State
Attn: Corporations Division
P.O. Box 94608
Lincoln, NE 68509-4608

Re: Global Change of Address for Registered Agent

Dear Sir or Madam:

The undersigned is the appointed Registered Agent for the following corporations:

4 M Farms Inc.
Able Electric Company
Alansco Ltd.
B & B Bloodstock Inc.
B & B Thoroughbreds, Inc.
Barger Farms Inc.
Berg Farms Inc.
Bergs Three and One Inc.
Bill Blank Agency Inc.
BNF, Inc.
Braunsroth Trucking Inc.
Carlson Investments Inc.
Colon and Rectal Surgery Inc.
Columbus Medical Center P.C.
Curran Funeral Chapel Inc.
CYR Co.
Cyracraft Corp.
D.K. Construction Inc.
Micheels Construction
Moweco Inc.
Nate Inc.
Nebraska Harvestore Systems, Inc.
North Central Radiology Inc.
Nebraska Aquastore Inc.
Pearls Reviews Inc.
Precision Optics, Inc.
Safeway Cabs Inc.

Double L Cattle Inc.
Drickey's G W Market Inc.
East Lincoln Family Health
Professionals P.C.
Family Practice Associates P.C.
Griffin & Goldman Homes Inc.
Hofmann Pharmacy Inc.
Hollst Truck Service Inc.
Innovision, Inc.
Interstate Heating & Air
Conditioning, Inc.
J.V. Pork, Inc.
Jeff Knudsen Restorations Inc.
Jindra Farms Inc.
Knobbe Farms Inc.
LLO Bar Corporation
McArdle Grading Co.
Skylight Incorporated
Sonderup Seed Farms, Inc.
Storm Transport Inc.
Suburban West Medical P.C.
Surgical Care P.C.
Skylight Incorporated
The Colonoscopy Center Inc.
Wilwerding Contracting Inc.
~~Withers Real Estate Services, Inc.~~
OK per Julie

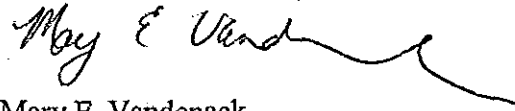
Please be advised that my address has changed from 1701 County Road 6, Yutan, Nebraska 68073 to the following new address:

Mary E. Vandenack
5332 South 138th Street, Suite 100
Omaha, Nebraska 68137

The corporations outlined above have been notified of this change and have consented thereto. I have included a check in the amount of \$ 1010⁰⁰ for your fees associated with this matter.

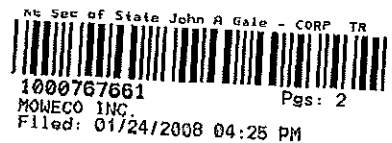
Thank you for your assistance. If you have any questions, please feel free to contact me.

Sincerely,



Mary E. Vandenack

MEV/jal
Enclosures



DOMESTIC CORPORATION OCCUPATION TAX REPORT STATE OF NEBRASKA, SECRETARY OF STATE

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.

MOWECO INC.

0098329

TAX REPORTING YEARS

2008 - 2009

ASSESSABLE JANUARY 1, 2008

DUE MARCH 1, 2008

DELINQUENT APRIL 15, 2008

MARY E. VANDENACK
SUITE 100
5332 SOUTH 138TH STREET
OMAHA NE 68137

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)

MOWECO INC.

2. OFFICERS (complete name and address is required for each officer)

Name	Street Address	City	State	Zip
President: MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	68154

Secretary: MARY E VANDENACK	1701 COUNTY ROAD 6 5332 S. 138th St., Ste. 100	YUTAN	NE	68073
		Omaha	Ne	68137

Treasurer: MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	68154
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3. Principal Office of Corporation:	1002 GREY FAWN DR	OMAHA	NE	68154
-------------------------------------	-------------------	-------	----	-------

4. Registered Office:	SUITE 100 5332 SOUTH 138TH STREET	OMAHA	NE	68137
-----------------------	--------------------------------------	-------	----	-------

5. Registered Agent: MARY E. VANDENACK

6. Nature of Business: TRANSACTING ANY ALL LAWFUL BUSINESS FOR WHICH CORPORATIONS MAY BE INCORPORATED

7. If the pre-printed information above is correct for this year's report please check here ☐

YOU MUST COMPLETE THESE TWO ITEMS	Amount of Paid Up Capital Stock	\$ 13,814
	Occupation Fee (Fee Schedule on Page 2 of report)	\$ 40.00

MAKE CHECKS PAYABLE TO SECRETARY OF STATE Your Cancelled Check is Your Receipt

SIGN HERE

Signature of Officer

Printed Name of Officer

DATE 1-9-08

8. DIRECTORS (complete name and address is required for each director)

Name	Street Address	City	State	Zip
JOHN R HOLMES	1319 NORTH AZTEC	FLAGSTAFF	AZ	86001
MORGAN F HOLMES	1002 GREY FAWN DRIVE	OMAHA	NE	68154

USE ADDITIONAL PAGES IF NEEDED

9. If the pre-printed director information above is correct for this year's report please check here ☒

OCCUPATION TAX FEE SCHEDULE

Amount of Paid Up Capital Stock	Fee	Amount of Paid Up Capital Stock	Fee
\$ 0.00 - 10,000.00	\$ 26.00	\$ 450,000.01 - 500,000.00	800.00
10,000.01 - 20,000.00	40.00	500,000.01 - 600,000.00	910.00
20,000.01 - 30,000.00	60.00	600,000.01 - 700,000.00	1,010.00
30,000.01 - 40,000.00	80.00	700,000.01 - 800,000.00	1,120.00
40,000.01 - 50,000.00	100.00	800,000.01 - 900,000.00	1,230.00
50,000.01 - 60,000.00	120.00	900,000.01 - 1,000,000.00	1,330.00
60,000.01 - 70,000.00	140.00	1,000,000.01 - 2,000,000.00	2,130.00
70,000.01 - 80,000.00	160.00	2,000,000.01 - 3,000,000.00	2,930.00
80,000.01 - 90,000.00	180.00	3,000,000.01 - 4,000,000.00	3,730.00
90,000.01 - 100,000.00	200.00	4,000,000.01 - 5,000,000.00	4,530.00
100,000.01 - 125,000.00	240.00	5,000,000.01 - 6,000,000.00	5,330.00
125,000.01 - 150,000.00	280.00	6,000,000.01 - 7,000,000.00	6,130.00
150,000.01 - 175,000.00	320.00	7,000,000.01 - 8,000,000.00	6,930.00
175,000.01 - 200,000.00	360.00	8,000,000.01 - 9,000,000.00	7,730.00
200,000.01 - 225,000.00	400.00	9,000,000.01 - 10,000,000.00	8,530.00
225,000.01 - 250,000.00	440.00	10,000,000.01 - 15,000,000.00	12,000.00
250,000.01 - 275,000.00	480.00	15,000,000.01 - 20,000,000.00	14,660.00
275,000.01 - 300,000.00	520.00	20,000,000.01 - 25,000,000.00	17,330.00
300,000.01 - 325,000.00	560.00	25,000,000.01 - 50,000,000.00	20,660.00
325,000.01 - 350,000.00	600.00	50,000,000.01 - 100,000,000.00	21,330.00
350,000.01 - 400,000.00	666.00	When paid up capital stock	
400,000.01 - 450,000.00	730.00	exceeds \$100,000,000.00	23,990.00

SECRETARY OF STATE 1301 State Capitol P.O. Box 94608 Lincoln, NE 68509-4608

The names of all officers and directors should be those persons holding office on January 1, 2008. Failure to file the form and pay the tax by April 15, 2008 will cause an automatic dissolution of the corporation by operation of law.

10-11-29

OCT 11 1929
STATE OF NEBRASKA
SECRETARY'S OFFICE
Received and filed for record
and recorded in book
By *Wm. B. Thomas*
Secretary of State

INDEXED

Filing \$50.00
Certificate 1.00
\$51.00

National Lead Co.
111 Broadway
New York.
att: Mr. Cole, Secy.

Wm. B. Thomas

Know All Men by These Presents:

179

That the NATIONAL LEAD COMPANY is a corporation
organized under the laws of the State of New Jersey with a principal
office at 15 Exchange Place, Jersey City, State of New Jersey
and a branch office in the State of Nebraska, at 2810 A Street, Omaha,
County of Douglas

The name of our agent in charge of our branch office is Hedley R. Shepherd
and we do hereby appoint the Auditor of Public Accounts
of the State of Nebraska, our true and lawful attorney upon whom all lawful process in any action
proceeding against the corporation may be served with the same effect as if the corporation existed
in this state.

And it is hereby strictly agreed on the part of the corporation that any lawful process against
said corporation, which is served on said attorney shall be of the same legal force and validity as if
served on the corporation, and that this authority shall continue in force so long as any liability
remains outstanding against the corporation in the State of Nebraska.

Witness our signature this 27th day of September, 1929

Edward J. Cornish President
M. Douglas Cole Secretary

State of New York } ss.
County of New York

Before me a notary public in and for the county of New York

_____, in the state of New York

personally appeared Edward J. Cornish, President

and M. Douglas Cole, Secretary, and

acknowledged the signing of the above instrument.

J. A. Martin
Notary Public, County No. 1310
Certificate filed in N. Y. County No. 764
Term expires March 30, 1930

File one copy with the Secretary of State, recording fee \$50.00. Fee should accompany applica-
tion. File one copy with the Register of Deeds in county where branch office is located.

State of New Jersey



129

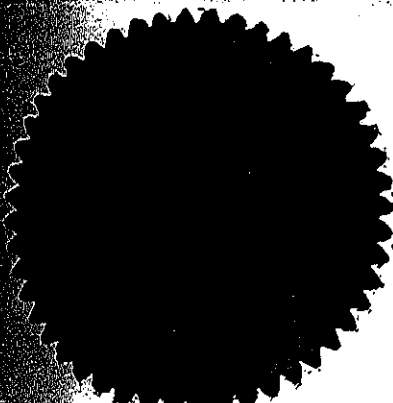
Department of State.

National Lead Company.

JOSEPH F. S. FITZPATRICK, Secretary of State of the State of New Jersey, DO HEREBY CERTIFY that the records of this office show that the charter of the above-named corporation was filed in this office on the Eighth day of December, 1891.

I FURTHER CERTIFY, that so far as the records of this office show, said corporation has never been dissolved by action of its stockholders, nor has its charter been revoked for non-payment of State taxes.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at Trenton, this Eighth day of October, 1929.



Joseph F. S. Fitzpatrick
SECRETARY OF STATE.

CHANGE REGISTERED AGENT

NATIONAL LEAD COMPANY

111 Broadway

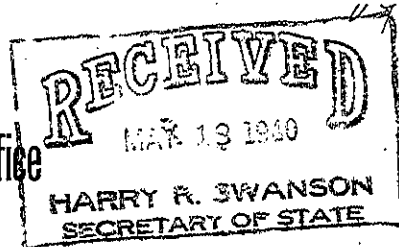
New York City

Filing.....\$5.00

INDEXED
MAY 18 1940
STATE OF NEBRASKA, }
SECRETARY'S OFFICE } SS
Received and filed for record.....
and recorded in book.....
at page.....
By *[Signature]* Secretary of State
By *[Signature]* Deputy

Company, as above.
M. D. Cole,
Asst to President

Change of Registered Agent and Registered Office



KNOW ALL MEN BY THESE PRESENTS:

THAT NATIONAL LEAD COMPANY is a corporation organized under the laws of the State of New Jersey with principal business office located at 111 Broadway, New York, New York; and that pursuant to the laws of the State of Nebraska for the qualification of foreign corporations to do business in that state, does hereby appoint as its Registered Agent, and designate as its Registered Office, in the State of Nebraska, the following:

REGISTERED AGENT FRED BOIEN

REGISTERED OFFICE 2810 A Street, Omaha, Douglas County, NEBRASKA; and does hereby also appoint the AUDITOR OF PUBLIC ACCOUNTS of the State of Nebraska, its true and lawful attorney upon whom all lawful process in any action or proceeding against the company may be served with the same effect as if the company existed in the state.

THAT NATIONAL LEAD COMPANY further states that any process, or other legal notice of the commencement of any legal proceeding, or in the prosecution thereof, that may be served upon its Registered Agent, the said FRED BOIEN, or that may be served upon the AUDITOR OF PUBLIC ACCOUNTS of the State of Nebraska, shall constitute valid service upon the corporation, and such authority shall continue so long as liability exists against said corporation in the State of Nebraska.

CORPORATION FURTHER STATES that the name of its Registered Agent and the address of its Registered Office, in the State of Nebraska, prior to the filing of this instrument in the office of the Secretary of State, were the following:

REGISTERED AGENT Hedley R. ShepherdREGISTERED OFFICE 2810 A Street, Omaha, Douglas County, NEBRASKA;

and that the appointment of said agent and office and all statutory agents and offices designated prior hereto are hereby revoked.

CORPORATION FURTHER STATES that the address of its Registered Office and the address of the business office of the Registered Agent are identical, and that the changes designated were authorized by the managing officers of said corporation.

IN TESTIMONY WHEREOF, witness the signature and the corporate seal of the said corporation hereto affixed by its duly authorized officers on this 16th day of May, 1940.

NATIONAL LEAD COMPANY

Name of Corporation

By Fletcher W. Rockwell

President or Vice-President

Fletcher W. Rockwell

Above signature—Typewritten form

Attest: H. O. Bates

Secretary or Assistant Secretary

H. O. Bates

Above signature—Typewritten form

[CORPORATE SEAL]

State of New York
County of New York } ss.

[NOTARIAL SEAL]

Notary Public, Queens County No. 1429

Certificates Filed in N. Y. County No. 844

Commission expires Term Expires March 30, 1942

Notary Public

Subscribed and sworn to before me this 16
day of May, 1940.

INSTRUCTIONS—To change registered agent or registered office, complete the form set out above in duplicate and forward both copies to the Secretary of State. After approval by such official, one copy will be returned to corporation, and should then be filed for record in the office of the Register of Deeds of the county in which registered office is located. If the registered office is changed from one county to another county, then complete the form set out above in triplicate, and forward all copies to Secretary of State. After approval, two copies will be returned to corporation. One copy should then be filed for record in the office of Register of Deeds of the county in which registered office was located prior to the change, and the other copy filed in the office of the Register of Deeds of the county to which such registered office is changed.

CHANGE OF AGENT AND OFFICE

National Lead Company
New York City

Filing \$5.00

STATE OF NEW YORK
SECRETARY'S OFFICE

OCT 6 1944

Received and filed for record
and recorded in book 14

Frank Marsh
Harold E. Wolen

INDEXED

RECORDED

Change of Registered Agent and Registered Office

KNOW ALL MEN BY THESE PRESENTS:

THAT NATIONAL LEAD COMPANY is a corporation organized under the laws of the State of New Jersey with principal business office located at 111 Broadway New York New York; and that pursuant to the laws of the State of Nebraska for the qualification of foreign corporations to do business in that state, does hereby appoint as its Registered Agent, and designate as its Registered Office, in the State of Nebraska, the following:

REGISTERED AGENT Thomas C. Woods, William I. Aitken, Philip M. Aitken

REGISTERED OFFICE 402 Woodmen Accident Building, Lincoln, NEBRASKA

and does hereby also appoint the AUDITOR OF PUBLIC ACCOUNTS of the State of Nebraska, its true and lawful attorney upon whom all lawful process in any action or proceeding against the company may be served with the same effect as if the company existed in the state.

THAT NATIONAL LEAD COMPANY further states that any process, or other legal notice of the commencement of any legal proceeding, or in the prosecution thereof, that may be served upon its Registered Agent, the said Thomas C. Woods, William I. Aitken, Philip M. Aitken, or that may be served upon the AUDITOR OF PUBLIC ACCOUNTS of the State of Nebraska, shall constitute valid service upon the corporation, and such authority shall continue so long as liability exists against said corporation in the State of Nebraska.

CORPORATION FURTHER STATES that the name of its Registered Agent and the address of its Registered Office, in the State of Nebraska, prior to the filing of this instrument in the office of the Secretary of State, were the following:

REGISTERED AGENT Fred Boien

REGISTERED OFFICE 2810 A Street, Omaha, Douglas, NEBRASKA

and that the appointment of said agent and office and all statutory agents and offices designated prior hereto are hereby revoked.

CORPORATION FURTHER STATES that the address of its Registered Office and the address of the business office of the Registered Agent are identical, and that the changes designated were authorized by the managing officers of said corporation.

IN TESTIMONY WHEREOF, witness the signature and the corporate seal of the said corporation hereto affixed by its duly authorized officers on this 2nd day of October, 1944.

NATIONAL LEAD COMPANY

Name of Corporation

By Harold Rowe Vice President or Vice-President

Harold Rowe

Above signature—Typewritten form

Attest: H. O. Bates Secretary or Assistant Secretary

H. O. Bates

Above signature—Typewritten form

State of New York }
County of New York } ss.

[NOTARIAL SEAL]

Subscribed and sworn to before me this 2nd day of October, 1944.

Margaret A. Cannella
MARGARET A. CANNELLA Notary Public

Notary Public, Kings Co. No. 201, Reg. No. 219-C-6
Cert. filed in N.Y. Co. No. 408, Reg. No. 373-C-6

Commission expires March 30, 1946

Commission expires

INSTRUCTIONS—To change registered agent or registered office, complete the form set out above in duplicate and forward both copies to the Secretary of State. After approval by such official, one copy will be returned to corporation, and should then be filed for record in the office of the Register of Deeds of the county in which registered office is located. If the registered office is changed from one county to another county, then complete the form set out above in triplicate, and forward all copies to Secretary of State. After approval, two copies will be returned to corporation. One copy should then be filed for record in the office of Register of Deeds of the county in which registered office was located prior to the change, and the other copy filed in the office of the Register of Deeds of the county to which such registered office is changed.

of

N L Industries, Inc.

changing name to:

National Lead Company

New Jersey

Filing 5.00
Recording 2.00

Receipt No. B85448STATE OF NEBRASKA } SS
SECRETARY'S OFFICE }Received and filed for record..... SEP 27 1971
and recorded on film roll No. 5
448 at page 2615By W. J. Beaman
Secretary of StateBy L. B. Weigert

INDEXED

MICROFILMED

RECORDED

2617

NATIONAL LEAD COMPANY and hereby makes application for such name change in the State of Nebraska.

THAT NATIONAL LEAD COMPANY is a corporation organized under the laws of the State of New Jersey with principal office located at 277 Park Avenue New York N.Y., 6th floor. The date of incorporation January 29, 1971.

The period of duration of the corporation perpetual. That pursuant to The Nebraska Business Corporation Act for the authority to transact business in Nebraska as a foreign corporation, does hereby appoint as its Registered Agent and designate as its Registered Office, in the State of Nebraska, the following:

REGISTERED AGENT C T Corporation System
c/o C T Corporation System,
REGISTERED OFFICE 1241 N Street, Lincoln, Lancaster, NEBRASKA.

THAT NATIONAL LEAD COMPANY further states that any process, or other legal notice of the commencement of any legal proceeding, or in the prosecution thereof, that may be served upon its Registered Agent, the said CT CORPORATION SYSTEM, and shall constitute valid service upon the corporation, and such authority shall continue so long as liability exists against the corporation in the State of Nebraska.

CORPORATION FURTHER STATES that the address of its Registered Office and the address of the business office of the Registered Agent are identical, and that the acts herein designated were authorized by the managing officers of said corporation.

IN TESTIMONY WHEREOF, witness the signature and the corporate seal of the said corporation hereto affixed by its duly authorized officers this 23rd day of April, 1971.

NATIONAL LEAD COMPANY
By Joseph A. Barbera
JOSEPH A. BARBERA
Attest: E. A. Moll
E.A. MOLL

(corporate seal)

State of NEW YORK
County of NEW YORK

JOSEPH A. BARBERA being first duly sworn on oath deposes and says that (he) XXXX is the Vice President of the above named corporation and that (he) XXXX has read the foregoing application, knows the contents thereof and that the statements therein contained are true as (he) (she) verily believes.

Subscribed and sworn to before me this 23rd day of April, 19 71.

Notarial Seal LINDA M. GRISWOLD
NOTARY PUBLIC, State of New York
No. 60 6676813
My commission expires Qualified in Westchester County
Term Expires March 30, 1972

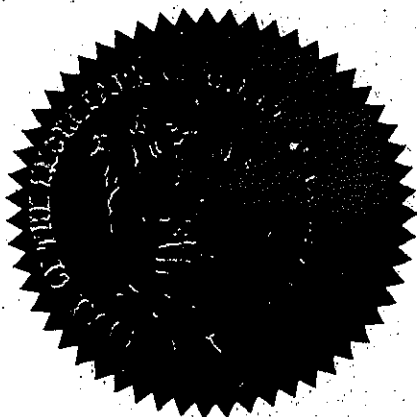
INSTRUCTIONS: Complete the above form and submit to the Secretary of State, Lincoln, Nebraska, in duplicate along with a certificate from the Secretary of State or other proper officer of the state, territory, district or country under the laws of which such foreign corporation is formed, setting forth that an Amendment has been filed in that office changing the name, and the date it was filed. Certificate should not be more than 30 days old.
FEE: Filing \$5.00, Certificate \$1.00, Recording \$1.00 per page.

(NEB. - 1575 - 1/6/70)



I, PAUL J. SHERWIN, Secretary of State of the State of New Jersey, DO HEREBY CERTIFY that the records of this office show that the charter of "NATIONAL LEAD COMPANY" was filed on the 8th day of December, A.D. 1891 and said corporation changed its corporate name to N L INDUSTRIES, INC., on April 16, 1971 and so far as the records of this office show, said corporation has never been dissolved by action of its stockholders, nor has its charter been voided for non payment of State taxes by Proclamation, and now continues as an existing corporation within the State of New Jersey. At the time of the issuance of this certificate, Annual Reports are current.

I FURTHER CERTIFY, that the registered agent is Fred R. Baser, and the principal office is Foot of Chevalier Avenue, Sayreville, New Jersey 08872



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal at Trenton, this 20th day of April, A.D. 1971.

Paul J. Sherwin
 SECRETARY OF STATE

E 2618

FOREIGN

Change of RO

of
Several Corporations

Lincoln

Filing

50.00

R.A.

C T Corporation System

206 S. 13th St., Suite 1500

Lincoln, NE 68508

Receipt No. C-11683

JAN 12 1979

Cert. Auth.

79-2
440

Secretary of State

Betty L. Jones

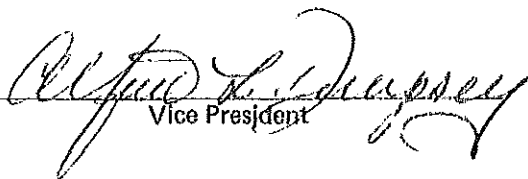
FOREIGN
STATEMENT OF CHANGE OF ADDRESS OF REGISTERED OFFICE

This statement is to serve notice upon the Secretary of State, State of Nebraska, that C T Corporation System has changed the address of the registered office located in Lincoln, Nebraska for the corporations named on the attached list, effective December 27, 1978.

The address is changed from C T Corporation System, 1241 N Street, Lincoln, Nebraska 68508 to 206 South 13th Street, Suite 1500, Lincoln, Nebraska 68508.

We further certify that the address of 206 South 13th Street, Suite 1500, shall be in force and effect December 27, 1978.

C T CORPORATION SYSTEM


Vice President

420

UT183
ROCESSED
11/29/78

STATE OF NEBRASKA -- SECRETARY OF STATE
FOREIGN CORPORATION ROSTER

89

INTY DE	CORPORATION NAME REGISTERED AGENT	FIRST ADDRESS SECOND ADDRESS	CITY PAYMENT
5	MOTOR HOTEL MANAGEMENT INC C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	MOTOROLA COMMUNICATIONS AND ELECTRONICS C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	MOTOROLA INC C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	MOUNTAIN MICROWAVE CORPORATION C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	MOUNTAIN PASS CANNING COMPANY C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	MOUNTAIN PETROLEUM CORPORATION C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	MR TAX OF AMERICA INC C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	MSI DATA CORPORATION C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	MULTI-INVESTMENTS CORP C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	MURPHY OIL CORPORATION C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	MURPHY PAINTS INC C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	MUSIC FOR AMERICA INC C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	N G GILBERT CORPORATION C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	N L INDUSTRIES INC C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	NA-CHURS PLANT FOOD CO C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	NABISCO INC C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1
5	NALCO CHEMICAL COMPANY C T CORPORATION SYSTEM	206 SO. 13TH ST SUITE 1500	LINCOLN 1

Rev. 1-85

CERTIFICATE OF REVIVAL OR RENEWAL

OF A FOREIGN CORPORATION

To be submitted, in duplicate, to:

Secretary of State Suite 2300 State Capitol, Lincoln, Nebraska 68509

KNOW ALL MEN BY THESE PRESENTS:

1. Now comes J. L. Martin President, and S. Alderton
 Secretary and/or Treasurer, who on November 11 1988
 were duly elected as officers of NL Industries, Inc.

Correct Corporate Name as stated in Articles of Incorporation or most recent Amendment
 located at 3000 N. Sam Houston Parkway E., Houston TX 77032
 (full address of principal place of business)

A corporation duly organized under and by virtue of the laws of the state of New Jersey for the purposes of reviving or renewing said corporation.

2. The existence of this corporation became (or will become) inoperative on April 16 1990, because of dissolution by the office of Secretary of State for non-payment of occupational taxes or annual fees, or expiration of existence. The revival of this corporation shall be perpetual unless sooner dissolved by proper action of its stockholders, or by due process of law.

3. The registered office of this corporation in Nebraska shall be 206 South 13th St., Rm. 1500 (street address)
Lincoln Nebraska 68508 and the registered agent (city) (county) (zip)
 at such address shall be CT Corporation (Name of registered agent) **

* Address shall be complete using full street address. A Box No. is acceptable in those cases where street addresses are not available.
 ** If the above-named registered agent or registered office constitutes a change from the previous designation, this information will be entered onto the corporation's records in this office. No further notification or filing of a separate form is necessary.

FILING FEES:

Foreign Revival \$28.00

SIGNATURE OF AT LEAST TWO OFFICERS REQUIRED:

President

Secretary X David B. AldertonTreasurer X Shen E. Alderton**CERTIFICATE OF GOOD STANDING IN THE STATE OF NEBRASKA**

I, AULEN BEERMANN, Secretary of State, do hereby certify the above named corporation to be in good standing.

WITNESSETH, I, MONY WHERFOI, the Secretary of State of Nebraska, has hereby affixed his signature or facsimile thereof and seal, on the date set out in the recording data.

DEC 4 1990

Receipt # 39125 \$ 57.28
 STATE OF NEBRASKA } SS
 SECRETARY'S OFFICE }
 Filed and recorded on film roll
90-23 page 61

Aulen G. BeermannBy J. B. R. of State

(State Seal)

161

Page 104 of 156

CERTIFICATE OF REVIVAL OR RENEWAL OF A FOREIGN CORPORATION

JUL 24 1995

Scott Moore
 Secretary of State
 1301 State Capitol
 P.O. Box 94608
 Lincoln, Nebraska 68509
 402-471-4079

STATE OF NEBRASKA } SS
 SECRETARY'S OFFICE } 3061

Received and filed for record
 on _____ at _____
 on _____ at _____

Submit in Duplicate

Secretary of State

By 906322pl

Name of Corporation NL Industries, Inc.

Organized under the laws of the State of New Jersey

The existence of this corporation became inoperative on April 16, 19 95,
 because of dissolution by the office of Secretary of State by expiration of existence, or for
 nonpayment of occupational taxes. The revival of this corporation shall be perpetual unless
 sooner dissolved by proper action of its stockholders, or by due process of law.

Registered Agent: The Prentice Hall Corporation System, Inc.

Registered Office: 1900 FirstTier Bank Blvd., 233 South 13th Street
Lincoln, NE 68508
 Street Address City Zip

FILING FEE

Foreign Revival....\$35.00

SIGNATURE OF AT LEAST TWO OFFICERS REQUIRED:

President: _____

Secretary: David B. Garten

Treasurer: Susan E. Alderton

David B. Garten

Susan E. Alderton

CERTIFICATE OF GOOD STANDING IN THE STATE OF NEBRASKA

I, SCOTT MOORE, Secretary of State, do hereby certify the above named corporation to be in good standing.

IN TESTIMONY WHEREOF, the Secretary of State of Nebraska has hereby affixed his signature or facsimile thereof and seal on the date set out in the recording data.

(State Seal)

799

A LOCAL OFFICE
TO KNOW YOU BETTER,
A NATIONWIDE NETWORK
TO SERVE YOU BETTER.

375 HUDSON STREET
11TH FLOOR
NEW YORK, NY 10014-3660
212-463-2700

800-221-0770



networks

PRENTICE-HALL
LEGAL & FINANCIAL SERVICES

APR 25 1996

STATE OF NEBRASKA } SS
SECRETARY'S OFFICE }

Received and filed for record
and recorded on film roll No. _____

96-10 at page 10

[Signature]

Secretary of State

By *[Signature]* 100.00 pd

March 28, 1996

Ms. Julie Vonbush
Secretary of State
Corporation Division
State Capitol
1435 K Street
Room 1301
Lincoln, NE 68509-4608

RE: The Prentice-Hall Corporation System, Inc.

Dear Ms. Vonbush:

The Prentice-Hall Corporation System, Inc., currently acts as registered agent in Nebraska for all of the entities per the attached list. Please be advised that our address has changed from 1900 First Tier Bank Building, 233 South 13th Street, Lincoln, Nebraska 68508 to the following:

1900 First Bank Building
233 South 13th Street
Lincoln, Nebraska 68508

We would appreciate it if you would change the registered office address for all of the entities per the attached list and send us a file-stamped copy for our files. We are enclosing our check in the amount of \$100 for the filing fee.

Your kind assistance in this matter is greatly appreciated.

Very truly yours,

THE PRENTICE-HALL CORPORATION SYSTEM, INC.

[Signature]

William G. Popeo
Vice President

WGP:ag

10

ACCT	NAME	ADDRESS	CITY	RANAME
1392001	MOUNTAIN CEMENT COMPANY SUITE 1900	233 SOUTH 13TH STREET	LINCOLN	PRENTICE HALL CORP SYSTEM
1403045	MRI CONCEPTS, LTD. 1900 FIRSTIER BANK BLDG.	233 SOUTH 13TH STREET	LINCOLN	PRENTICE-HALL CORP. SYSTEM
1375787	MTC TELEMANAGEMENT CORPORATION 1900 FIRSTIER BANK BUILDING	233 SOUTH 13TH STREET	LINCOLN	PRENTICE-HALL CORPORATION SYS
1263488	MULTI-PURE CORPORATION 1900 FIRSTIER BANK BUILDING	233 SOUTH 13TH STREET	LINCOLN	PRENTICE-HALL CORPORATION SYS
1372047	MUSEUM COMPANY, INC. THE 1900 FIRSTIER BANK BLDG	233 SOUTH 13TH STREET	LINCOLN	PRENTICE HALL CORP. SYSTEM
0525588	N G P L - TRAILBLAZER INC. 1900 FIRSTIER BANK BLDG	233 SOUTH 13TH STREET	LINCOLN	PRENTICE-HALL CORP. SYSTEM
0180327	N L INDUSTRIES, INC. 1900 FIRSTIER BANK BLDG	233 SOUTH 13TH STREET	LINCOLN	PRENTICE HALL CORP SYSTEM
1398293	NASP ACQUISITION CORP. 1900 FIRSTIER BANK BLDG.	233 SOUTH 13TH STREET	LINCOLN	PRENTICE-HALL CORP. SYSTEM
1419875	NATIONAL GOLF PROPERTIES, INC. 1900 FIRSTIER BANK BLDG	233 SOUTH 13TH STREET	LINCOLN	PRENTICE-HALL CORP. SYSTEM
1022302	NATIONAL HEALTH CARE DISCOUNT, INCORPORATED (2) 1900 FIRSTIER BANK BLDG.	233 SOUTH 13TH ST.	LINCOLN	PRENTICE HALL CORP. SYSTEM
1429566	NATIONAL SPECIALIZED SERVICES INC. 1900 FIRSTIER BANK BLDG.	233 SOUTH 13TH STREET	LINCOLN	PRENTICE-HALL CORP. SYSTEM
0179949	NATIONAL TIRES, INC. SUITE 1900	233 SOUTH 13TH STREET	LINCOLN	PRENTICE HALL CORP. SYSTEM
1264456	NATIONSBANC MORTGAGE CORPORATION OF NEW YORK 1900 FIRSTIER BANK BLDG	233 SOUTH 13TH STREET	LINCOLN	PRENTICE HALL CORPORATION SYS
0180025	NATURAL GAS PIPELINE COMPANY OF AMERICA 1900 FIRSTIER BANK BLDG	233 SOUTH 13TH STREET	LINCOLN	PRENTICE HALL CORP. SYSTEM
1354865	NATURAL WONDERS, INC. 1900 FIRSTIER BANK BLDG.	233 SOUTH 13TH STREET	LINCOLN	PRENTICE-HALL CORP. SYSTEM
0764493	NCR CREDIT CORP. 1900 FIRSTIER BANK BLDG.	233 SOUTH 13TH STREET	LINCOLN	PRENTICE HALL CORP. SYSTEM
1382838	NEBRASKA FENCE POST CO. 1900 FIRSTIER BANK BLDG.	233 SOUTH 13TH STREET	LINCOLN	PRENTICE HALL CORP. SYSTEM
1380055	NEBRASKA SCANNING SERVICES, INC. 1900 FIRSTIER BANK BUILDING	233 SOUTH 13TH STREET	LINCOLN	PRENTICE-HALL CORP. SYSTEM
0959819	NES, INC. 1900 FIRSTIER BANK BLDG	233 SOUTH 13TH STREET	LINCOLN	PRENTICE-HALL CORP SYSTEM
1381430	NETCOM ON-LINE COMMUNICATION SERVICES, INC. 1900 FIRSTIER BANK BLDG.	233 SOUTH 13TH STREET	LINCOLN	PRENTICE HALL CORP. SYSTEM
1324472	NETWORK CONSTRUCTION SERVICES, INC. 1900 FIRSTIER BANK BLDG	233 SOUTH 13TH STREET	LINCOLN	PRENTICE-HALL CORP SYSTEM
1300976	NETWORK LONG DISTANCE, INC. SUITE 1500	206 SOUTH 13TH STREET	LINCOLN	PRENTICE HALL CORP SYSTEM
1005010	NHP REAL ESTATE SECURITIES, INC. 1900 FIRSTIER BANK BLDG.	233 SOUTH 13TH ST.	LINCOLN	PRENTICE HALL CORP. SYSTEM
0890936	NISSAN MOTOR ACCEPTANCE CORPORATION 1900 FIRSTIER BANK BLDG.	233 SOUTH 13TH STREET	LINCOLN	PRENTICE HALL CORP SYSTEM
0779474	NOBEL/SYSCO FOOD SERVICES COMPANY 1900 FIRSTIER BANK BLDG.	233 SOUTH 13TH ST.	LINCOLN	THE PRENTICE-HALL CORP SYSTEM
0494208	NORSTAN COMMUNICATIONS, INC. 1900 FIRSTIER BANK BLDG.	233 SOUTH 13TH ST.	LINCOLN	PRENTICE-HALL CORP. SYSTEM

0180327

CERTIFICATE OF REVIVAL OR RENEWAL FOREIGN CORPORATIONS

65647
MAR 20 1997

Scott Moore, Secretary of State
Room 1301 State Capitol, P.O. Box 94608
Lincoln, NE 68509

**STATE OF NEBRASKA
SECRETARY'S OFFICE**

Received filed and recorded on

film roll no. 977

at page 966

Secretary of State

Submit in Duplicate

Name of Corporation NL Industries, Inc.Incorporated under the laws of New JerseyThe corporation was dissolved by the Secretary of State on April 16, 19 96,

for (circle one)

(A) Nonpayment of occupational taxes

B. Failure to maintain a registered agent

C. Expiration of corporate existence

The above named grounds for dissolution either did not exist or have been eliminated and the corporate name complies with the requirements of Neb. Rev. Stat. 21-2028 and 21-20,173.

DATED 12/18/96

Signature

Louder T. Hernandez
Louder T. Hernandez
Assistant Secretary

Printed Name/Title

NOTE: The Business Corporation Act requires that every filing be signed by the chairperson of the board of directors, the president, or one of the officers of the corporation. If the corporation has not yet been formed or directors have not yet been selected, the filing shall be signed by an incorporator. If the corporation is in the hands of a receiver, trustee, or other court appointed fiduciary, the filing shall be signed by that fiduciary.

FILING FEE: \$30.00

CERTIFICATE OF REINSTATEMENT

I, SCOTT MOORE, Secretary of State, do hereby cancel the certificate of dissolution and reinstate the above named corporation as a corporation in good standing to do business in the State of Nebraska, and further state that the grounds for dissolution of the corporation did not exist or have been eliminated.

IN TESTIMONY WHEREOF, I do hereby affix my signature or a facsimile thereof and seal.

(State Seal)

Revised 1/1/96

Neb. Rev. Stat. 21-20,192

966

JUN 1 1998

CERTIFICATE OF REVIVAL OR RENEWAL FOREIGN CORPORATIONS

Scott Moore, Secretary of State
Room 1301 State Capitol, P.O. Box 94608
Lincoln, NE 68509

STATE OF NEBRASKA
SECRETARY'S OFFICE
Received filed and recorded on
film roll no. 98-13
at page 111

Submit in Duplicate

Scott Moore
Secretary of State
By *573800* *100pm*

Name of Corporation NL Industries, Inc.

Incorporated under the laws of New Jersey

The corporation was dissolved by the Secretary of State on April 16 19 98

for (circle one)

A. Nonpayment of occupational taxes

B. Failure to maintain a registered agent

C. Expiration of corporate existence

The above named grounds for dissolution either did not exist or have been eliminated and the corporate name complies with the requirements of Neb. Rev. Stat. 21-2028 and 21-20,173.

DATED April 29, 1998

Signature

Robert D. Hardy
Robert D. Hardy, Vice President

Printed Name/Title

NOTE: The Business Corporation Act requires that every filing be signed by the chairperson of the board of directors, the president, or one of the officers of the corporation. If the corporation has not yet been formed or directors have not yet been selected, the filing shall be signed by an incorporator. If the corporation is in the hands of a receiver, trustee, or other court appointed fiduciary, the filing shall be signed by that fiduciary.

FILING FEE: \$30.00

CERTIFICATE OF REINSTATEMENT

I, SCOTT MOORE, Secretary of State, do hereby cancel the certificate of dissolution and reinstate the above named corporation as a corporation in good standing to do business in the State of Nebraska, and further state that the grounds for dissolution of the corporation did not exist or have been eliminated.

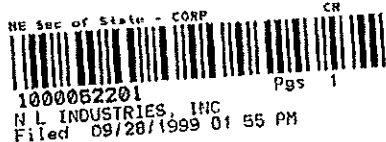
IN TESTIMONY WHEREOF, I do hereby affix my signature or a facsimile thereof and seal.

(State Seal)

Revised 1/1/96

Neb. Rev. Stat. 21-20,192

116

**CERTIFICATE OF REVIVAL OR RENEWAL
FOREIGN CORPORATIONS**

Scott Moore, Secretary of State
Room 1301 State Capitol, P.O. Box 94608
Lincoln, NE 68509

Submit in Duplicate

Name of Corporation NL Industries, Inc.

Incorporated under the laws of New Jersey

The corporation was dissolved by the Secretary of State on April 16, 1999

for (circle one)

☒ A. Nonpayment of occupational taxes

B. Failure to maintain a registered agent

☒ C. Expiration of corporate existence

The above named grounds for dissolution either did not exist or have been eliminated and the corporate name complies with the requirements of Neb. Rev. Stat. §21-20,173.

DATED August 30, 1999

Signature

Robert D. Hardy
Vice President and Controller

Printed Name/Title

NOTE: Every filing must be signed by the chairperson of the board of directors, the president, or one of the officers of the corporation. If the corporation has not yet been formed or directors have not yet been selected, the filing shall be signed by an incorporator. If the corporation is in the hands of a receiver, trustee, or other court appointed fiduciary, the filing shall be signed by that fiduciary.

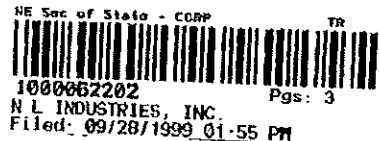
FILING FEE: \$30.00

CERTIFICATE OF REINSTATEMENT

I, SCOTT MOORE, Secretary of State, do hereby cancel the certificate of dissolution and reinstate the above named corporation as a corporation in good standing to do business in the State of Nebraska, and further state that the grounds for dissolution of the corporation did not exist or have been eliminated.

IN TESTIMONY WHEREOF, I do hereby affix my signature or a facsimile thereof and seal.

(State Seal)



STATE OF NEBRASKA - SCOTT MOORE, SECRETARY OF STATE
Report shall show exact corporate name, registered agent, location
of registered office, officers and directors with street address of each.

N L INDUSTRIES, INC.

PRENTICE HALL CORP SYSTEM
1900 FIRST BANK BUILDING
233 SOUTH 13TH ST.
LINCOLN

0180327

NE 68508

For calendar year commencing
January 1,

1999

DELINQUENT APRIL 16, 1999

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)

NL Industries, Inc.

2. OFFICERS (complete name and address is required for each officer and director)

Name	Street Address	City, State	Zip
------	----------------	-------------	-----

President:

See attached list

Secretary:

Treasurer:

3. PRINCIPAL OFFICE OF CORPORATION:

16825 Northchase Dr., Suite 1200, Houston, TX 77060

4. REGISTERED OFFICE:

5. REGISTERED AGENT:

The Prentice Hall Corporation / CSC

6. NATURE OF BUSINESS:

NL Industries, Inc. is a holding company

7. UNDER THE LAWS OF WHAT STATE OR COUNTRY IS THE CORPORATION ORGANIZED?

New Jersey

8. LOCATION OF PROPERTY OWNED OR USED IN NEBRASKA:

N/A

YOU MUST COMPLETE THESE TWO ITEMS	ACTUAL VALUE OF REAL ESTATE AND PERSONAL PROPERTY IN NEBRASKA (definition in instructions)	\$ <u>0</u>
	Occupation Fee (Fee Schedule on Page 2 of report)	\$ <u>26</u>

The above named corporation has a legal interest in land used for agricultural purposes or engages in agricultural activity in Nebraska YES NO. If YES, please fill out the included report (see instructions)

MAKE CHECKS PAYABLE TO SECRETARY OF STATE Your Cancelled Check is Your Receipt

I hereby affirm that the information reported for the above named corporation is true and correct as of January 1, 1999, and that the reported value of property and occupation fee are correct.

SIGN HERE

Robert D. Hardy
Signature of Officer

Robert D. Hardy

Printed name of officer V.P., Tax & Asst. Secretary

DATE 8/25/99

COT3 1098

NL INDUSTRIES, INC.**OFFICERS**

<u>NAME</u>	<u>ADDRESS</u>
J. Landis Martin President & Chief Executive Officer	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Lawrence A. Wigdor Executive Vice President	Wyckoffs Mill Rd. Hightstown, NJ 08520
Susan E. Alderton Vice President Chief Financial Officer & Treasurer	70 E. 55th St., 8th Floor New York, NY 10022
David B. Garten Vice President, Secretary & General Counsel	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Robert D. Hardy Vice President, Controller & Assistant Secretary	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Matthew Schumacher Assistant Controller	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Steven L. Watson Assistant Secretary	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Joseph S. Compofelice Assistant Treasurer	16825 Northchase Dr., Suite 1200 Houston, TX 77060
John St. Wrba Assistant Treasurer	16825 Northchase Dr., Suite 1200 Houston, TX 77060

Revised: 5/5/99

NL INDUSTRIES, INC.**DIRECTORS**

<u>NAME</u>	<u>ADDRESS</u>
Joseph S. Compofelice Director	16825 Northchase Dr., Suite 1200 Houston, TX 77060
J. Landis Martin Director	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Kenneth R. Peak Director	2702 Albans Houston, TX 77005
Harold C. Simmons Chairman of the Board, Director	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Glenn R. Simmons Director	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Lawrence A. Wigdor Director	Wyckoffs Mill Rd. Hightstown, NJ 08520
Admiral Elmo R. Zumwalt, Jr. Director	1000 Wilson Blvd., Suite 3105 Arlington, VA 22209

Revised: 5/6/98



FOREIGN CORPORATION OCCUPATION TAX REPORT STATE OF NEBRASKA - SCOTT MOORE, SECRETARY OF STATE

Report shall show exact corporate name, registered agent,
location of registered office, officers, and directors with street address of each.

FOR CALENDAR YEAR COMMENCING

JANUARY, 1

2000

DELINQUENT APRIL 16, 2000

N L INDUSTRIES, INC.

PRENTICE-HALL CORPORATION SYSTEM, INC.
SUITE 1900
233 SOUTH 13TH STREET
LINCOLN, NE 68508-0000

0180327

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)
N L INDUSTRIES, INC.

2. OFFICERS (complete name and address is required for each officer and director)

Name	Street Address	City	State	Zip
------	----------------	------	-------	-----

President:

See attached list

Secretary:

Treasurer:

3. Principal Office of Corporation:

11825 Northchase Dr., Suite 1200, Houston, TX 77060

4. Registered Office:

SUITE 1900

LINCOLN

NE 68508-0000

233 SOUTH 13TH STREET

5. Registered Agent:

PRENTICE-HALL CORPORATION SYSTEM, INC.

6. Nature of Business:

NL is a holding company

7. Under the laws of what state or country is the corporation organized?

NJ

8. Location of property owned or used in Nebraska

9. If there have been no changes to the agricultural activity report currently on file with the Secretary of State
OR you are not required to file an agricultural activity report (see instructions) please check here
Otherwise return agricultural activity report

YOU MUST COMPLETE THESE TWO ITEMS	ACTUAL VALUE OF REAL ESTATE AND PERSONAL PROPERTY IN NEBRASKA	\$ 0
	Occupation Fee (Fee Schedule on Page 2 of report)	\$ 26.00

MAKE CHECKS PAYABLE TO SECRETARY OF STATE

Your Cancelled Check is Your Receipt

SIGN HERE

Signature of Officer

Printed name of officer

Robert D. Hardy

DATE 4/24/00

Vice President & Controller

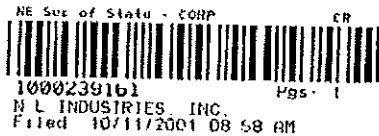
NL INDUSTRIES, INC.**OFFICERS**

<u>NAME</u>	<u>ADDRESS</u>
J. Landis Martin President & Chief Executive Officer	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Lawrence A. Wigdor Executive Vice President	Wyckoffs Mill Rd. Hightstown, NJ 08520
Susan E. Alderton Vice President Chief Financial Officer & Treasurer	70 E. 55th St., 8th Floor New York, NY 10022
David B. Garten Vice President, Secretary & General Counsel	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Robert D. Hardy Vice President, Controller & Assistant Secretary	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Matthew Schumacher Assistant Controller	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Steven L. Watson Assistant Secretary	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Joseph S. Compofelice Assistant Treasurer	16825 Northchase Dr., Suite 1200 Houston, TX 77060
John St. Wrba Assistant Treasurer	16825 Northchase Dr., Suite 1200 Houston, TX 77060

Revised: 2/4/00

NL INDUSTRIES, INC.**DIRECTORS**

<u>NAME</u>	<u>ADDRESS</u>
Joseph S. Compofelice Director	16825 Northchase Dr., Suite 1200 Houston, TX 77060
J. Landis Martin Director	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Kenneth R. Peak Director	2702 Albans Houston, TX 77005
Harold C. Simmons Chairman of the Board, Director	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Glenn R. Simmons Director	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
General Thomas P. Stafford Director	1006 Cameron St. Arlington, VA 22314
Lawrence A. Wigdor Director	Wyckoffs Mill Rd. Hightstown, NJ 08520

**CERTIFICATE OF REVIVAL OR RENEWAL
FOREIGN CORPORATIONS**

John A. Gale, Secretary of State
Room 1305 State Capitol, P.O. Box 94608
Lincoln, NE 68509
<http://www.nol.org/home/SOS/>

Submit in Duplicate

Name of Corporation NL Industries, Inc.

Incorporated under the laws of New Jersey

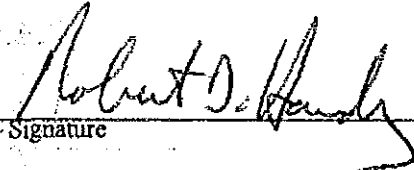
The corporation was dissolved by the Secretary of State on 4/16, 2001,
Date Year

for (check one) ☒ A. Nonpayment of occupational taxes

☐ B. Failure to maintain a registered agent ☐ C. Expiration of corporate existence

The above named grounds for dissolution either did not exist or have been eliminated and the corporate name complies with the requirements of Neb. Rev. Stat. 21-20,173.

DATED _____


Signature

Robert D. Hardy
Printed Name/Title Vice President & Controller

NOTE: Every filing must be signed by the chairperson of the board of directors, the president, or one of the officers of the corporation. If the corporation has not yet been formed or directors have not yet been selected, the filing shall be signed by an incorporator. If the corporation is in the hands of a receiver, trustee, or other court appointed fiduciary, the filing shall be signed by that fiduciary.

FILING FEE: \$30.00

CERTIFICATE OF REINSTATEMENT

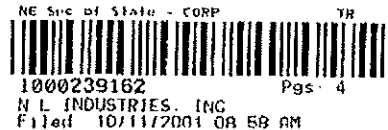
I, JOHN A. GALE, Secretary of State, do hereby cancel the certificate of dissolution and reinstate the above named corporation as a corporation in good standing to do business in the State of Nebraska, and further state that the grounds for dissolution of the corporation did not exist or have been eliminated.

IN TESTIMONY WHEREOF, I do hereby affix the Great Seal of the State of Nebraska.

(State Seal)

FOREIGN CORPORATION OCCUPATION TAX REPORT STATE OF NEBRASKA, SECRETARY OF STATE

Report shall show exact corporate name, registered agent,
location of registered office, officers, and directors with street address of each.



FOR CALENDAR YEAR COMMENCING
JANUARY, 1

2001

DELINQUENT APRIL 16, 2001

0180327

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)

NL Industries Inc.

2. OFFICERS (complete name and address is required for each officer and director)

Name	Street Address	City	State	Zip
------	----------------	------	-------	-----

President:

See Attached List

Secretary:

Treasurer:

3. Principal Office of Corporation:

16825 Northchase Dr, Suite 1200, Houston, TX 77060

4. Registered Office:

Suite 1900, 233 South 13th Street

5. Registered Agent:

Prentice-Hall Corporation System, Inc.

6. Nature of Business:

Holding Company

7. Under the laws of what state or country is the corporation organized?

New Jersey

8. Location of property owned or used in Nebraska

None

YOU MUST COMPLETE THESE TWO ITEMS	ACTUAL VALUE OF REAL ESTATE AND PERSONAL PROPERTY IN NEBRASKA	\$ 0.00
	Occupation Fee (Fee Schedule on Page 2 of report)	\$ 26.00

MAKE CHECKS PAYABLE TO SECRETARY OF STATE

Your Cancelled Check is Your Receipt

SIGN HERE

Signature of Officer

Robert D. Nardy
Printed name of officer

DATE 9-20-01

NL INDUSTRIES, INC.**OFFICERS**

<u>NAME</u>	<u>ADDRESS</u>
J. Landis Martin President & Chief Executive Officer	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Lawrence A. Wigdor Executive Vice President	5 Cedar Brook Drive Cranbury, NJ 08512
Susan E. Alderton Vice President Chief Financial Officer & Treasurer	70 E. 55th St., 8th Floor New York, NY 10022
David B. Garten Vice President, Secretary & General Counsel	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Robert D. Hardy Vice President, Controller & Assistant Secretary	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Matthew Schumacher Assistant Controller	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Steven L. Watson Assistant Secretary	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240

NL INDUSTRIES, INC.
DIRECTORS

<u>NAME</u>	<u>ADDRESS</u>
Ann Manix Director	6905 Telegraph Rd., Suite 300 Bloomfield Hills, MI 48301
J. Landis Martin Director	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Kenneth R. Peak Director	3700 Buffalo Speedway, Suite 960 Houston, TX 77098
Harold C. Simmons Chairman of the Board, Director	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Glenn R. Simmons Director	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
General Thomas P. Stafford (Ret.) Director	1006 Cameron St. Arlington, VA 22314
Steven L. Watson Director	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Lawrence A. Wigdor Director	5 Cedar Brook Drive Cranbury, NJ 08512

September 13, 2001

Acct. # 0180327
N L INDUSTRIES, INC.

Revival Requires:

1. Completed Tax Report Form
2. Completed Revival Form
3. Total Fee as Stated Below

Please return this form with your remittance.

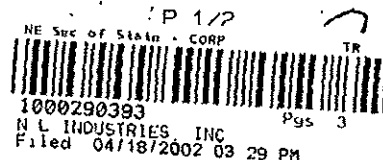
no later than 10/13/2001

282 Days/365 = 77% of the year

[illegible]

**FOREIGN CORPORATION OCCUPATION TAX REPORT
STATE OF NEBRASKA, SECRETARY OF STATE**

Report shall show exact corporate name, registered agent,
location of registered office, officers, and directors with street address of each.



0180327 FOR CALENDAR YEAR COMMENCING
JANUARY, 1
2002
DELINQUENT APRIL 16, 2002

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)

NL Industries, Inc

2. OFFICERS (complete name and address is required for each officer and director)

Name Street Address City State Zip

President:

See Attached List

Secretary:

Treasurer:

3. Principal Office of Corporation:

110825 Northchase Dr. Suite 1200, Houston, TX 77060

4. Registered Office:

Suite 1900, 233 South 13th Street, Lincoln, NE 68508

5. Registered Agent:

Prentice Hall Corporation System, Inc

6. Nature of Business:

Holding Company

7. Under the laws of what state or country is the corporation organized?

New Jersey

8. Location of property owned or used in Nebraska:

None

YOU MUST COMPLETE THESE TWO ITEMS	ACTUAL VALUE OF REAL ESTATE AND PERSONAL PROPERTY IN NEBRASKA	\$ <u>0.00</u>
	OCCUPATION FEE (Fee Schedule on Page 2 of report)	\$ <u>26.00</u>

MAKE CHECKS PAYABLE TO SECRETARY OF STATE Your Cancelled Check is Your Receipt

SIGN HERE

Robert D. Hardy
Signature of Officer

Robert D. Hardy
Printed name of officer

DATE 4-5-02

NL INDUSTRIES, INC.
OFFICERS

NAME**ADDRESS**

J. Landis Martin
President & Chief Executive Officer

16825 Northchase Dr., Suite 1200
Houston, TX 77060

Lawrence A. Wigdor
Executive Vice President

5 Cedar Brook Drive
Cranbury, NJ 08512

David B. Garten
Vice President, Secretary
& General Counsel

16825 Northchase Dr., Suite 1200
Houston, TX 77060

Robert D. Hardy
Vice President, Chief Financial Officer
Controller, Treasurer & Assistant Secretary

16825 Northchase Dr., Suite 1200
Houston, TX 77060

Steven L. Watson
Assistant Secretary

5430 LBJ Freeway, Suite 1700
Dallas, TX 75240

NL INDUSTRIES, INC.
DIRECTORS

NAME**ADDRESS**

Ann Manix
Director

6905 Telegraph Rd., Suite 300
Bloomfield Hills, MI 48301

J. Landis Martin
Director

16825 Northchase Dr., Suite 1200
Houston, TX 77060

Kenneth R. Peak
Director

3700 Buffalo Speedway, Suite 960
Houston, TX 77098

Harold C. Simmons
Chairman of the Board, Director

5430 LBJ Freeway, Suite 1700
Dallas, TX 75240

Glenn R. Simmons
Director

5430 LBJ Freeway, Suite 1700
Dallas, TX 75240

General Thomas P. Stafford (Ret.)
Director

1006 Cameron St.
Arlington, VA 22314

Steven L. Watson
Director

5430 LBJ Freeway, Suite 1700
Dallas, TX 75240

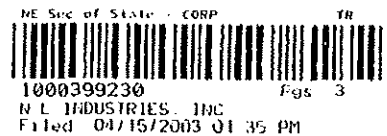
~~Laurence A. Wigdor~~
Director

5 Cedar Brook Drive
Cranbury, NJ 08512

03/20/03 12:01:52

471-7901->

2014233292



FOREIGN CORPORATION OCCUPATION TAX REPORT STATE OF NEBRASKA, SECRETARY OF STATE

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.

FOR CALENDAR YEAR COMMENCING
JANUARY 1,

2003

DUE MARCH 1, 2003

N L INDUSTRIES, INC.

0180327

PRENTICE-HALL CORPORATION SYSTEM, INC.
SUITE 1900
233 SOUTH 13TH STREET
LINCOLN NE 68508

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)
N L INDUSTRIES, INC.

2. OFFICERS (complete name and address is required for each officer and director)

Name	Street Address	City	State	Zip
------	----------------	------	-------	-----

President:

Please See Attached List

Secretary:

Treasurer:

3. Principal Office of Corporation:

16825 Northchase Dr., Suite 1200, Houston Tx 77060

4. Registered Office: SUITE 1900 LINCOLN NE68508
233 SOUTH 13TH STREET

5. Registered Agent: PRENTICE-HALL CORPORATION SYSTEM, INC.

6. Nature of Business:

Holding Company

7. Under the laws of what state or country is the corporation organized?
NJ

8. Location of property owned or used in Nebraska

None

9. If you are not required to file an agricultural report (see instructions) OR there have been no changes to the agricultural activity report currently on file with the Secretary of State - Check Here _____
Otherwise return the agricultural activity report completed.

YOU MUST COMPLETE THESE TWO ITEMS	ACTUAL VALUE OF REAL ESTATE AND PERSONAL PROPERTY IN NEBRASKA	\$	0
	Occupation Fee (Fee Schedule on Page 2 of report)	\$	16.00

MAKE CHECKS PAYABLE TO SECRETARY OF STATE

Your Cancelled Check is Your Receipt

SIGN HERE

Signature of Officer

Darryl S. Kitay

Printed Name of Officer

DATE 03/27/2003

NL INDUSTRIES, INC.
OFFICERS

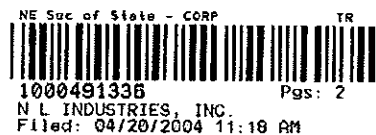
<u>NAME</u>	<u>ADDRESS</u>
J. Landis Martin President & Chief Executive Officer	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Lawrence A. Wigdor Executive Vice President	5 Cedar Brook Drive Cranbury, NJ 08512
David B. Garten Vice President, Secretary & General Counsel	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Robert D. Hardy Vice President, Chief Financial Officer Controller & Treasurer	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Lloyd A. Hajdik Assistant Controller	16825 Northchase Dr., Suite 1200 Houston, TX 77060
John St. Wrba Assistant Treasurer	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Darryl S. Kitay Assistant Secretary	16825 Northchase Dr., Suite 1200 Houston, TX 77060
Steven L. Watson Assistant Secretary	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240

revised: 5/8/02

NL INDUSTRIES, INC.
DIRECTORS

<u>NAME</u>	<u>ADDRESS</u>
Ann Manix Director (6/8/01)	6905 Telegraph Rd., Suite 300 Bloomfield Hills, MI 48301
J. Landis Martin Director (8/25/86)	16825 Northchase Dr., Suite 1200 Houston, TX 77060
George E. Poston Director (5/8/02)	3407 North Hall Street Dallas, TX 75219
Harold C. Simmons Chairman of the Board, Director (8/25/86)	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Glenn R. Simmons Director (8/25/86)	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
General Thomas P. Stafford (Ret.) Director (2/4/00)	1006 Cameron St. Arlington, VA 22314
Steven L. Watson Director (2/7/01)	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240

revised: 5/8/02

**FOREIGN CORPORATION OCCUPATION TAX REPORT
STATE OF NEBRASKA, SECRETARY OF STATE**

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.

**TAX REPORTING YEARS
2004 - 2005**

N L INDUSTRIES, INC.

0180327

**DUE MARCH 1, 2004
DELINQUENT APRIL 15, 2004**PRENTICE-HALL CORPORATION SYSTEM, INC.
SUITE 1900
233 SOUTH 13TH STREET
LINCOLN NE 685081. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)
N L INDUSTRIES, INC.

2. OFFICERS (complete name and address is required for each officer and director)

Name	Street Address	City	State	Zip
President:				

PLEASE SEE ATTACHED LIST

Secretary:

Treasurer:

3. Principal Office of Corporation:

5430 LBJ Freeway, Suite 1700, Dallas, TX 75240

4. Registered Office:

SUITE 1900
233 SOUTH 13TH STREET

LINCOLN NE68508

5. Registered Agent: PRENTICE-HALL CORPORATION SYSTEM, INC.

6. Nature of Business:

Holding Company

7. Under the laws of what state or country is the corporation organized?

NJ

8. Location of property owned or used in Nebraska

None

9. If you are not required to file an agricultural report (see instructions) OR there have been no changes to the agricultural activity report currently on file with the Secretary of State - Check Here ☒ X
Otherwise return the agricultural activity report completed.

YOU MUST COMPLETE THESE TWO ITEMS	ACTUAL VALUE OF REAL ESTATE AND PERSONAL PROPERTY IN NEBRASKA	\$ -0-
	Occupation Fee (Fee Schedule on Page 2 of report)	\$ 52.00

MAKE CHECKS PAYABLE TO SECRETARY OF STATE

Your Cancelled Check is Your Receipt

SIGN HERE

Signature of Officer

Robert D. Graham, Vice President DATE 04/15/2004

Printed Name of Officer

Foreign Corporation Occupation Tax Report
State of Nebraska, Secretary of State

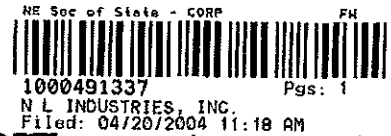
N L Industries, Inc.
Corporation #0180327

2. Names and Addresses of Officers

Title	Name	Address
President	No individual holds this title	
Chairman of the Board Chief Executive Officer	Harold C. Simmons	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Vice President , General Counsel & Secretary	Robert D. Graham	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Vice President, Finance	Gregory M. Swalwell	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Vice President	James W. Brown	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Tax Director	Kelly D. Luttmer	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Vice President Treasurer	John St. Wrba	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Assistant Secretary Associate General Counsel	J. Mark Hollingsworth	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Assistant Secretary Associate General Counsel	A. Andrew R. Louis	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Assistant Secretary Associate General Counsel	Andrew B. Nace	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240
Assistant Secretary	Jean G. Clarrissimeaux	5430 LBJ Freeway, Suite 1700 Dallas, TX 75240

3. Names and Addresses of Directors

Name	Address
Harold C. Simmons	5430 LBJ Freeway, Suite 1700, Dallas, TX 75240
Glenn R. Simmons	5430 LBJ Freeway, Suite 1700, Dallas, TX 75240
Steven L. Watson	5430 LBJ Freeway, Suite 1700, Dallas, TX 75240
C. H. Moore, Jr.	4444 Beverly Drive, Dallas, TX 75205
Gen. Thomas P. Stafford	1006 Cameron Street, Alexandria, VA 22314
Terry N. Worrell	6909 Vassar, Dallas, TX 75205



CERTIFICATE OF WITHDRAWAL TO TRANSACT BUSINESS IN THE STATE OF NEBRASKA

John A. Gale, Secretary of State
Room 1305 State Capitol, P.O. Box 94608
Lincoln, NE 68509
<http://www.nol.org/home/SOS/>

Submit in Duplicate
(returned file stamped copy is your certificate of withdrawal)

N L Industries, Inc.
Name of Corporation

Incorporated under the laws of New Jersey desires to withdraw its
authority to transact business in the State of Nebraska.

This corporation is no longer transacting business in the State of Nebraska and surrenders
its authority to transact business in the State of Nebraska.

This corporation revokes the authority of its registered agent to accept service of process
on its behalf and consents that service of process in any proceeding during the time it was
authorized to transact business in the state may be made on this corporation at the
following address:

Mailing Address at which process against corporation may be served:

5430 LBJ Freeway, Suite 1700, Dallas, TX 75240
Street Address City State Zip

DATED 04/15/2004

Signature

Andrew B. Nace, Assistant Secretary
Printed Name/Title

NOTE: Every filing must be signed by the chairperson of the board of directors, the president, or one of the officers
of the corporation. If the corporation has not yet been formed or directors have not yet been selected, the filing shall
be signed by an incorporator. If the corporation is in the hands of a receiver, trustee, or other court appointed
fiduciary, the filing shall be signed by that fiduciary.

FILING FEE: \$30.00

Revised 12/19/2000

Neb. Rev. Stat. 21-20,178

Articles of Incorporation
of

Rescue Mission, Inc.

Omaha

Filing	2.00
Recording	2.30

STATE OF NEBRASKA }
SECRETARY'S OFFICE } SS

Received and filed for record MAR 8 - 1955

and recorded in book 210

Mission, Inc. at page 446

Rescue Mission

Secretary of State

By Hazel A. Schwarz

RECORDED

INDEXED

PHOTO-COPIED

ARTICLES OF INCORPORATION OF RESCUE MISSION, INC.

PREAMBLE: The undersigned do hereby adopt the following Articles of Incorporation pursuant to the laws of the State of Nebraska governing religious and charitable corporations.

ARTICLE I - Name and location: The name of this association shall be "RESCUE MISSION, INC." and its principal place of operation shall be Omaha, Douglas County, Nebraska. *422 South 13th St., Omaha 8.*
Resident Agent is G. T. Thompson, 422 South 13, Omaha

ARTICLE II - Purpose and Object: To conduct Gospel Missions, to furnish food, lodging, and assistance to the needy and unfortunate, and to do religious and benevolent work of all kinds.

ARTICLE III - Membership and Government: a. The management and control of this association shall be vested in a Board of Trustees, which Board shall consist of seven or more Trustees. The membership of the Association and its Board of Trustees shall be synonymous and all acts of the Board of Trustees shall be deemed to be also the acts of the members of the Association.

b. The Trustees of this corporation shall have power to make a deed of conveyance or encumbrance when authorized by resolution of said Trustees adopted by a two-thirds vote at a meeting called for such purpose, prior notice of such meeting having been given ten days prior to said meeting. A copy of the resolution authorizing such sale and deed of conveyance or encumbrance, the notice of such meeting, and the giving of the same, shall be certified under oath by the secretary or other officer of this incorporated religious and charitable corporation and shall be filed with said deed of conveyance or encumbrance, and recorded in the real estate records of the County where the property so conveyed or encumbered is located.

c. The entire property of this association shall be used exclusively for religious and charitable purposes and the Board of Trustees shall have no power to make dividends or distribute profits or assets among its members.

d. The Board of Trustees shall be self-perpetuating and may fill all vacancies which may occur from time to time.

e. In the event any trustee shall be absent from all business meetings of the Trustees, regular and special, for a period of six consecutive months, it shall be the duty of the Secretary to write that Trustee calling his attention to his continued absence from the meetings, enclosing a copy of this paragraph and inviting him if still interested to attend the next regular meeting of the Trustees, giving him the date thereof. Should said member fail to attend the next regular meeting of the Trustees, his membership as a Trustee shall thereupon terminate, provided, however, if said Trustee in reply to said notice shall promptly write the Secretary explaining his continued absence to the satisfaction of the Board, giving reasons satisfactory to the Board for his absence, explaining satisfactorily that he cannot attend the next regular meeting and promising to attend a regular meeting within three months, the Trustees may, by majority vote of the members present at any meeting, suspend the termination of his membership, and if he shall within three months attend a regular meeting, he may be by like vote be reinstated. The Board of Trustees by vote of two-thirds of the Trustees present at any regularly called meeting for that purpose may remove and expel any member and trustee for failure to act, for neglect, for an abandonment of the faith of the Association, or for failure to support its missions.

f. The Board of Trustees shall have the care, custody, and control of the real

and personal property of the association, and may erect houses or buildings, and improvements, and repair and alter the same, and may mortgage, encumber, sell, and convey any real or personal estate of the Association as herein provided, and enter into all lawful contracts in the name of and in behalf of the Association, provide that no mortgage, encumbrance, sale, or conveyance shall be made of any such estate so as to defeat or destroy the effect of any gift, grant, devise, or bequest which may be made to the Association, but all such gifts, devise, and bequests shall be appropriated and used as directed or intended by the person or persons making the same.

g. The Board of Trustees shall appoint a Superintendent or Superintendents to conduct the work of the Mission or Missions, which Superintendent or Superintendents shall have full power and authority to appoint necessary employees of the Association and fix their compensation. The Board of Trustees may at any time remove said Superintendent or Superintendents or any employee or employees of the Association, or change or modify their compensation. No members of the Board of Trustees shall receive any compensation for his services as such Trustee.

h. The Board of Trustees shall hold an annual meeting for the election of officers and the transaction of other business in January of each year. It shall be the duty of the Secretary to issue the call for said meeting, but upon his failure to do so, any three Trustees may call said annual meeting.

i. There shall be regular monthly meetings of the Board of Trustees.

j. All meetings of the Board shall be held in such place in the City of Omaha as shall be designated in the call therefor. Upon the request of the President of the Board or of any three members thereof, or upon his own initiative, the Secretary shall call a special meeting of the Board of Trustees. All notices of annual, regular, or special meetings of the Board of Trustees shall be given by giving each member notice of the time and place of such meeting, either personally or by mail, telephone, or telegraph. In case of the absence of a Trustee from the City of Omaha, no notice of the call of any meeting need be given to such Trustee, although if convenient the Secretary may in his sole discretion attempt to notify such absent Trustee. Any notice required to be given by these Articles of Incorporation may be waived by the person entitled thereto.

k. Quorum: Five Trustees shall constitute a quorum for the transaction of any business of the Board; provided, however, that four or more members may conduct an annual, regular, or special meeting for the transaction of any business, and any action then assented to by four or more Trustees personally present shall be valid and binding upon the Association, but any action not so assented to by four or more Trustees, in the absence of the said quorum of five, shall be of no effect.

l. Ratification: In the event any meeting is regularly called and a quorum is not present, business may nevertheless be then and there transacted and shall be held valid and binding upon the Association, provided two or more members are personally present at such meeting, and provided that within ten days from the date of such meeting the minutes of such meeting shall be in writing ratified and confirmed by at least four Trustees, the two or more Trustees personally present at such meeting to be included in such number.

m. Voting: At all meetings of the Board all questions, except as herein otherwise provided, shall be determined by a majority vote of members present in person.

ARTICLE 10 - OFFICERS - a. The officers shall consist of a President of the Board of Trustees, a Vice President, a Secretary, an Assistant Secretary, a Treasurer, or Assistant Treasurer, and one or more may hold any two of said offices. The officers shall be elected at the annual meeting of the Board of Trustees, and shall hold office for one year or until their successors have been elected and qualified.

b. President: The President shall preside at the meetings of the Board and shall perform such duties as usually devolve upon the President in similar organizations, but only upon the express authorization of the Board shall he make or sign contracts and agreements in the name and behalf of the Association.

c. Vice President: In the absence of the President, the Vice President shall preside at the meetings of the Board and he shall likewise in the absence of the President exercise the same duties as customarily devolve upon the President in similar corporations. In the absence of both the President and the Vice President at any regular or called meeting of the Board, a temporary chairman shall be chosen by the vote of the Trustees present at such meeting.

d. Secretary: The Secretary shall keep a record of all meetings and proceedings, shall issue all notices and conduct all correspondence of the Association. He shall have the custody of the seal and shall affix the same to all instruments requiring it, only when authorized by the Board of Trustees so to do.

e. Assistant Secretary: The Assistant Secretary shall perform all duties of the Secretary during his absence. In the absence also of the Assistant Secretary, a Secretary protem shall be chosen by vote of the Trustees present at the meeting.

f. Treasurer: The Treasurer shall have the custody of all funds, securities, evidences of indebtedness, and other valuable documents of the Association. He shall receive and give or cause to be given receipts and acquittances for moneys paid in and shall pay out of the funds in his hands all just debts of the Association, of whatever nature, upon maturity of the same. He shall have full power and authority to endorse the name of the Association upon checks, drafts, stock certificates, and other securities, and to transfer the same by such endorsement. He shall enter or cause to be entered in books of the Association kept for that purpose full and accurate accounts of all moneys received and paid out on account of the Association, and whenever required by the Board of Trustees he shall render a statement of his accounts. He shall keep or cause to be kept such other books as will show a true record of the expenses, assets, and liabilities of the Association, and shall perform all other duties incident to his office.

g. Assistant Treasurer: The Assistant Treasurer shall perform all duties of the Treasurer during his absence. In the absence also of the Assistant Treasurer, the Board of Trustees shall choose by vote of the Trustees present at the meeting a temporary Treasurer.

ARTICLE V. The time of the commencement of this corporation shall be on and after such date as certified copies of these Articles of Incorporation are properly filed and recorded with the Secretary of the State of Nebraska and the County Clerk of Douglas County, Nebraska, pursuant to the Laws of Nebraska. The term for which this corporation shall exist shall be perpetual, subject only to legal dissolution.

ARTICLE VI. AMENDMENTS. These Articles of Incorporation may be amended in accordance with the provisions of the laws of the State of Nebraska, and pursuant to a three-fourths majority vote of the members present and voting, at a meeting called for such purpose, prior notice of such meeting having been given.

ARTICLE VII. The religious convictions of this corporation shall be evangelical beliefs in the Lord Jesus Christ, and in the Scriptures of the Old and New Testaments as our very foundation, and shall each year sign the doctrinal statement as accepted by the Association. The private property of the officers and trustees shall not be subject to the payment of corporate debts whatsoever.

ARTICLE VIII. BY-LAWS. Such By-Laws as may be required or deemed desirable for the conduct of the affairs of this corporation, if not inconsistent with these Articles of Incorporation or the Laws of Nebraska, may be adopted, altered, rescinded, and enforced by the Board of Trustees, from time to time, after same have been duly passed by two-thirds vote of the members present and voting at a duly called meeting specifically for such purpose.

IN WITNESS WHEREOF, the undersigned incorporators and trustees hereunto subscribed our names to these Articles of Incorporation of MUSCIE MISSION, INC. this 26 day of February, 1955.

<u>Name</u>	<u>Street Address</u>	<u>City & State</u>
<u>Robert M. Farra</u> Robert M. Farra	<u>2956 E. 96th St.</u>	<u>Omaha, Nebr.</u>
<u>Wilfred A. Fjare</u> Wilfred A. Fjare	<u>5802 E. 37th Ave.</u>	<u>Omaha, Nebr.</u>
<u>J. L. Patton</u> J. L. Patton	<u>2916 Myrtle Ave.</u>	<u>Omaha, Nebr.</u>
<u>Rev. P. R. Halvorsen</u> Rev. P. R. Halvorsen	<u>2701 S. 18th St.</u>	<u>Omaha, Nebr.</u>
<u>H. T. Thompson</u> H. T. Thompson	<u>2803 Shirley St.</u>	<u>Omaha, Nebr.</u>
<u>Ed. J. Walzen</u> Ed. J. Walzen	<u>5018 Ave. D</u>	<u>Council Bluffs, Iowa</u>
<u>W. Smith</u> W. Smith	<u>5719 1st St.</u>	<u>Omaha, Nebr.</u>

ATTEST

Before me, the undersigned Notary Public, personally appeared the above named incorporators who, after being by me first duly sworn, depose and say that they were all present at a convened and duly called meeting on February 26, 1955, that they organized as a meeting and adopted the above Articles of Incorporation for MUSCIE MISSION, INC., witness my signature, official designation and seal this 26 day of February, 1955.

Clifford E. Hammer
Notary Public, Douglas Co., Nebr.

My commission expires May 10, 1961.

PROOF OF PUBLICATION

AUG 20 1956

Duplicate Affidavits of this Publication have been filed in the office of:
 County Court ☐—Clerk of Dist. Court ☐—County Clk ☒—Sec. State ☐

Publisher's Fee, \$.....



STATE OF NEBRASKA
 COUNTY OF DOUGLAS ss.

Charles R. Dewey

....., being duly sworn,
 deposes and says that he is Business Manager
 of THE DOUGLAS COUNTY GAZETTE, a legal weekly newspaper
 published in the City of Waterloo, Douglas County, Nebraska printed
 in the English language, having a bona fide circulation in Douglas
 County in excess of 300 copies for more than 52 weeks last past; that
 the printed notice attached hereto was published in said DOUGLAS
 COUNTY GAZETTE for.....consecutive weeks, beginning on
Aug. 3, 1956, and ending on Aug. 17, 1956, and
 said newspaper was during that time and has since been in general
 circulation in said County and State, and that said newspaper was
 printed in whole or in part in the office maintained at place of publica-
 tion.

(SEAL)

Charles R. Dewey
 Subscribed in my presence, and sworn to be
 for me this 17th day of Aug., 1956.
James J. [Signature]
 Notary Public.

352

Charge of R.A.

of

Rescue Mission, Inc.

Omaha

Filing 1.00
Recording 2.00R.A.
Lloyd O. Allen
P.O. Box 3413
422 So. 13th St.
Omaha, Nebraska 68103Receipt No. C 88995STATE OF NEBRASKA
SECRETARY'S OFFICEReceived and filed for record JUN 10 1977
Recorded on film roll No. 22
Miss In at page 363Wm. G. Berman

Secretary of State

INDEXED

MICROFILMED

RECORDED

NONPROFIT

(Submit in Duplicate)

The following corporation, pursuant to the laws of the State of Nebraska, does hereby wish to change its Registered Agent and/or Registered Office in the State of Nebraska.

Name of Corporation

Rescue-Mission-Inc

G. T. Thompson

Registered Agent: McCall-P-O, Box 3413

Registered Office:

422 South 13th

ចំណាត់

Douglas

Nebraska

68103

.....
Street Address

City

County

Zip Code

The following change of registered office, registered agent, or both, were authorized by a resolution duly adopted by the board of directors on the 1st day of January, 19 71.

Mail: P. O. Box 342

The registered office of this corporation in Nebraska shall be

422 South 13th

Street Address:

complicated

None

22 4

48:02

.....

and the registered agent.

at such address shall be

~~Reagan-McCormack, Inc.~~

Name of Registered Agent

*Address shall be complete, using full street address. A box number is acceptable only in those cases where street addresses are not available.

Such statement shall be executed by the corporation by its president or a vice president:

Dated

June 9, 1977

President:

or

Vice President:

Warren R. Lindard.

If the Secretary of State finds that such statement conforms to the provisions of sections 21-19C to 21-199I, he shall file such statement in his office, and upon such filing the change of address of the registered office, or the appointment of a new registered agent, or both, as the case may be, shall become effective.

Filing Fee: \$3.00

355-2622

FORM 6-76

NONPROFIT
CHANGE OF REGISTERED AGENT AND/OR REGISTERED OFFICE
 (Submit in Duplicate)

TO: ALLEN J. BEERMANN, Secretary of State, Lincoln, Nebraska 68509

The following corporation, pursuant to the laws of the State of Nebraska, does hereby wish to change its Registered Agent and/or Registered Office in the State of Nebraska.

.....~~RESCUE MISSION, INC.~~ (a.k.a. ~~OPEN DOOR MISSION~~)
 Name of Corporation

Before Change:

RESCUE MISSION, INC.

Registered Agent:.....

LLOYD O ALLEN
 422 SOUTH 13TH ST
 P O BOX 3413

0234613

Registered Office:.....

Street Address

OMAHA

NE 68102

The following change of registered office, registered agent, or both, were authorized by a resolution duly adopted by the board of directors on the 29th day of August 19 85.

The registered office of this corporation in Nebraska shall be 2706 No. 21 Street East

Street Address

Omaha

City

Douglas

County

Nebraska

68110

Zip Code

and the registered agent

at such address shall be

Robert Kokoruda

Name of Registered Agent

NOTE: Mailing address is P.O. Box 3413 - 68103
 *Address shall be complete, using full street address. A box number is acceptable only in those cases where street addresses are not available.

Such statement shall be executed by the corporation by its president or a vice president:

Dated November 8, 1985President: John J. Lanson

or

Vice President:

If the Secretary of State finds that such statement conforms to the provisions of sections 21-1901 to 21-1991, he shall file such statement in his office, and upon such filing the change of address of the registered office, or the appointment of a new registered agent, or both, as the case may be, shall become effective.

Filing Fee: \$8.00

NOV 18 1985

40780

STATE OF NEBRASKA } SS
 SECRETARY'S OFFICE }

Received and filed for
 record and recorded on
 film roll 85-51 at page 1123

Allen J. Beermann
 Secretary of State

By BS

8.00

1123

FORM 6-76

NONPROFIT
CHANGE OF REGISTERED AGENT AND/OR REGISTERED OFFICE
 (Submit in Duplicate)

TO: ALLEN J. BEERMANN, Secretary of State, Lincoln, Nebraska 68509

The following corporation, pursuant to the laws of the State of Nebraska, does hereby wish to change its Registered Agent and/or Registered Office in the State of Nebraska.

Name of Corporation

Before Change:

RESCUE MISSION, INC.

Registered Agent:

ROBERT KOKORUDA

0234613

Registered Office:

2706 NO. 21 STREET EAST

P O BOX 3413

Rank

Zip Code

OMAHA

NE 68103

The following change of registered office, registered agent, or both, were authorized by a resolution duly adopted by the board of directors on the 9th day of APRIL, 1988.

The registered office of this corporation in Nebraska shall be 2706 NO. 21 ST. EAST

P.O. BOX 3413 OMAHA DOUGLAS Nebraska 68103 and the registered agent
 at such address shall be REV. ROBERT O. TIMBERLAKE
 Name of Registered Agent

*Address shall be complete, using full street address. A box number is acceptable only in those cases where street addresses are not available.

MAIL IS NOT RECEIVED AT OUR STREET ADDRESS.

Such statement shall be executed by the corporation by its president or a vice president:

Dated JANUARY 28, 1988

President:

or

Vice President:

If the Secretary of State finds that such statement conforms to the provisions of sections 21-1901 to 21-1991, he shall file such statement in his office, and upon such filing the change of address of the registered office, or the appointment of a new registered agent, or both, as the case may be, shall become effective.

Filing Fee: \$8.00

FEB 1 1988

STATE OF NEBRASKA } SS
 SECRETARY'S OFFICE }
 Received and filed for record
 and recorded on film roll No. 88-2 at page 548

Allen J. Beermann

Secretary of State

By gk

8.00 fee

248

AUG 30 1990

FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

ARTICLES OF AMENDMENT REVISING IN THEIR ENTIRETY
THE ARTICLES OF INCORPORATION OF
RESCUE MISSION, INC.

90-17

350

Pursuant to the provisions of §§21-19,106 and 21-1932 through 21-1936 R.R.S. 1943 of the Nebraska Nonprofit Corporation Act, the undersigned corporation adopts the following Articles of Amendment Revising in Their Entirety its Articles of Incorporation:

FIRST: The following Amendments revising in their entirety the Articles of Incorporation of Rescue Mission Inc. (d/b/a Open Door Mission) were adopted by the Board of Directors of said corporation (said corporation having no members) on June 28, 1990, at a special meeting of the Board of Directors of said corporation called in the manner prescribed by the Nebraska Nonprofit Corporation Act for the purpose of amending the Articles of Incorporation of said corporation, at which meeting a quorum of the Directors of said corporation were present, and the following Amendments received more than three-fourths (3/4ths) of the votes of the Directors present or voting by proxy at said meeting.

SECOND: These Articles of Amendment are intended to suprcede and revise in their entirety the original Articles of Incorporation and all Amendments thereto for Rescue Mission, Inc. (d/b/a Open Door Mission).

THIRD: The following are the Revised Articles of Incorporation of Rescue Mission, Inc. (d/b/a Open Door Mission), which shall hereafter be known as Rescue Mission, Inc., and said corporation shall do business as "Open Door Mission".

ARTICLE I
NAME

The name of the corporation is Rescue Mission, Inc., and said corporation is authorized to do business as "Open Door Mission". (Said corporation is referred to in this Restatement of the Articles of Incorporation as "the corporation.")

ARTICLE II
NONPROFIT CORPORATION

The corporation is organized under and pursuant to the provisions of §§21-1901 to 21-19,109, inclusive, of Chapter 21 of the Nebraska Revised Statutes of 1943, which statutes are also known as Nebraska Nonprofit Corporation Act.

ARTICLE III
DURATION

The period of the corporation's duration is perpetual.

ARTICLE IV
PURPOSES

The corporation is organized and operated exclusively for charitable purposes, as that term is used in §501(c)(3) of the Internal Revenue Code of 1986. The purpose of the corporation is to conduct Gospel Missions, to furnish food, lodging and assistance to the needy and unfortunate, and to do religious and benevolent and educational work of all kinds; to transact all lawful business permitted corporations which are incorporated under the Nebraska Nonprofit Corporation Act.

ARTICLE V
REGULATION OF INTERNAL AFFAIRS

Provisions for the regulation of internal affairs of the corporation shall be set forth in the Bylaws of the corporation; provided, however, that the power to alter, amend or repeal said Bylaws or adopt new Bylaws shall be vested in the Board of Directors and in the members of the corporation as said Bylaws shall provide.

ARTICLE VI
DISTRIBUTION OF ASSETS ON DISSOLUTION
OR FINAL LIQUIDATION

Upon dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the above-stated religious and charitable purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for religious or charitable purposes as shall at the time qualify as an exempt organization or organizations under §501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States revenue law), as the Board of Directors shall determine.

ARTICLE VII
PRIVATE PROPERTY

The private property of the incorporators, officers, directors and members of this corporation shall be exempt from the debts of the corporation, and no incorporator, officer, director or member shall be individually or collectively liable or responsible for any debts or liabilities of the corporation.

ARTICLE VIII
REGISTERED OFFICE AND REGISTERED AGENT

The address of the registered office of the corporation is 550 Morgan Place, 8420 West Dodge Road, in the city of Omaha, Douglas County, state of Nebraska; and the name of its registered agent at such address is Steven E. Gunderson.

DATED this 26 day of July, 1990

RESCUE MISSION, INC.

By [Signature]
Its President

and

By [Signature]
Its Secretary

Secretary of State

GUNDISON & ARMANSON
Attorneys
122 Market Place
SASD West Omaha
NOTICE OF AMENDMENT TO THE
ARTICLES OF INCORPORATION OF THE
MARQUEE LIES AND INC.
NOTICE IS HEREBY GIVEN THAT the above
named corporation has adopted a list of
Amendment to the Articles of Incorporation
authorizing the corporation to do business
as the Open Door Mission Center. It will
be given by all of the directors in the
amendment dated July 28, 1930.
LYLE W. NICHOL
President

The Daily Record OF OMAHA

RONALD A. HENNINGSEN, Publisher

PROOF OF PUBLICATION

UNITED STATES OF AMERICA,

The State of Nebraska,
District of Nebraska,
County of Douglas,
City of Omaha,

ss.

JOHN P. EGLSAER

being duly sworn, deposes and says that he is

ADVERTISING MANAGER

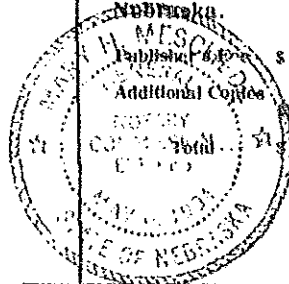
of THE DAILY RECORD, of Omaha, a legal newspaper, printed and published daily in the English language, having a bona fide paid circulation in Douglas County in excess of 300 copies, printed in Omaha, in said County of Douglas, for more than fifty-two weeks last past; that the printed notice hereto attached was published in THE DAILY RECORD, of Omaha, for ³ consecutive weeks, on the same day of each week,

beginning on	October 3,	90
		10
and ending on	October 24,	90
		10

That said Newspaper during that time was regularly published and in general circulation in the County of Douglas, and State of Nebraska.

Published for \$ 34.02

Additional Copies \$ 34.02



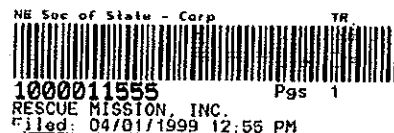
Subscribed in my presence and sworn to
before me this 24th day of
October 19 90

Notary Public in and for Douglas County,
State of Nebraska

621

**STATE OF NEBRASKA
NONPROFIT CORPORATION BIENNIAL REPORT**

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.
1305 STATE CAPITOL P.O. BOX 94608 LINCOLN, NE 68509-4608



For calendar year commencing
January 1,

1998 1999

RESCUE MISSION, INC.

STEVEN E. GUNDERSON
550 MORGAN PLACE
8420 WEST DODGE ROAD
OMAHA,

0234613

NE 68114

DELINQUENT APRIL 1, 1999

EXACT CORPORATE NAME (AS STATED IN ARTICLES OF INCORPORATION OR MOST RECENT AMENDMENT)				
RESCUE MISSION, INC.				
ADDRESS SHALL BE COMPLETE, USING FULL STREET ADDRESS, A BOX NUMBER IS ACCEPTABLE ONLY WHEN STREET ADDRESSES ARE NOT AVAILABLE				
OFFICERS AS OF JAN. 1 1999 IF NO CHANGES CHECK BOX <input type="checkbox"/>	PRESIDENT (NAME)	(STREET ADDRESS)	(CITY, STATE)	(ZIP CODE)
	Art Shoener	9815 Ascot Dr	Omaha NE	68114
	SECRETARY	Betty Thorson	3405 State St #4	Omaha NE 68112
	TREASURER	Debbie Blank	1716 S. 139th St	Omaha NE 68144
	DIRECTOR - TRUSTEE	AT LEAST THREE DIRECTORS - TRUSTEES MUST BE NAMED		
IF NO CHANGES CHECK BOX <input type="checkbox"/>	DIRECTOR - TRUSTEE	Steve Gunderson	8420 W Dodge Rd #550	Omaha NE 68114
	DIRECTOR - TRUSTEE	Robert Corn	3219 N 159th Ave	Omaha NE 68116
	DIRECTOR - TRUSTEE	Richard A Kerns	11422 Miracle Hill Dr	Omaha NE 68154
OFFICERS AS OF JAN. 1 1998 IF NO CHANGES FROM 1999 CHECK BOX <input checked="" type="checkbox"/>	PRESIDENT (NAME)	Art Shoener	9815 Ascot Dr	Omaha NE 68114
	SECRETARY	Betty Thorson	3405 State St #4	Omaha NE 68112
	TREASURER	Debbie Blank	1716 S 139th St	Omaha NE 68144
	DIRECTOR - TRUSTEE	AT LEAST THREE DIRECTORS - TRUSTEES MUST BE NAMED		
	DIRECTOR - TRUSTEE	Steve Gunderson	8420 W Dodge Rd #550	Omaha NE 68114
IF NO CHANGES FROM 1999 CHECK BOX <input checked="" type="checkbox"/>	DIRECTOR - TRUSTEE	Robert Corn	3219 N 159th Ave	Omaha NE 68116
	DIRECTOR - TRUSTEE	Richard A Kerns	11422 Miracle Hill Dr	Omaha NE 68154
THE REGISTERED OFFICE IS LOCATED AT (STREET ADDRESS, CITY) ZIP CODE				
550 MORGAN PLACE 8420 WEST DODGE ROAD OMAHA, NE 68114				
NAME OF REGISTERED AGENT AT SUCH ADDRESS				
STEVEN E. GUNDERSON				
PLEASE STATE BRIEF AND SPECIFIC SUMMARY OF PURPOSE OF THE CORPORATION (USE REVERSE SIDE IF NECESSARY)				
TO PROVIDE FOR SHORT TERM NEEDS OF THE HOMELESS AND OTHER NEEDY PERSONS WITH SH				

Corporation is a (check one): ☒ Public Benefit ☐ Mutual Benefit ☐ Religious Corporation

I HEREBY AFFIRM THAT THE NAME AND ADDRESSES OF EACH OFFICER, DIRECTOR, TRUSTEE, HAS BEEN REPORTED FOR BOTH 1998 AND 1999 TO THE BEST OF MY KNOWLEDGE AND BELIEF THE REPORT IS TRUE AND COMPLETE

SIGNATURE OF OFFICER

FEE \$20.00

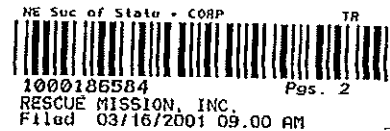
Your canceled check
is your receipt

DATED

3/30/99

TITLE OF OFFICER

Controller



NONPROFIT CORPORATION BIENNIAL REPORT STATE OF NEBRASKA, SECRETARY OF STATE

Report shall show exact corporate name, registered agent and office,
officers and directors with complete street address of each

RESCUE MISSION, INC.

FOR CALENDAR YEAR COMMENCING

January 1, 2001

DELINQUENT APRIL 1

STEVEN E. GUNDERSON
SUITE 550
8420 W. DODGE RD.
OMAHA, NE 681140000

0234613

1. Exact Corporate Name
RESCUE MISSION, INC.

2. OFFICERS

PRESIDENT: ART SHÖENER	9815 ASGOT DRIVE	OMAHA, NE	68114
ROBERT SWEENEY	RR2, BOX 97	BLAIR NE	68008
SECRETARY: BETTY THORSON	3405 STATE STREET #4	OMAHA, NE	68112
JIM GABRIELSON	1612 S. 155th ST.	OMAHA NE	68144
TREASURER: DEBBIE BLANK	1716 S 138 ST	OMAHA, NE	681440000
MORGAN HOLMES	1002 GREY FAWN DR.	OMAHA NE	68154

3. DIRECTORS (continued on page 2 if applicable)

DIRECTOR: ROBERT CORN	3219 N. 169TH AVE	OMAHA, NE	68118
DIRECTOR: STEVE GUNDERSON	8420 W DODGE RD #550	OMAHA, NE	681140000
DIRECTOR: RICHARD KERNS	11422 MIRACLE HILLS DR #208	OMAHA, NE	681540000

4. Registered Office: SUITE 550
8420 W. DODGE RD. OMAHA, NE 681140000

5. Registered Agent: STEVEN E. GUNDERSON

6. Nature of Business: TO PROVIDE FOR SHORT TERM NEEDS OF THE HOMELESS AND OTHER NEEDY PERSONS WITH SH

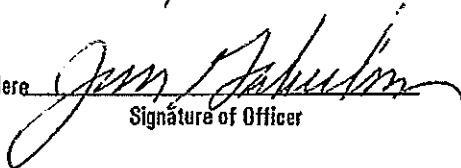
7. Principal Office of Corporation:

2706 N. 21st STREET E. OMAHA NE 68110

MAKE CHECKS PAYABLE TO SECRETARY OF STATE

Your cancelled check is your receipt.

Sign Here


Signature of Officer

Jim Gabrielson

Printed Name of Officer

\$20.00

Fee

2-20-01

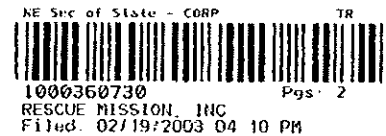
Date

DIRECTORS (continued)

Director:	DEBBIE BLANK	1716 S. 139th ST	Omaha NE 68144
Director:	RICHARD DENHERDER	14022 Sahler ST	Omaha NE 68164
Director:	ART SHOENER	9815 Ascot Dr.	Omaha NE 68114
Director:	DOROTHY BARMORE	1314 S. 97th St	Omaha NE 68124
Director:	G.F. (TED) CALLIER	17911 Peterson Rd	Plattsmouth NE 68048
Director:	JOHN DEVRIES	23049 Ivy Lane	Council Bluffs IA 51503
Director:	KELLY LONEMAN	5106 Lockwood Ln	Omaha NE 68152
Director:	LYLE NILSON	4614 N. 79th St	Omaha NE 68134
Director:	DALE REVELL	14205 Franklin ST	Omaha NE 68154
Director:	SEAN SLATTERY	13431 Ames Ave.	Omaha NE 68164
Director:	LARRY STONEY	8912 Farnam Ct	Omaha NE 68114
Director:	BETTY THORSON	3405 State ST #4	Omaha NE 68112
SECRETARY OF STATE	1305 STATE CAPITOL	P.O. BOX 94608	LINCOLN, NE 68509

NONPROFIT CORPORATION BIENNIAL REPORT STATE OF NEBRASKA, SECRETARY OF STATE

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.



FOR CALENDAR YEAR COMMENCING
JANUARY, 1

2003

DUE APRIL 1, 2003

RESCUE MISSION, INC.

0234613

STEVEN E. GUNDERSON
SUITE 550
8420 W. DODGE RD.
OMAHA NE 68114

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)
RESCUE MISSION, INC.

2. OFFICERS (complete name and address is required for each officer and director)

Name	Street Address	City	State	Zip
President: ROBERT SWEENEY G.F. CALLIER	RR-2 BOX-07 17911 PETERSON RD	PLATTSMOUTH	NE	68048
Secretary: JIM GABRIELSON KELLY LONEMAN	1612 S 156TH ST 5106 LOCKWOOD LN	OMAHA	NE	68152
Treasurer: DEBBIE BLANK W. DALE REVELL	1710 S 139 ST 14205 FRANKLIN ST	OMAHA	NE	68154

3. DIRECTORS

MORGAN HOLMES	1002 GREY FAWN DR	OMAHA NE 68154
DOROTHY BARMORE	1314 S 97TH ST	OMAHA NE 68124
DEBBIE BLANK	1710 S 139 ST	OMAHA NE 68144
ROBERT SWEENEY	6782 STATE HWY 133	BLAIR NE 68008

4. Principal Office of Corporation:

2706 N 21ST ST E OMAHA NE 68110

5. Registered Office:

SUITE 550 OMAHA NE 68114
8420 W. DODGE RD.

6. Registered Agent: STEVEN E. GUNDERSON

7. Nature of Business: TO PROVIDE FOR SHORT TERM NEEDS OF THE HOMELESS AND OTHER NEEDY PERSONS WITH SH

8. If the pre-printed information above is correct for this year's report please check here _____

Sign Here

Candace Gregory
Signature of Officer

CANDACE GREGORY
Printed Name of Officer
PRES./CEO

\$20.00 Fee

1/27/03
Date

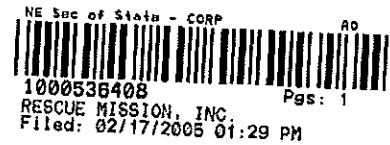
NONPROFIT CORPORATION BIENNIAL REPORT Corporation#: 0234613
STATE OF NEBRASKA, SECRETARY OF STATE**9. DIRECTORS**

G F CALLIER	17911 PETERSON RD	PLATTSMOUTH NE 68048
ROBERT CORN	3210 AL 150TH AVE	OMAHA NE 68116
RICHARD DENHERDER	14022 SAHLER ST	OMAHA NE 68164
JOHN DEVRIES	23049 IVY LANE	COUNCIL BLUFFS IA 51503
STEVE GUNDERSON	8420 W DODGE RD #550	OMAHA NE 68114
RICHARD KERNS	11422 MIRACLE HILLS DR #208 8029 KEYSTONE DR	OMAHA NE 68154 68134
KELLY LONEMAN	5106 LOCKWOOD LN	OMAHA NE 68152
LYLE NILSON	4614 N 79TH ST	OMAHA NE 68134
DALE REVELL	14205 FRANKLIN ST	OMAHA NE 68154
SEAN SLATTERY	13431 AMES AVENUE	OMAHA NE 68164
JIM GABRIELSON	1612 S 155th ST	OMAHA NE 68144
BETTY THORSON	7300 GRACELAND #239	OMAHA NE 68134

10. If the pre-printed director information above is correct for this year's report please check here _____

SECRETARY OF STATE 1305 State Capitol P.O. Box 94608 Lincoln, NE 68509-4608

The names of all officers and directors should be those persons holding office on January 1, 2003.



**DOMESTIC CHANGE OF
REGISTERED AGENT and/or OFFICE
NON-PROFIT CORPORATIONS**
Submit in Duplicate

John A. Gale, Secretary of State
Room 1301 State Capitol, P.O. Box 94608
Lincoln, NE 68509
<http://www.sos.state.ne.us>

The following corporation, pursuant to the laws of the state of Nebraska, does hereby wish to change its Registered Agent and/or Registered Office.

Name of Corporation RESCUE MISSION, INC.

Previous:

Registered Agent: STEVEN E. GUNDERSON

Registered Office: 8420 W. Dodge Rd. #515 Omaha NE
Street Address City Zip

New:

Registered Agent: _____

Registered Office*: 9140 W. Dodge Rd. #414, Omaha, NE
Street Address City Zip

* The street address of the registered office and the street address of the registered agent must be identical.

DATED Jan. 25/05

Signature
CANDACE A. GREGORY / PRES./CEO
Printed Name/Title

NOTE: Every filing must be signed by the chairperson of the board of directors, the president, or one of the officers of the corporation. If the corporation has not yet been formed or directors have not yet been selected, the filing shall be signed by an incorporator. If the corporation is in the hands of a receiver, trustee, or other court appointed fiduciary, the filing shall be signed by that fiduciary. Signing a false document which is filed or attempted to be filed with the Secretary of State is a Class I Misdemeanor, subject to up to one year imprisonment or a \$1000 fine, or both.

Registered Agent: Please check A (current agent) or B (new agent) below and sign

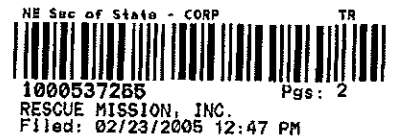
☒ A. I hereby state that the above named corporation has been notified of the change in address of my registered office.

☒ B. I hereby consent to act as registered agent for the above named corporation.

Signature of Registered Agent

FILING FEE: \$10.00
Revised 01/09/2004

Neb. Rev. Stat. 21-1935

**NONPROFIT CORPORATION BIENNIAL REPORT
STATE OF NEBRASKA, SECRETARY OF STATE**

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.

FOR CALENDAR YEAR COMMENCING
JANUARY 1,**2005**

DUE APRIL 1, 2005

RESCUE MISSION, INC.

0234613

STEVEN E. GUNDERSON
SUITE 550
8420 W. DODGE RD.
OMAHA NE 681141. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)
RESCUE MISSION, INC.

2. OFFICERS (complete name and address is required for each officer and director)

Name	Street Address	City	State	Zip
President: G F CALLIER CANDACE GREGORY	17911 PETERSON RD 1923 S. 4TH STREET	PLATTSMOUTH NE 68048 OMAHA NE 68108		
Secretary: KELLY LONEMAN	5106 LOCKWOOD LN	OMAHA NE		68152

Treasurer: W. DALE REVELL	14205 FRANKLIN ST	OMAHA NE		68154
---------------------------	-------------------	----------	--	-------

3. DIRECTORS - List additional Directors on reverse of form.

DOROTHY BARMORE	1314 S 97TH ST	OMAHA NE		68124
G F CALLIER	17911 PETERSON RD	PLATTSMOUTH NE		68048
JIM GABRIELSON	1612 S 155TH ST	OMAHA NE		68144

4. Principal Office of Corporation: 2706 N 21ST ST E OMAHA NE 68110

5. Registered Office: SUITE 550 OMAHA NE 68114
8420 W. DODGE RD.

6. Registered Agent: STEVEN E. GUNDERSON

7. Nature of Business: TO PROVIDE FOR SHORT TERM NEEDS OF THE HOMELESS AND OTHER NEEDY PERSONS
WITH SH

8. If the pre-printed information above is correct for this year's report please check here _____

\$20.00 Fee

SIGN HERE

Signature of Officer

Printed Name of Officer

DATE 1-24-05

NONPROFIT CORPORATION BIENNIAL REPORT Corporation#: 0234613
STATE OF NEBRASKA, SECRETARY OF STATE**9. ADDITIONAL DIRECTORS**

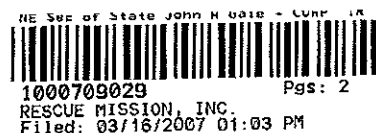
STEVE GUNDERSON	8420 W DODGE RD #550	OMAHA NE 68114
MORGAN HOLMES	9140 W. DODGE RD. 1002 GREY FAWN DR	OMAHA NE 68154
RICHARD KERNS	8829 KEYSTONE DR	OMAHA NE 68164
KELLY LONEMAN	12506 EAGLE RUN DRIVE 5106 LOCKWOOD LN	OMAHA NE 68152
LYLE NILSON	4614 N 70TH ST	OMAHA NE 68134
DALE REVELL	14205 FRANKLIN ST	OMAHA NE 68154
SEAN SLATTERY	13431 AMES AVE	OMAHA NE 68154
ROBERT SWEENEY	6782 STATE HWY 133	BLAIR NE 68008
BETTY THORSON	7300 GRACELAND #230	OMAHA NE 68134

B.A. (BARNEY) OLSON, JR.	11512 S 132 ND STREET	OMAHA NE 68138
PERRY POYNER	1517 N. 51 ST STREET	OMAHA NE 68104
MARCIA SPIEKER	562 S. 122 ND STREET	OMAHA NE 68154
BILL SPEIGHT	14415 S. 23 RD STREET	OMAHA NE 68123

10. If the pre-printed director information above is correct for this year's report please check here _____

SECRETARY OF STATE 1301 State Capitol P.O. Box 94608 Lincoln, NE 68509-4608

The names of all officers and directors should be those persons holding office on January 1, 2005.



NONPROFIT CORPORATION BIENNIAL REPORT STATE OF NEBRASKA, SECRETARY OF STATE

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.

FOR CALENDAR YEAR COMMENCING
JANUARY 1,

2007

DUE APRIL 1, 2007

RESCUE MISSION, INC.

0234613

STEVEN E. GUNDERSON
9140 W. DODGE RD. #414
OMAHA NE 68114

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)

RESCUE MISSION, INC.

2. OFFICERS (complete name and address is required for each officer and director)

Names of all officers and directors should be those persons holding the office on the date the report is completed.

Name	Street Address	City	State	Zip
President: CANDACE GREGORY	1923 S 4TH STREET	OMAHA	NE	68108

Secretary: KELLY LONEMAN	5106 LOCKWOOD LN	OMAHA	NE	68152
MARCIA SPEKER	11949 Q ST			68137

Treasurer: W. DALE REVELL	14205 FRANKLIN ST	OMAHA	NE	68154
MORGAN HOLMES	1002 GREY FAWN DR			

3. Principal Office of Corporation:	2706 N 21ST ST E	OMAHA	NE	68110
-------------------------------------	------------------	-------	----	-------

4. Registered Office:	9140 W. DODGE RD. #414	OMAHA	NE	68114
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5. Registered Agent: STEVEN E. GUNDERSON

6. Nature of Business: TO PROVIDE FOR SHORT TERM NEEDS OF THE HOMELESS AND OTHER NEEDY PERSONS WITH SHELTER

7. State or Country under whose laws the corporation is formed: USA - NEBRASKA

8. The corporation (Check one): ☐ has members ☒ does **NOT** have members

9. The corporation is a: (see instructions for definitions)

☒ Public Benefit Corporation ☐ Mutual Benefit Corporation ☐ Religious Corporation

10. If the pre-printed information above is correct for this year's report please check here ☐

\$20.00 Fee

SIGN HERE

Signature of Officer

CANDACE L. GREGORY

Printed Name of Officer

DATE 3-7-07

11. DIRECTORS

DOROTHY BARMORE 1314 S 97TH ST OMAHA NE 68124

G F CALLIER 17911 PETERSON RD PLATTS MOUTH NE 68048

JIM GABRIELSON 1612 S 155TH ST OMAHA NE 68144

STEVE GUNDERSON 9140 W DODGE RD OMAHA NE 68114

MORGAN HOLMES 1002 GREY FAWN DR OMAHA NE 68154

RICHARD KERNS 12506 EAGLE RUN DRIVE OMAHA NE 68164

KELLY LONEMAN 5106 LOCKWOOD LN OMAHA NE 68152

B A (BARNEY) OLSON JR 11512 S 132ND STREET OMAHA NE 68138

PERRY POYNER 1517 N 51ST STREET OMAHA NE 68104

~~DALE REVELL 14205 FRANKLIN ST OMAHA NE 68154~~

BILL SPEIGHT 14415 S 23RD STREET OMAHA NE 68123

MARCIA SPIEKER 562 S 122ND STREET OMAHA NE 68154

DEBBIE BLANK 1716 S. 139TH ST. OMAHA, NE 68144
PAT MCKERNAN 1239 BELLAIRE BLVD. BELLEVUE, NE 68005

12. If the pre-printed director information above is correct for this year's report please check here _____

SECRETARY OF STATE 1301 State Capitol P.O. Box 94608 Lincoln, NE 68509-4608



NONPROFIT CORPORATION BIENNIAL REPORT STATE OF NEBRASKA, SECRETARY OF STATE

Report shall show exact corporate name, registered agent, location of registered office, officers and directors with street address of each.

FOR CALENDAR YEAR COMMENCING
JANUARY 1,

2009

DUE APRIL 1, 2009

RESCUE MISSION, INC.

0234613

STEVEN E. GUNDERSON
9140 W. DODGE RD. #414
OMAHA NE 68114

1. EXACT CORPORATE NAME (as stated in articles of incorporation or most recent amendment)

RESCUE MISSION, INC.

2. OFFICERS (complete name and address is required for each officer and director)

Names of all officers and directors should be those persons holding the office on the date the report is completed.

Name	Street Address	City	State	Zip
President: CANDACE GREGORY	1923 S 4TH STREET	OMAHA	NE	68108

Secretary: MARCIA SPEKER	11949 Q ST	OMAHA	NE	68137
--------------------------	------------	-------	----	-------

Treasurer: MORGAN HOLMES	1002 GREYFAWN DR.	OMAHA	NE	68154
--------------------------	-------------------	-------	----	-------

3. Principal Office of Corporation:	2706 N 21ST ST E	OMAHA	NE	68110
-------------------------------------	------------------	-------	----	-------

4. Registered Office:	9140 W. DODGE RD. #414	OMAHA	NE	68114
-----------------------	------------------------	-------	----	-------

5. Registered Agent: STEVEN E. GUNDERSON

6. Nature of Business: TO PROVIDE FOR SHORT TERM NEEDS OF THE HOMELESS AND OTHER NEEDY PERSONS
WITH SHELTER

7. State or Country under whose laws the corporation is formed: NE

8. The corporation (Check one): _____ has members ☒ does NOT have members

9. The corporation is a: (see back for definitions)

☒ Public Benefit Corporation ☐ Mutual Benefit Corporation ☐ Religious Corporation

10. If the pre-printed information above is correct for this year's report please check here ☒

\$20.00 Fee

SIGN HERE

Signature of Officer

CANDACE L. GREGORY

Printed Name of Officer

DATE 1-17-08

NONPROFIT CORPORATION BIENNIAL REPORT Corporation#: 0234613
STATE OF NEBRASKA, SECRETARY OF STATE
11. DIRECTORS

DOROTHY BARMORE	1314 S 97TH ST	OMAHA NE 68124
DEBBIE BLANK	1716 S. 139TH ST.	OMAHA NE 68144
G F CALLIER	17911 PETERSON RD	PLATTSMOUTH NE 68048
JIM GABRIELSON	1612 S 155TH ST	OMAHA NE 68144
STEVE GUNDERSON	9140 W DODGE RD	OMAHA NE 68114
MORGAN HOLMES	1002 GREY FAWN DR	OMAHA NE 68154
RICHARD KERNS	12508 EAGLE RUN DRIVE	OMAHA NE 68164
KELLY LONEMAN	5106 LOCKWOOD LN	OMAHA NE 68152
PAT MCKERNAN	1239 BELLAIRE BLVD.	BELLEVUE NE 68005
B A (BARNEY) OLSON JR	11512 S 132ND STREET	OMAHA NE 68138
PERRY POYNER	1517 N 51ST STREET	OMAHA NE 68104
BILL SPEIGHT	14415 S 23RD STREET	OMAHA NE 68123

12. If the pre-printed director information above is correct for this year's report please check here

Public Benefit, Mutual Benefit and Religious Corporation designation:

- Religious corporation: any corporation organized primarily or exclusively for religious purposes.
- Public benefit corporation: any corporation recognized as exempt under section 501(c)(3) of the Internal Revenue Code or any corporation organized for a public or charitable purpose, and upon dissolution must distribute its assets to a public benefit corporation, the United States, a state, or a person recognized as exempt under section 501(c)(3) of the Internal Revenue Code.
- Mutual benefit corporation: any corporation that does not come within the previous definitions

SECRETARY OF STATE 1301 State Capitol P.O. Box 94608 Lincoln, NE 68509-4608

Omaha daily bee. (Omaha [Neb.]) 187?-1922

March 05, 1878, Image 4

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1878-03-05/ed-1/seq-4/>

LY BEE

March 5th, 1878.

d, Importers and
oaks and Suits,
sepl8 tt

ch & Co's new
column. n30tt

TIES.

ed, 178 Farnham.
o-morrow night.
he rip rap still
now being ex
three hundred

elch, M. C., has
of important eta-
reports to the
ide library.

OMAHA WHITE LEAD WORKS'

Completion of the Buildings—The
Machinery Arriving Daily.

The Establishment Will be Running
in Six weeks.

A Shot Manufactory Also Likely
to be Soon Started.

A BEE reporter yesterday morning paid a visit to the Omaha White Lead Works—of which mention has been previously made in this paper—and found that rapid progress had been made in the enterprise during the last few weeks.

The location of the works is in the vicinity of Twentieth street, just south of the Union Pacific railroad track. A side-track

NITRIC ACID

It Causes the Death of

On Tuesday last a railroad accident occurred at Pacific depot, the result of which was the death of one man. Among the freight cars was one containing ten carboys of nitric acid. One of the carboys exploded, and the car was standing at the depot, and ten men, who were immediately emptying the other freight in order to prevent further accident.

Mr. Shelby, who knew

Omaha daily bee. (Omaha [Neb.]) 187?-1922

March 05, 1878, Image 4

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1878-03-05/ed-1/seq-4/>

Welch, M. C., has
is of important sta-
and reports to the
Trade library.

to Congress has
signatures, urging
out of the Ameri-
le by American

The memorial is
rade rooms.

ent of Agriculture
ages of new varie-
, oats, garden veg-
V. C. B. Allen, the

Board of Trade,
te them to farmers
hout the State.

eing laid from the
he Union Pacific,
street, west to Six
here it connects
ak running to the

The location of the works is in
the vicinity of Twentieth street,
just south of the Union Pacific
railroad track. A side-track
has been built to the establish-
ment. The buildings are now
completed, with the exception of a
few finishing touches, and ready for
the machinery. There are three
buildings, all connected, being in the
shape of an L. The two wings are
frame buildings resting on brick
foundations, while the corner build-
ing is entirely of brick. The dimen-
sions of the entire structure are 120
by 180 feet. To the south, standing
separate from the factory, is a very
neat frame office, 16 by 24 feet,
which is being fitted up in good
style. The cost of the buildings is
about \$10,000, and the machinery
will cost \$40,000, making an in-
vestment

to immediately emp
the other freight in
further accident.

Mr. Shelby, who
acter of the acid, to
hold their breath wh
and to breathe fresh
they came out. Th
the caution except
who probably forgot
was in the car he it
fumes, and that eve
ken sick in consequ
very nearly dying t
He lingered till Sat
died in considerable
halation of the nitr
pneumonia of the ve

The deceased had
ploy of the Union I
for over ten years. I
man, and was aged

Omaha daily bee. (Omaha [Neb.]) 187?-1922

March 05, 1878, Image 4

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1878-03-05/ed-1/seq-4/>

the Union Pacific, street, west to Six where it connects track running to the a big cut-off, and the. The grade will of 45 feet to the mile.

tion of the Cass Street pool took place in Saturday evening, fees of the Trinity

Notwithstanding dition of the streets, attendance of about o were well enter- programme was an at- was well carried out. st parts of the pro- duct, "The Boat- sung by Willie nie Simpkins. The was rendered by

style The cost of the buildings is about \$10,000, and the machinery will cost \$40,000, making an investment, exclusive of the ground of about \$50,000. The buildings are ready for the machinery, a part of which has already arrived, and the rest is now en route from Baltimore. The boilers and engine are of the same power as those used in the Smelting Works—from 70 to 100 horse power. They were made in Chicago.

The works will be in complete running order inside of six weeks, under the management of Mr. S. E. Locke, who came here from Baltimore, where for many years past he has been engaged in the manufacture of white lead. He had had for some time past an idea of coming to Omaha to establish lead works

ploy of the Union for over ten years.

man, and was ago

The funeral to the auspices of the ment Association y

Since writing th that John Croft, a has been taken sio of the nitric acid a

For a magazine in itself, "Andrews ces all competitors the question of use to which all others the literary, dran news make the per most entertaining to W. R. Andrews, cents for specimen

Fine French Can

Omaha daily bee. (Omaha [Neb.]) 187?-1922

March 05, 1878, Image 4

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1878-03-05/ed-1/seq-4/>

attendance of about
no were well enter-
ogramme was an at-
l was well carried out.
st parts of the pro-
duet, "The Boat-
sung by Willie
Simpkins. The
was rendered by
nd Annie Simpkins,
of juvenile acting.
broughtout elicited a
raise on account of
There are 65 girls in
chool, which is in a
condition, owing to
orts of the ladies of
who are entitled to a
edit.

on "Paris' Pave-
appeared in The
day, has attracted

The works will be in complete
running order inside of six weeks,
under the management of Mr. S.
E. Locke, who came here from Bal-
timore, where for many years past
he has been engaged in the manu-
facture of white lead. He had had
for some time past an idea of coming
to Omaha to establish lead works
here. He looked the field over
carefully, and saw that it was the
best point in the country for such a
factory, as the raw material could
be obtained here, and thus save
freight one way. He saw that the
competition in the East had run
prices down to such an extent that
he must do something in self-
defense. Lead has dropped from 7
cents per pound to 3½ and 4 within
a year past, and when a corroder
had to pay freight on the raw ma-

ces all competitor
the question of use
to which all others
the literary, dram-
news make the per-
most entertaining
to W. R. Andrews,
cents for specimen

Fine French Can-
& Mauss'.

HAM AN

Fresh Invoice
sugar cured hams, 6
per pound. Fresh
our farm. Nine do
m412 J. E. I

Jewelry and silv
Max Meyer & Bro

Noti

Notice is herob
stockholders of the
the Company that

Omaha daily bee. (Omaha [Neb.]) 187?-1922

March 05, 1878, Image 4

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1878-03-05/ed-1/seq-4/>

redit.

le on "Paris" Pave-
sh appeared in THE
r day, has attracted
attention. It is an
at if cement is used
oken stones, and
nd rolled, it will form
osition. Mr. Hertz-
om we obtained the
who has laid a great
ment in Paris and
is talking about.

st week Special Mail
of this city, arrested,
Iowa, a mail agent
rds Pierrepont Duf-
running on a branch
go, Burlington and
1. He had a prelimi-
ation, and was held
sum of \$2,000 which

defense. Lead has dropped from 7
cents per pound to 3½ and 4 within
a year past, and when a corrodor
had to pay freight on the raw ma-
terial from the West to the East,
and the consumer in the West had
to pay freight on it when it was
sent back in the shape of white
lead, the profits were too small,
owing to the decline of the raw ma-
terial. Mr. Locke accordingly
came to Omaha last fall, and upon
making his business known he
had no difficulty in organizing
a stock company composed
of William A. Paxton, president; C.
W. Mead, vice-president; N. Shel-
ton, secretary and treasurer; S. E.
Locke, manager, and Levi Carter;
among whom the stock was en-
tirely taken and paid for. Mr. Locke,
the practical man of the company.

Max Meyer & Br

Not

Notice is here
stockholders of the
ing Company that
meeting of the stock
company will be 1
March 4th, at 7:
office of the Omaha
the purpose of el
directors and off
transacting such
may come before

E. ROSEWA

A. SORENSON, S

For the best at
Winter Wheat Flour
PUNDT, MEYER
& M

Did you ever h
woman, or child v
accident so long as

Omaha daily bee. (Omaha [Neb.]) 187?-1922

March 05, 1878, Image 4

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1878-03-05/ed-1/seq-4/>

on, and was held
of \$2,000, which
as furnished. The
him is said to be
was detected by
iters, and register-
es, broken open,
ed in his car. He
young man, very
ected, and is a
pont, former min-
His arrest caused
motion.

lay morning's train
urlington & Quincy
Quincy, a passen-
ne as F. H. Farber,
, reported to the
id been robbed of
States bonds during
cized the conduc-
the sleeper with

tirely taken and paid for. Mr. Locke,
the practical man of the company
is one of the heaviest stockholders.
He it was who saw the advantages
of Omaha for such a factory, and he
engineered the enterprise from the
start, and has personally superin-
tended the construction of the
buildings.

The company expect to secure the
trade of the entire West. They can
manufacture white lead, or, as it is
more technically called, the carbon-
ate of lead, cheaper in Omaha than
else where, by reason of not having
to pay freight on the raw material,
which is obtained from the Smelting
Works, and thus they can, in ship-
ping their products to the East, save
freight one way, and thus success-
fully compete with eastern corrod-
ers. They propose to make
the carbonate of lead dry

woman, or child who
accident so long as th
of the "Laundry Q
house?

The Franklin Lig
the result of twenty
rience and close appl
ness—applying every
and studying closely
ment suggested by ei
the company have
time, labor or money
their Rod. Their exte
ance with manufac
line enables them to
materials from the bes
at the most favorable
In this respect the
advantages, being t
largest house in the
United States, havin
les constantly runn
most facilities

Omaha daily bee. (Omaha [Neb.]) 187?-1922

March 05, 1878, Image 4

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1878-03-05/ed-1/seq-4/>

me as F. H. Farber,
y, reported to the
ad been robbed of
States bonds during
ceased the conduc-
the sleeper with
m. They were at
police station, but
ad to indioate that
bers. Farber still
had lost them, but
e any complaint.
l some excitement
ten, all of whom be-
the robbery to be
ber lost no time in
as soon as the men
as we learn from
h to the Chicago

MANUFACTURE.

Works, and thus they can, in ship-
ping their products to the East, save
freight one way, and thus success-
fully compete with eastern corro-
ora. They propose to make
the carbonate of lead dry
or in oil, and will sell it dry
to the mixers, who mix it in oil, as
mixing and corroding, are two
different branches of the trade.

These works will employ about
forty men, ten of whom will be
skilled hands, and who are already
on the ground, having come here
from Baltimore, under contract
with Mr. Locke. The unskilled la-
borers will be procured in Omaha.

A SHOT TOWER.

It is very likely that a shot man-
ufactory will also be started in Oma-
ha at an early day, for the same
reasons that a white lead factory has

at the most favorabl

In this respect th
advantages, being
largest house in th
United States, havin
les constantly runn
these great facilities
these justly celebrat
up to the supply. T
represented in this
House, who, by
is doing a thri
for them here. Tho
lightning rods shoul
vestigate the supt
claimed by this Com
era. Their work m
many of our Oma
among the most cen
Cruikshank & Co., d
A. J. Simpson, ca
Clark & Warden,
Erek & Hanson, groc

Omaha daily bee. (Omaha [Neb.]) 187?-1922

January 01, 1881, Morning Edition, Page 2, Image 2

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1881-01-01/ed-1/seq-2/>

case of twenty over 1879, footing up \$5,000 per 0 for the year. There are employed in the cooper on an average 2,000 bar-

The establishment con- tons of fuel per day, or ; the year. Eighteen hun- e fed, and the following rain purchased and con- 34,000 bushels; rye, 3,600 ; 30,000; malt, 48,000; re were fed to cattle 2,000

is the fourth in production ates, the three largest be- nd First Illinois districts, hio. It was established ars ago, and has been an in building up a market ebraska grain. The com- own malt, now occupying g erected by the Brewer & company. They do all manufacturing everything fine spirits. They have eir rectifying capacity in a finer quality of spirits there being a greatly in- for the finer grade of

The officers of the company are: Charles W. Mead, president; H. W. Mead, vice-president; E. W. Nash, secretary and treasurer; Charles Balbach, superintendent.

WHITE LEAD WORKS.

These works have been established three years. The company have added new buildings and machinery so as to double their capacity during the past year, and are now turning out 2,000 tons per annum. The sales of white lead during the year 1880 aggregate \$250,000.

One-fifth of all the refined pig lead used in the United States is turned out by the Omaha Smelting and Refining company. This makes Omaha one of the best points, if not the very best, in the country for obtaining supplies of raw material for cor- roding purposes.

This company give employment to forty men, who are kept busy the year round. They have invested \$15,000 in additional buildings, improvements in machinery, etc., during the past year.

LINSEED OIL MILL.

The Woodman Linseed Oil Company has been incorporated under the general incor- poration act with capital stock of \$50,000. The company have a mill already in opera-

ing the year cracks \$100,000.

O. J. Wilde, No. building up a fine t show cases in goods ture; having had in and fully understand

A. J. Simpson's during the past ye number of elegant fa T. L. Longfrey ma of spring wagons a s

The Western Corn proprietor, are rap business, and supply for cornices in Om many orders for inte ka and Western low

Medimber & Da riages and buggies.

Whitney, Clark & mills, now in their tl their manufacturing past year.

MECHANIC

Omaha gives emplo les and trades people

Bakers..... 16
Blacksmiths..... 27

SHOXS SEARING REPARATION.

Alleged Overcharges by a Licensed Agent in Dealing With the Jobs.

THE BANKERS AND CIVILIZATION.

The Body of a Famous Dairy Man Found in the Ice Box of His Apartment in New York City.

An incident which has caused a sensation in New York City is the discovery of the body of a famous dairy man, John J. Brandeis, found in the ice box of his apartment in New York City. The body was found by a janitor while cleaning the apartment. Brandeis was a well-known figure in the dairy industry and his death has caused a great deal of speculation.

Mr. Brandeis was found in the ice box of his apartment in New York City. The body was found by a janitor while cleaning the apartment. Brandeis was a well-known figure in the dairy industry and his death has caused a great deal of speculation. The cause of death is still unknown, but it is believed that he may have died of a heart attack.

Mr. Brandeis was a well-known figure in the dairy industry. He was a successful businessman and a member of the National Dairy Association. His death has caused a great deal of speculation and many people are wondering what caused him to die.

The cause of death is still unknown, but it is believed that he may have died of a heart attack. The death of Mr. Brandeis is a great loss to the dairy industry and his family.

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CARTER WHITE LEAD WORKS

Omaha's Great Manufacturing of White Lead and Liquid White.

The Extensive Machinery and the Process of Production—A Whistle-Blowing.

No incident of Omaha's rapidly increasing manufacturing holds a position of more importance to the city than the Carter White Lead Works. This company, which has been in existence for over twenty years, is one of the largest manufacturers of white lead and liquid white in the United States.

The Carter White Lead Works is located in Omaha, Nebraska. It is one of the largest manufacturers of white lead and liquid white in the United States. The company has a long history of success and is known for its high quality products.

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ROYAL BAKING POWDER

Absolutely Pure.

AMUSEMENTS.

BOYD'S OPERA HOUSE

MONDAY EVENING, FEBRUARY 22.

MAGGIE MITCHELL

Specialty: A Grand Musical Comedy.

"PEARL OF SAVOY"

Specialty: A Grand Musical Comedy.

F. M. ELLIS & CO.

Architects and Building Supervisors.

OMAHA, NEB., and DES MOINES, IA.

Office: 100 and 102 South 13th Street.

OMAHA

MEDICAL INSTITUTE

CHRONIC and Surgical Diseases.

DR. H. H. HARRIS, President.

Office: 100 and 102 South 13th Street.

Private, Medical and Surgical Diseases.

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BANKRUPT SALE

Of Ladies' and Misses Fine Shoes, Monday,

Hickman Bazaar Co's. Stock.

AT

J. L. BRANDEIS & SON,

506 and 508 South 13th Street.

These shoes are all new stock as Mr. Hickman only put in shoes a short time ago, and they are from the best manufacturers in the country. Following are some of the prices at which we will sell them:

1st Ladies' Kid Patent Shoes, 99c a Pair.

1st Ladies' French Kid Shoes, \$1.97 a Pair.

The best shoe from the Hickman stock, \$2.29 a Pair.

This is a very soft, fine Kid Patent shoe, that is worth at least \$2.29, but our price is less than \$2.29 a pair.

This is a very fine French Kid shoe, that is worth at least \$2.29, but our price is less than \$2.29 a pair.

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This is a very fine French Kid shoe, that is worth at least \$2.29, but our price is less than \$2.29 a pair.

Two Orphans

Have 3176 pair of Pants to Select from.

Look them Over. One Pair of the 3176

Ought to suit You.

LOOK FOR PANTS

1113, 1113, 1113, 1113.

Farnam St. Farnam St.

THE YANKEE BOYS FROM MAINE

Panthers, Panthers, Panthers.

THE IRON BANK.

Capital and Surplus \$100,000.

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THE OMAHA DAILY BEE

Omaha daily bee. (Omaha [Neb.]) 187?-1922

February 22, 1886, Page 8, Image 8

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1886-02-22/ed-1/seq-8/>

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CARTER WHITE LEAD WORKS

Omaha's Great Manufactory of White Lead
and Liquid Paints.

The Extending Business and the Pro-
cess of Production—A Reporter
Visits the Works.

No institution of Omaha's rapidly in-
creasing manufacture holds a position of
more importance in its line than the Car-
ter White Lead works. This company
opened business on January 1st as suc-
cessor to the Omaha White Lead com-
pany and occupies the plant of its pre-
decessor near the Twentieth street cross-
ing of the Union Pacific tracks. The of-
ficers of the company are Levi Carter,
president, H. W. Yates, vice president
and treasurer, and S. B. Hayden, sec-
retary.

New energies are being applied to the
concern, and the prosperity of former
times is redoubled. Six traveling rep-
resentatives cover the entire territory
west of the Mississippi, and orders have
been pouring in so greatly beyond the
the capacity of the works
that one of the greatest of the company's
present labors is to increase facilities for
swelling production. Many improve-
ments and new machinery have already
been put in, and further items of enlarge-
ment and extension are now under way.
The goods of the company are already in
the hands of the jobbers and leading drug-
gists of all western cities, but the inten-
tion is to secure the universal confidence
of consumers and control the markets
naturally tributary to Omaha and her
manufactories. The maxim of the com-
pany is, "Liberal advertising, sterling
goods and the encouragement of home
industries." To this end a perfect article
is being turned out, and the trade mark

For Cold War

Standing room was at
night at the W. C. T. U.
hall to hear Mr. Joe Critt-
perance orator. His lectu-
terpiece. The Reform
masse to the Congregation
terday morning where
hearty welcome. To night
field delivers a free lecture
ryw night there will be a
benefit for the gentlemen.

A Defective

The fire department w
about 1:30 o'clock yesterda
extinguish a small blaze in
house at the corner of
Dodge streets. No water
and the fire was extinguish
loss. It was caused by a d

The Lotos Glee club,
Messrs. L. M. Bartlett, N.
W. B. Wilkins and S. B.
concert at the First
Tabernacle March 1.



Omaha daily bee. (Omaha [Neb.]) 187?-1922

February 22, 1886, Page 8, Image 8

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1886-02-22/ed-1/seq-8/>

Bluffs, the other
oss carpenter in Glen-
one daughter, Mrs.
Theodore Beckman, of
Beckman & Co., Coun-
tes will take the body
ding and remove them
son-in-law.

Review.

been a period of general
of business. The job-
an increased volume of
edding week, with every
ied activity. Collections
ry merchants generally
is the farmers are dis-
and live stock which
scenty.

ats have been fairly ne-
on most lines. Eggs,
sted at 10¢/17c the week
is 20c last week, though
sales were made at 18c
es were for choice, fresh
ek went at lower
ied or pickled eggs
d were slow sale at any
esh laid eggs are coming
o easy matter to dispose
not strictly fresh. The
completely out of the
ners of the near vicinity
etail dealers to a certain
ommission men are very
are light. There has
change in the poultry
k, prices ranging about
s have not been large but
emand. Receipts of game
ght. There is quite a de-
prairie chickens, and a
of the fact that they are
e is a liberal supply of
the demand is not very
epts thus far have sold
es, apples, onions, etc.,
moving to any extent
ts can not be made with
safety.

has not been very active
the receipts have
and few have been
he demand for anything
eck is very limited. The
ged hands has as a rule
is. In fact prices have
d in many cases even
in than eastern markets

New energies are being applied to the
concern, and the prosperity of former
times is redoubled. Six traveling rep-
resentatives cover the entire territory
west of the Mississippi, and orders have
been pouring in so greatly beyond the
the capacity of the works
that one of the greatest of the company's
present labors is to increase facilities for
swelling production. Many improve-
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been put in, and further items of enlarge-
ment and extension are now under way.
The goods of the company are already in
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tion is to secure the universal confidence
of consumers and control the markets
naturally tributary to Omaha and her
manufactories. The maxim of the com-
pany is, "Liberal advertising, sterling
goods and the encouragement of home
industries." To this end a perfect article
is being turned out, and the trade mark
of "Purity" is being founded on unas-
ailable ground. Under the name of the
Carter White Lead company's Diamond
brand of pure white lead, strongest guar-
antee of purity is given.

A reporter for the BEE had the pleas-
ure yesterday of a visit to the works, and
made a tour of the plant under the kindly
and intelligent guidance of one of the
officials. The works comprise a number
of large buildings, situated near the main
track of the railway, and accommodated
still further in the matter of transporta-
tion facilities by a side track which en-
ters the yards. The buildings are large
and imposing, and the smoke and steam
and hum of traffic, maintained night and
day, impress even the casual witness
with the activity of labors prosecuted
within the walls.

White lead is not only a valu-
able commodity, but in these times
is an absolute necessity in the
arts and trades. The manufacture is a
great and important matter of commerce,
and Omaha should feel pride in possess-
ing an institution for its production in
such extensive and perfect form. The
process is interesting and simple withal
if one executes the wonders of chemical

RC
BA
PO
Absol

This powder nov-
ty, strength and
ness than the
sold in competition
test, short weight,
Sold only in cans.
105 Wall St., New

AM

BOYD'S

MONDAY EVE

Annual Appari

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Omaha daily bee. (Omaha [Neb.]) 187?-1922

February 22, 1886, Page 8, Image 8

Image provided by University of Nebraska, Lincoln

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moving to any extent
can not be made with
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not been very active
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few have been
demand for anything
is very limited. The

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and prices have been
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in the live stock and
as in the wholesale

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(Neb.) land; five lots
od store building
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also eighty acres
yn of Essex (Iowa).
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ork in Omaha.
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to Saunders street
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ark. He discoure
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nd 100 inquirers re-
meeting. About
ed religion. This
s a powerful spirit-
Omaha. Mr. Hogan
place to-night.

sized safe. Will

within the walls.

White lead is not only a valu-
able commodity, but in these times
is an absolute necessity in the
arts and trades. The manufacture is a
great and important matter of commerce,
and Omaha should feel pride in possess-
ing an institution for its production in
such extensive and perfect form. The
process is interesting and simple withal
if one excepts the wonders of chemical
phenomena of which men know and take
advantage, but cannot explain. The
thoughtful mind ever finds pleasure in
following the process by which the crude
materials are converted into articles of
trade, and few are more interesting than
the manufacture of white lead.

The Carter company has a patented
process of its own which en-
tails no waste and largely ex-
pedites the production. Starting
with rough pig lead, the same as is used
in other branches of commerce the won-
derful work begins. The metal is melted
in an iron vessel in the bottom of which
a small perforation permits the flow of a
tiny molten stream. As the melted lead
falls it is struck by a violent jet of steam
and blown in a metallic spray into a
sealed chamber. This is called the
atomizing process by which the lead is
reduced to the finest particles. When
filled, the chamber, or blow-room as it is
called, is opened and the atomized lead,
now lost to its natural lustre and re-
sembling dried and powdered clay, is re-
moved. It is then placed in large cylin-
dical vats, forty in number, through
which the carbonic gas from a
coko furnace is forced by fans.
The vats rotate slowly, thus exposing
every particle of the lead, and upon this
a spray of water and acetic acid is
slowly played. Chemical action follows,
and as a fortnight passes the metal is
converted into acetate or sugar of lead.
Then the carbonic gas performs its func-
tions, and in a few days following, once
more obeying the mysterious laws of
chemistry, the nature of the substance is
changed and carbonate of lead is pro-
duced. This is the form in which it is
desired, and when inspection shows that
the action has been perfect, the lead, now
a white, chalky substance, is taken out

BOYD'S OF

MONDAY EVENING

Annual Appearance

MAGGIE

Supported by a Pow-
erful first production in 1
years of the 1

"PEARL (

Miss Mitchell in the
MARIE. Every care
to the proper mount
Sale of seats begi

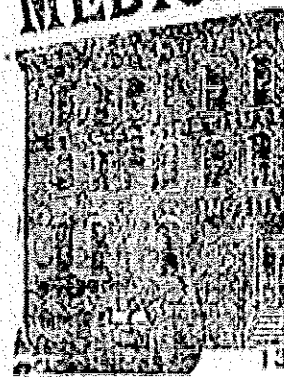
F. M. EL

Architects and B

OMAHA, NEB, an
Office, Cor. 14th and
OMAE
GEORGE BERLINSON

ON

MEDICAL



FOR THE TH
Chronic & Su
DR. McMEN/
Sixteen years' Hosp

Omaha daily bee. (Omaha [Neb.]) 187?-1922

February 22, 1886, Page 8, Image 8

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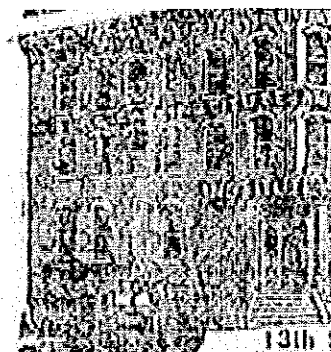
DEIS & SON,
608 S. 13th St.

graphs.
ast yesterday.
returned from
own live stock

coke furnace is forced by fans.
The vats rotate slowly, thus exposing
every particle of the lead, and upon this
a spray of water and acetic acid is
slowly played. Chemical action follows,
and as a fortnight passes the metal is
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Then the carbonic gas performs its func-
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changed and carbonate of lead is pro-
duced. This is the form in which it is
desired, and when inspection shows that
the action has been perfect, the lead, now
a white, chalky substance, is taken out.
The lingering traces of acetic acid must
be removed, and long and repeated baths
in water follows. The lead is ground as
in a burr stone mill and washed again
and again until the last
defective trace is gone, and the
water is then evaporated in a steam
heated drying room. Once more the
lead appears as powdered chalk and is
ready for the last stage, where mixed
with linseed oil it is ground and reground
until the proportion and consistency is
attained to the minutest exactitude. It is
then commercial white lead, and when
packed in kegs of varying capacity and
labeled it is ready for the market.

The old process by which the carbon-
ate was obtained by burying the lead in
pots of corrosive acid under mounds of
heat-producing tar-bark or manure is
evidently less advantageous than the
above described. The old fashion re-
quired weeks of waiting and incurred
the risk of having to be repeated if the
pits were opened prematurely as well as
entailing a heavy waste. The purity of
the article turned out by the Carter pro-
cess is assured absolutely, and is practi-
cally supported by a strong guarantee.

The company is making a new de-
parture in the liquid paint trade by put-
ting on the market a strictly pure white
lead and zinc paint, which is also guar-
anteed. This department of the works
is as interesting as the lead buildings.
The body of the paint is made from a
proportionate mixture of white lead and
white zinc ground in linseed oil. The
color is imparted with mineral and veg-



FOR THE TREAT Chronic & Surg

DR. McMENAM
Sixteen years' Hospital.
We have the facilities, for
the successful treatment
case requiring either medical
and invite all to come and in-
or correspond with us. Long
cases by letter enables sci-
entifically without seeing.
WRITE FOR CIRCULAR
Braces, Club Feet, Cur-
DISEASES OF WOMEN, P-
Catarrh, Bronchitis, Inhal-
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all surgical operations.
Batteries, Inhalers, I
all kinds of Medical and Su-
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The only reliable Medi- Private, Special

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ALL CONTAGIOUS AN
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We can remove Syphilis
without mercury.

New restorative treatment
ALL COMMUNICATI-
Call and consult us or for
address—plainly written—
will send you, in plain wrap-
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PRIVATE CIRCU
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Persons unable to visit in
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modation of patients. In
reasonable prices. Address

Omaha Medical and
Cor. 13th St. and Capitol

Nebraska Na

Omaha daily bee. (Omaha [Neb.]) 187?-1922

February 22, 1886, Page 8, Image 8

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1886-02-22/ed-1/seq-8/>

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lead and zinc paint, which is also guar-
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is as interesting as the lead buildings.
The body of the paint is made from a
proportionate mixture of white lead and
white zinc ground in linseed oil. The
color is imparted with mineral and veg-
etable pigments as may be required.
These are worked up together and the va-
rious hues sought for attained perfectly un-
der the quick eye of the experienced fore-
man. Every desirable color from the
seven prismatic to the shades and tints
of modern invention are made. Blue,
yellow, green, red, violet, indigo, sienna,
raw and burnt, raw and burnt umber,
maroon, olive, brown, gray and every
hue desirable, are turned out in the very
best and purest character for practical
usages.

The company in this department has a
newly patented can sealer which seems
almost intelligent in its operations. The
old system of soldering is being aban-
doned, and the perfected method is now
applied to all the new goods. A can with
a lid fitting over the body is employed,
and the machine by rapid revolutions
rims and doubles the edges of the lid and
can together in such a manner so secure
that they cannot be separated, and leak-
age or evaporation is impossible. It is a
valuable invention, and promises to
revolutionize the present method of
canning in all trades of that character.

Further details of the great institution
would be of interest, but the leading
points have been touched upon and the
full interest is left to the personal inspec-
tion of the reader, and the merits of the
product are submitted to the markets of
the world.

ALL COMMUNICA
Call and consult us or
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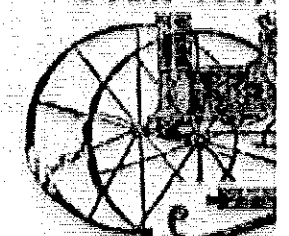
H. W. YATES, Pres
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OVER 400,



Fastest Riding Ve
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Omaha daily bee. (Omaha [Neb.]) 187?-1922

June 15, 1890, Part I, Page 2, Image 2

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1890-06-15/ed-1/seq-2/>

WHITE LEAD WORKS BURNED.

The Extensive Plant of the Carter Company
Reduced to Ashes.

LOSS ESTIMATED AT FULLY \$150,000.

Steps to Be Taken at Once to Re-
build on a Much Greater
Scale—A Fireman Seri-
ously Injured.

A mass of blackened and smoldering ruins, a tall chimney and broken walls on South Twentieth between Hickory and Williams streets, are all that is left to mark the spot where the Carter white-lead works stood. Fire wrought its havoc and what was yesterday the scene of busy life is now ruin and destruction.

At ten minutes after 10 o'clock last night, as Fred Peterson, the fireman at the works, was passing into the engine room, he discovered a sheet of flames leaping up in the blow room. Instantly rushing to the engine he blew the whistle loud and long. This brought Perry Hale, the night watchman, and Tom Collins to the spot and screaming "fire!" at the top of their voices they rushed out of the building.

A few moments later Officer Kirk saw the flames break through the roof of the blow room, and running to the house of Fred Hale, at Twentieth and Martha, telephoned in an alarm, which was responded to by hose company No. 3.

In the meantime the flames had spread rapidly, and a second alarm was turned in by Officer Drummy from box No. 6, at Twentieth and Pierce, which brought out hose companies 2, 4, 5 and 6, hook and ladder companies 1 and 2 and chemical engine No. 1.

The run was made in a remarkably short time, and in ten minutes from the time the first alarm was sounded eight streams were

A NOVEL SUIT.

Steps to Prevent Executions with
Westinghouse Dynamo.

ALBANY, N. Y., June 14.—[Special gram to THE BEE.]—The next legal step will be taken in behalf of the Westinghouse electric company to prevent the use of vibratory current dynamos for the execution of murderers in this state will be in the form of a writ of replevin to the repossession of the three dynamos of their patent in the state prisons at Auburn. Dannema Slog Sing, which Harold P. Brown, electrical expert, purchased for the state.

The Westinghouse company claims to have a property interest in the dynamo they sell (or claim merely to sell) to customers after the manner of a telephone company in leasing its telephones and will seek by action to restrain them from employing them for executorial purposes.

They will claim that Brown illegally fraudulently obtained possession of the dynamo in collusion with its customers, having a hold possession of the dynamos in question. This will prove a novel and interesting litigation.

Weather Crop Bulletin.

WASHINGTON, June 14.—The weather bulletin says the weather has been favorable for growing crops in the northwest this week. The condition of wheat is reported excellent in South Dakota and northern Nebraska, and has been much improved recent rains in North Dakota, while in eastern Nebraska the wheat crop is in poor condition. Iowa reports crops improved, the wheat a great increase and the prospects better than in the past three years. The harvest of corn is in progress in southern Kansas with a good crop. In northern Illinois wheat is in good condition. In the central portion of the state the crop is poor, with considerable acreage plowed up. Minnesota reports the wheat crop in very good condition, a large increase in acreage. The crop has been slightly injured in some sections by rains and rust has appeared in some places.

Poisoned Ice Cream.

KNOXVILLE, Tenn., June 14.—[Special

Omaha daily bee. (Omaha [Neb.]) 187?-1922

June 15, 1890, Part I, Page 2, Image 2

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panels 1 and 2 and chemical engine No. 1.

The run was made in a remarkably short time, and in ten minutes from the time the first alarm was sounded eight streams were playing on the flames. But it was like fighting against fate, as the spread of the fire, owing to the combustible material contained in the building, was rapid, and about all that could be done was to keep it from spreading to the adjoining buildings.

The buildings burned were the corroding room, which was filled with great iron cylinders, where the lead is first reduced by chemicals; the engine room, the grinding room, where the material is reduced to fine particles; the blow room, the boiler room, and the wash room. In this latter room the lead is, by the use of other chemicals, turned to a liquid and then the solid portions blown into dust.

The blow room was constructed of brick, the others of wood, and after reaching these latter buildings the flames shot into the air to a great height, carrying pieces of burning boards for several rods, endangering the surrounding buildings, which were only saved from destruction by being flooded with water.

The origin of the fire is unknown, though it is supposed to have been caused by sparks or coals falling from the furnace and igniting some of the particles of dust which were scattered over the floor of the blow room.

Levi Carter, the principal stockholder, had just returned from a trip to Cheyenne and was telephoned at his residence, 1808 Day-empore street, and in a cab was hurriedly driven to the scene. In speaking of the loss he stated that it would be fully \$150,000, besides the loss that would result from the closing down of the works. Although the amount could not be learned, it is understood the loss is fully covered by insurance.

The work of rebuilding will be commenced as soon as the ruins can be cleared away, and by the end of the present season the plant will again be in operation with its capacity largely increased.

The scene was wild and weird and of a most thrilling nature, and was watched by at least 20,000 people, who gathered on the hills in the immediate vicinity to gaze upon the huge columns of flames as they shot heavenward, and listen to the falling of timbers and walls as they gave way to the raging sea of fire.

Frank Messick, a pipeman of No. 3 house, while directing a steam against one of the buildings, was injured by the explosion of a barrel containing oil or turpentine. One of the staves struck him on the right hip, knocking him several feet and bruising his

Poisoned Ice Cream.

KNOXVILLE, Tenn., June 14.—[Special Telegram to THE BEE.]—The Second I church and Sunday school gave a picnic to the city yesterday. Among the refreshments served during the day was a quantity of ice cream. All who partook of the cream were taken suddenly and severely sick.

Physicians were called and rendered medical aid. Sixteen children and ladies are in a very critical condition and some of them will die.

The cream had been standing for two days in the freezers. The men who made the cream have been threatened with violence and law suits.

Investigating Alleged Bribery.

BOSTON, Mass., June 14.—The committee investigating the alleged bribery in connection with the passage of the West End examined G. A. Bruce, counsel for the Shepherd railroad company. His testimony related to an arrangement between the West End and Ames-Shepherd railway, whereby the latter would not petition for a charter this year and were to assist the West End company, as he understood, for a moment's consideration. Witness knew no members of the legislature employed in the interest of the West End company, but furnished a list of prospective workers to whom money had been paid.

The Chinese Persist in Coming.

TUCSON, Ariz., June 1.—[Special Telegram to THE BEE.]—The Star's Horn correspondent in Sonora says the Chinese are coming into Sonora in large numbers, every landing at Guaymas bringing in more. There is not less than 400 arrivals in the last two months. It is understood that the United States is the point of destination. Thousands sought employment in mines with success. Considerable feeling is manifested by the Mexican laboring class against the Chinese coming into the state.

The Christian Endeavor Convention.

ST. LOUIS, Mo., June 14.—The delegates to the Christian Endeavor convention at morning session took a steamship excursion down the river to Jefferson barrage tonight's meeting President Clark, Secretary Thompson and Treasurer Shaw were re-elected.

Omaha daily bee. (Omaha [Neb.]) 187?-1922

June 15, 1890, Part I, Page 2, Image 2

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while directing a steam against one of the buildings, was injured by the explosion of a barrel containing oil or turpentine. One of the staves struck him on the right hip, knocking him several feet and bruising his leg severely. He was picked up insensible and taken to the engine house in the patrol wagon. City Physician Gaper attended him at once, and after an examination pronounced no bones broken. The limb was badly swollen and very painful, but no serious results were anticipated. At midnight the injured man was resting easy but was suffering considerable pain.

History of the Plant.

The Omaha white lead works were established in 1878 by W. A. Paxton, C. W. Mead, Levi Carter and S. E. Locke. They began with a paid up capital of \$50,000. In 1881 the capital was increased to \$90,000. During the first years' work 1,000 tons of white lead were manufactured, the sales of which amounted to \$150,000. Twenty men only were given employment at the inception of the enterprise, but this force steadily grew in number and business continued to increase so the force was increased to thirty and was employed both day and night, including Sundays. The only cessation from labor has been when the machinery has been stopped for repairs. In 1880 the sales aggregated \$250,000.

The company has undergone a number of changes in the past few years, while the style of manufacture has also experienced a change. The present officers are Levi Carter, president, and Stuart B. Hayden secretary. The buildings cover more than an acre of ground and are filled with the most improved machinery for the making of white lead. The supply of piglead for corroding purposes is obtained from the smelting works of this city, which turns out about one-fourth of the refined piglead in this country. Shipments of goods are made to various parts of the country, especially to the states and territories on the west and from Manitoba, British America, to Mexico. During the past year \$50,000 was expended in new improvements and machinery, giving employment to fifty people and increasing the capacity of the works to 25,000 pounds or nearly 5,000 tons per year. The plant is one of the best known in the country and is considered one of the leading industries of the city. The announcement is gratefully received that it will be rebuilt and on a much larger scale than before.

The Christian church of this city in its morning session took a steamship down the river to Jefferson bar tonight's meeting President Clark, Baer and Treasurer Shaw were in their respective offices. The resolutions presented a series of reaffirming the principles of the After tomorrow's session the will adjourn to meet next year at M

Sheriff Fatally Shot

BOONEVILLE, Mo., June 14.—Sheriff was shot and fatally wounded by William West, a prisoner awaiting trial for murder. The taken West to supper and as he West drew a revolver and fired, escaped, but was soon caught.

Ten Persons Injured

ASHEVILLE, N. C., June 14.—bound mail train on the Richmond railroad which left here this afternoon derailed near Marshall. Ten per hurt, some seriously. Information owing to the reticence of the railroad.

Nebraska Stock Sells A

St. Louis, Mo., June 14.—The farming company has purchased of Ladd & Son of Beatrice, Neb., t Counsellor, 2:24, by Onward, 3 Crop. The price paid was \$22,000.

International Typographical

ATLANTA, Ga., June 14.—The International Typographical convention adjourned this afternoon. They passed a law regular compositors from holding more than six days in any week.

Balloonist Fatally Inju

KNOXVILLE, Tenn., June 14.—E son, a balloonist, while making a in the outskirts of the city today, height of seventy-five feet and was injured.

Steamship Arrivals

At New York—The Etruria, fr pool.

At London—Sighted, the Nord New York.

The Fire Record.

Omaha daily bee. (Omaha [Neb.]) 187?-1922

June 16, 1890, Page 8, Image 8

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Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1890-06-16/ed-1/seq-8/>

THE OMAHA DAILY BEE,

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A MASS OF RUINS.

The Carter Lead Plant Presents a Desolate Spectacle.

A blackened pile of ruins marks the site of the Carter white lead works. Over the en- tire space occupied by the familiar white painted buildings with their shattered venti- lators is a tangled mass of metallic serpents. Iron bands, pipes, wheels, huge tanks and long iron rods are twisted and tangled in an inextricable snarl. The long iron smoke- stack is broken into half a dozen pieces and lies across a bent and twisted pile of iron drying tanks. Above the blackened mass of ruins tower up three or four ragged looking rem- nants of brick walls keeping watch over the surrounding desolation.

The officials of the institution estimate the loss at \$150,000, computing the value of the machinery at \$100,000. Rebuilding operations will be commenced at once.

The buildings and plant were insured for \$80,000, distributed as follows:

German American of New York.....	\$ 1,500
Springfield of Massachusetts.....	1,000
Union of San Francisco.....	2,000
Merchants' fire and marine.....	750
Atlas of Hartford.....	2,000
The Traders' of Chicago.....	2,000
Sun fire office of London, Eng.....	2,500
Security of New Haven, Conn.....	1,500
Hartford fire of Hartford, Conn.....	2,500
London and Lancashire.....	1,500
Fire association of Philadelphia.....	1,500
Fireman's fund of San Francisco.....	2,500
The Lancashire.....	2,000
Pennsylvania fire of Philadelphia.....	1,500
Western assurance of Toronto Can....	1,000
American fire of New York.....	1,000
The South British fire and marine.....	1,000
Liverpool and London Globe.....	2,500
United fireman's of Philadelphia.....	1,000
Phenix of Brooklyn.....	2,500
State of Des Moines, Ia.....	1,000
North American of London, Eng.....	750
Norwich union of England.....	2,500
Insurance company of North America..	2,500
Detroit fire and marine.....	1,000
The Spring Garden of Philadelphia.....	1,000
Union of California.....	2,500
The People's fire of Manchester, N. H....	1,000
The Union of Philadelphia.....	1,500
The Franklin of Columbus, O.....	1,500
National fire of Hartford.....	2,500
The London and Lancashire fire.....	1,500
Rhode Island Underwriters's of Provid- ence.....	0 000

Save You

BY a timely use of Ayer
This preparation for
dressing. It keeps the s
and healthy, and preser
fullness, and beauty of t

"I was rapidly becom-
gray; but after using
bottles of Ayer's Hair
grew thick and glossy &
color was restored."—A
Canaan Centre, N. H.

"Some time ago I lost
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then used Ayer's Hair
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Thick and S

It has apparently come
Vigor is evidently a great
—J. B. Williams, Florist

"I have used Ayer's
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It is all I could desire. I
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Mrs. M. A. Bailey, 9
Haverhill, Mass.

"I have been using Ay
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color."—Mrs. H. J. Kl
Dry Goods, &c., Bishopv

Ayer's Hair

PREPARED BY

Dr. J. C. Ayer & Co.,
Sold by Druggists and

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Omaha daily bee. (Omaha [Neb.]) 187?-1922

June 16, 1890, Page 8, Image 8

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and carrying Gen- of his officers out of France.

Descriptions in foreign remarkable aerial voy- taken from Chiffault'saturday, November 15,

made to the balloon eriments made by Mr. lison's representative Rutch, director of the cal observatory, who a well known aeronaut, charge of the balloon.

Villette gas works at balloon of 300 cubic balloon rose immedi- about half a mile and er the earth to enable ound to be made and f several interesting and the surrounding nents in flashing sig- upon mirrors were also the partly assembled ere also conducted ising and falling rap- ight static charge upon on; and some interest- th the dipping needle e of magnets at vari- ared with the same e earth's surface, still more interesting inging, shooting and ack from the earth's istinctness, and Mr. en the whistling of an altitude of about , through the fifteen- rds to the ear, was end, and avers that h with him he could ous heights by the the originals and the with the barometric :delay that occurred e clouds which hung emorning had for the that with the excep- ds of distant cloud with the clouds could o mirage observable clouds, nor were the by Dr. Wells in his e ily observable. ascended higher than ounds the character of

links. ABOVE the shattered mass of ruins tower up three or four ragged looking rem- nants of brick walls keeping watch over the surrounding desolation.

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Etna of Hartford.....	2,000
The Trailers of Chicago.....	2,000
Sun fire office of London, Eng.....	2,500
Security of New Haven, Conn.....	1,500
Hartford fire of Hartford, Conn.....	2,500
London and Lancashire.....	1,500
Fire association of Philadelphia.....	1,500
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Phoenix of Brooklyn.....	2,500
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The Spring Garden of Philadelphia.....	1,000
Union of California.....	2,500
The People's fire of Manchester, N. H....	1,000
The Union of Philadelphia.....	1,500
The Franklin of Columbus, O.....	1,500
National fire of Hartford.....	2,500
The London and Lancaster fire.....	1,500
Rhode Island Underwriters's of Provi- dence.....	2,000
The Insurance Company of the State of Pennsylvania.....	1,500
Providence Washington of Rhode Is- land.....	1,500
The Phoenix of Hartford, Conn.....	2,500
Oakland Home of California.....	2,000
Phoenix of Brooklyn.....	2,500
St. Paul fire and marine.....	1,000
The Lancashire of Manchester, Eng....	1,000
Queen of Liverpool, Eng.....	2,500
Chicago mutual.....	1,000
Mutual fire association of Wisconsin..	1,000
Manufacturers' mutual of Wisconsin...	1,000
The Insurance Company of the State of Pennsylvania.....	1,500
Providence Washington of Rhode Is- land.....	1,500
Rhode Island underwriters' associa- tion.....	2,000
The American fire of Philadelphia.....	2,000

Total.....\$80,000

CLAMPETT BROUGHT BACK.

consequence of waiting, he new then used Ayer's hair grew

Thick a

It has apparently Vigor is evidently — J. B. Williams,

"I have used the past four or five most satisfactory. It is all I could do causing the hair color, and require to render the hair Mrs. M. A. Bai Inverhill, Mass.

"I have been in for several years, caused my hair color."—Mrs. H. Dry Goods, &c., I

Ayer's H

PREP

Dr. J. C. Ayer & Sold by Drugg

Kabo is f break their can't be bro guarantees i for a year; behind the s And Kab To kink is i to break. antees it no year; and tl the store.

If a single it "bone," i Kabo break

TO ENDURE FOR CENTURIES.

Legacy of the World's Greatest Architect.

THE ADDRESS OF MAJOR CUNEO.

Major General Cuneo, President of the National Association of Architects, and a Description of the Building.

The great building, a masterpiece of architecture, stands as a monument to the genius of the architect. It is a building that will endure for centuries.

The building is a masterpiece of architecture, a legacy of the world's greatest architect. It is a building that will endure for centuries.

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FOR COUNTY ASSASSIN.

The Question of Assassinating the President.

The question of assassinating the president is a serious one. It is a question that has been discussed for many years.

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Pears' Soap

Fair white hands.
Bright clear complexion.
Soft healthful skin.

"PEARS"—The Great English Complexion SOAP—Sold Everywhere.

Strange indeed that it is—
A PLAIN THING
like SAPOLIO should
make everything so bright, but
A needle clothes others, and is itself
naked. Try it in your next house cleaning.

What else it would be to eat with a plate of silver. Yet people from the locked up in the swinging gates of the law.

POSITIVE THE ONLY BIG SHOW COMING BEFORE AUTUMN!
THE GATES OF WONDERLAND THROWN WIDE AWAKE!

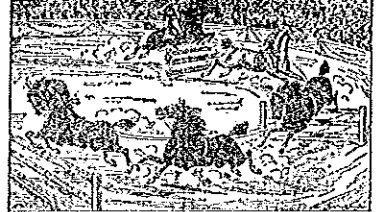
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Three-Ring Circus, Two Elevated Shows, and Four Continents. Monarchs, 10,000 Spectators.

S. H. BARRETT'S

Monster International World's Fair.
Zoological Institute, Trade Shows, Metropolitan Museum and Great Eastern Monarchs.

Will Exhibit at Omaha, Friday, July 4th.
Council Bluffs, Saturday, July 5th.



The Two Leading Shows of the Season are Traveling and Exhibiting as One!

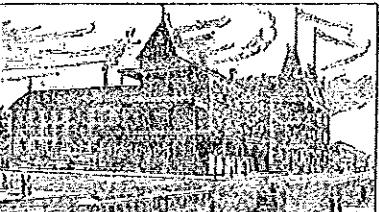
A Flock of Ostriches.

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OR SEVEN ELEPHANTS
A PAIR OF MOUNTAIN CATTLE
A PAIR OF MOUNTAIN CATTLE

300 Phenomenal Performers!

THE STAMBO GRASS CIRCUS
OF THE COUNTRY
Circus, Cattle and Cattle Shows.
Circus, Cattle and Cattle Shows.

The Whole Mammoth Show Presented at Once.



The Omaha Medical and Surgical Institute.

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OF THE PUBLIC CHARITY.

LOTTERY OF THE BENEFICENCIA PUBLICA.

THE NEXT MONTHLY DRAWING.

CAPITAL PRIZE, \$100,000.

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Omaha daily bee. (Omaha [Neb.]) 187?-1922

June 20, 1890, Page 5, Image 5

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1890-06-20/ed-1/seq-5/>

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idle of the upper

and every trace of scrofula, salt rheum, or
other disease, may be expelled by taking
Hood's Sarsaparilla, the best blood purifier
ever produced. It is the only medicine of
which "100 doses one dollar" is true.

REBUILDING WITH A RUSH.

The Carter White Lead Works Arising From Their Ashes.

Mr. Carter, president of the Carter white
lead works, notified the lumbermen of Omaha
that he has decided to rebuild the company's
works immediately and to send him bids for
the lumber by 5 o'clock yesterday afternoon.

The announcement was a surprise to the
lumber dealers of the city. Surprise, not at
the announcement that Mr. Carter had de-
cided upon rebuilding, but that he was going
to do it with so great a rush.

It was also learned that the lumber must
be hauled to the site of the old works within
ten days.

The new works will be upon a greatly en-
larged scale and will provide for double the
capacity of the old ones.

A great force of men is now working day
and night clearing away the ruins, while the
contracts for machinery, etc., are being let
by telegraph.

Mrs. M. Schaenberg, Beaver Dam, Wis.,
writes: "We have used Dr. Thomas' Elec-
tric Oil in our family for coughs, colds, croup
and rheumatism. It cures every time."

INFANTILE FINGERS.

They Have Worked Many Interesting Things in the Public Schools.

The public school art exhibit in The Bee
building was the great drawing card yester-
day, and again last night the fine spacious
rooms wherein is displayed the handiwork of
the young hopefuls of Omaha, were thronged
with a mass of happy children, admiring
parents, proud teachers and enthusiastic
friends. Every visitor went away feeling
that the children of this city have indeed a
brilliant prospect before them.

The stately and reserved banker of Capitol
Hill elbowed the dust-stained coat of the
man in humbler walks of life. They were all

natural colors and in over-
al and unique.

The exhibit will not
night and ought to attract
every taxpayer.

Never Give

If you suffer with just
any other disease of the
nothing can surprise you
improvement that will
SANTA ABIE. If you
catarrh, and have tried it
will be unable to express
the marvelous and great
powers of CALIFORNIA.
These remedies are not
but natural productions
at \$1 a package; three for
fifty by Goodman Drug Co.

AN OLD OMAHA

He Still Has a Recolle- rence of

A prominent citizen of
Groenebaum in Chicago
Father Groenebaum will
the founder of the German
Omaha and was for many
years interested in church work
Catholics of this city.

"I am now located at
Father Groenebaum, and
nearly 200 families. No
one would want to return
many friends there, but I
have graciously treated them
O'Connor. The Catholic
over the property on
where the German Ca-
stands, for which
slaying the better years
will find, if ever they will
pose of that property that
thing to say about it. I
insert a condition in the
erty shall revert to me if
anything else than a ch
suppose that property in-
uable," continued Father
in case they want to sell
where I suppose they will
"Are you expecting to v
"No, I am not inclined
did they would try to buy

Omaha daily bee. (Omaha [Neb.]) 187?-1922

June 21, 1890, Page 4, Image 4

Image provided by University of Nebraska, Lincoln

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ment to Judge Groff. No officer of the government has shown greater ability and energy in the discharge of his duties, and the record he has made, not only in guarding the rights of honest settlers, but in expediting business, was worthy of substantial recognition. It is a reward of merit.

THE active reconstruction of the Carter white lead works, recently destroyed by fire, disposes of the ridiculous stories set afloat by fake papers. Mr. Levi Carter, the principal proprietor of these works, is a model of western grit. Undismayed by the pecuniary losses sustained, he proposes to build on a larger scale and swell the industries of the city by a plant second to none in the country. Omaha affords superior advantages for the profitable operation of the plant. Possessing the largest reduction works in the world, there is an unfailing supply of raw material right at its door, while the market for the manufactured product is unlimited. These advantages, coupled with improved processes of manufacture and progressive management, make the Carter white lead works a successful competitor for the trade of the west. With enlarged capacity and modern improvements, it will undoubtedly surpass its prosperous record in the past and command its full share of the constantly increasing trade of the surrounding territory.

than they already

If we are to have make it free to other competition with the coolie and Mexico? If the equalize the values why should the bl nearly all our mine bonus out of the r their bullion instead ference between its the face value of its tax-paying people o who maintain this g

RECIPROCAL COM

The communicatio the president relatir between this coun American nations, amendment to the the senate, doubtles retary of state, hull of the administrati and more intimate between the United American nations policy supported by the republicans in onistic. They at l however, that the tration is that the p sirable to adopt l mutual concessions, ease this policy falls the Latin-America

Omaha daily bee. (Omaha [Neb.]) 187?-1922

August 12, 1890, Page 2, Image 2

Image provided by University of Nebraska, Lincoln

Persistent link: <http://chroniclingamerica.loc.gov/lccn/sn99021999/1890-08-12/ed-1/seq-2/>

Etolka scratched. Time, 1:02½.
ace, seven-eighths mile—Bellevue
(the) won, Sequoia Colt second,
Jed, Marigold, Pashontas, John
G. and Hannah scratched. Time,

ce, seven-eighths mile, selling—
lly won, Bessie (the favorite) sec-
son third, Hemet scratched. Time,

ace, two and one-half miles, sell-
etta won, Elvra second, Behu
est (the favorite) not heard from,
Jundee and Little Moore scratched.
fig.

ce, one and one-fourth miles, hand-
Cody (the favorite) won, Ball-
ol, Vivid third, Brown Charlie,
undee and Cust Steel scratched.
l.

ce, full course, steeplechase—Dele-
Repeater second, Elphin (the fav-
l.

Saratoga Races.

A. N. Y., August 11.—[Special Tel-
me Bee.]—The weather was clear
and fast. Following is a summary
of the races:

ce, five-eighths mile—Rainbow won,
second, Golden Rod (the favorite)
third. Time—1:02½.

ace, one and one-eighth miles—King
Hypocrite (the favorite) second,
Her third.

ce, five-eighths mile, two-year-olds
(the favorite) won, Allen Duno
third. Time—1:03½.

race, one mile, three-year-olds—
(the favorite) won, Foxmedo second,
Her third. Time—1:40½.

ce, one mile and seventy yards,
Alman won, Birthday (the favor-
l, Barrister third. Time—1:45½.

Guttenburg Races.

ene, N. J., August 11.—[Special
o The Bee.]—Summary of today's

ongs—Ida Girl won, Long Jack
ld Stream third. Time—1:17.

longs—Polydora won, Euola sec-
a third. Time—1:04½.

six and one-half furlongs—Henry
von, Arizona second, Ruby Royal
third. Time—1:24½.

one-half furlongs—Entoutown won,
second, Speedwell third. Time—

one and one-eighth miles—Pashon

THE BOARD OF TRADE.

A Showing of Finances and Some Interesting Reports.

The board of trade met in regular monthly session last night with President Martin in the chair. There were very few members present. The directors' report showed that the bills allowed for July amounted to \$1,117.96. The rents collected for July aggregated \$1,821.27, for August from the 1st to the 11th \$1,246.82. The delinquent rent account amounts to \$1,270.41. There are six vacant rooms in the board of trade building, the rental value of which is placed at \$100. Secretary Nason read a lengthy, well prepared and very interesting account of the visit made by the president and secretary of the board to the Black Hills, the tin mines, Deadwood and other points in that region.

The special committee appointed at a previous meeting to take action in regard to the Carter White Lead works reported as follows:

Whereas, It has come to the knowl-
edge of this board that Levi Carter,
esq., after the conflagration which de-
stroyed his extensive plant not long
since, refused an offer of \$800,000 to remove
the same elsewhere, and

Whereas, Mr. Carter refused the offer and
relocated his works in East Omaha and has
already invested largely in the building up of
Omaha:

Resolved, That the foresight and business
judgment of Mr. Carter in this matter, is
greatly to be admired and commended.

Also further thanking Mr. Carter for the
great faith he thus shows in the future devel-
opment and importance of this city.

Secretary Nason made extended remarks
on the subject of population, comparing
Omaha's strides in that direction during the
past ten years to Kansas City. While the
latter was several laps ahead of Omaha ten
years ago here is the relative positions they
occupy now:

Omaha.....	142,800
Kansas City.....	123,000

But Kansas City has eighty-eight money
loaning agencies to Omaha's thirty-three.
This fact seemed to impress Mr.
Nason as being an indication
that Omaha is not doing business on bor-
rowed capital nearly so much as Kansas
City. He called attention to the fact that
Kansas City bank stock is bought and sold
largely by local dealers, which tends to make
business brisk down there, and he thought
Omaha might show a little more enterprisa

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TODO: - Work on retirement plan - Find anniversary gift
✓ Make vet appointment - Clean out garage

BUSINESS PEOPLE; CHIEF AT NL RESIGNS; SIMMONS TAKES POSTS

By Daniel F. Cuff
Published: Friday, March 13, 1987

Theodore C. Rogers resigned yesterday as chairman and chief executive of NL Industries, an oilfield services company that has been reporting losses in the oil economy slump.

He will be replaced, at least temporarily, by the Texas investor Harold C. Simmons, who took control of the company last year.

The company declined to give a reason for the resignation. A source close to Mr. Rogers said he could have remained at least until his employment contract ran out in 1988 but that he was not satisfied with developments under Mr. Simmons.

Mr. Rogers, 52, submitted his resignation to the NL board in New York yesterday and then left on a trip to Texas. An NL spokesman said he could not be reached for comment.

Mr. Rogers also quit as chairman and chief executive of NL Chemicals.

Mr. Simmons, 55, was named to succeed Mr. Rogers as chairman of NL and NL Chemicals. Mr. Simmons is president and chief executive of Valhi Inc., which owns approximately 51 percent of NL.

NL would not comment on whether Mr. Simmons plans to hold the job permanently or only until a replacement for Mr. Rogers can be found. Mr. Rogers has agreed to a consulting arrangement with respect to various matters affecting Valhi's investment in NL.

Mr. Rogers joined NL in 1980 as president and became chief executive in 1983 and chairman the next year. Mr. Simmons led a group of investors in a takeover of the company last year. Mr. Simmons is a self-styled corporate raider who operates from Dallas. His family-owned Contran Corporation has investments valued last year at close to \$700 million in over 50 companies.

Mr. Rogers worked at Armco Inc., the steel company in his hometown of Middletown, Ohio, from 1958 to 1980 and was in charge of its oilfield activities. He is known for his strong operations background and has spent much of his time at NL trimming costs.

Mr. Rogers is a graduate of Miami University in Ohio and earned an M.B.A. from Marquette University. He is married to Elizabeth Barlow Rogers, administrator of New York's Central Park.

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COMPANY NEWS; Simmons' NL Bid Is Not Extended

Published: August 8, 1986

Harold C. Simmons, the Dallas investor, said his \$900 million offer to buy NL Industries, the New York-based oilfield services and chemical company, expired yesterday and would not be extended.

The NL Acquisition Corporation, the investment group controlled by Mr. Simmons, said its action was in response to an injunction issued Wednesday by a Federal appeals court in New York that prevented it from continuing its takeover efforts until Aug. 28.

The court issued the injunction after the Federal District Court in Manhattan invalidated two anti-takeover provisions adopted by NL Industries, clearing the way for Mr. Simmons to complete his tender offer. NL then appealed to the higher court, which granted the injunction until a three-judge panel could hear oral arguments on the case on Aug. 28.

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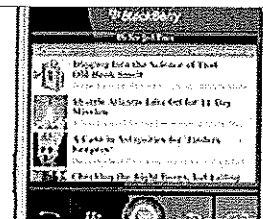
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GET STARTED

COMPANY NEWS; Valhi Increases Offer for NL

Special to the New York Times
Published: Tuesday, August 25, 1987

Valhi Inc., a diversified holding company controlled by Harold C. Simmons, the Dallas investor, said it had submitted a sweetened \$794 million merger proposal to the independent directors of NL Industries.

The plan was similar to the original proposal, announced April 23, in that it would split NL Industries into two parts. The company's chemical unit, NL Chemicals Inc., would be indirectly owned by Valhi. The remaining divisions, consisting primarily of petroleum services operations, would be spun off to the stockholders.

In its announcement, however, Valhi said it would offer NL shareholders an additional \$2 per common share, or a total premium of \$59.4 million, in either cash, Valhi securities or a combination. Valhi currently owns 51 percent of NL's 60.6 million common shares outstanding.

A committee of NL's outside directors said that it was studying the proposal, but that it would continue to explore alternatives, including talks with others interested in buying the company, based in New York.

The deal, which was conditioned on the signing of a binding definitive merger agreement between the companies by Sept. 30, could be completed during the fourth quarter, if accepted, Valhi said.

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A version of this article appeared in print on Tuesday, August 25, 1987, on section D page 4 of the New York edition.

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Washington, D.C. 20549

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FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934 - For the fiscal year ended December 31, 2008

Commission file number 1-640

NL INDUSTRIES, INC.
(Exact name of Registrant as specified in its charter)

New Jersey
(State or other jurisdiction of
incorporation or organization)

13-5267260
(IRS Employer
Identification No.)

5430 LBJ Freeway, Suite 1700, Dallas, Texas
(Address of principal executive offices)

75240-2697
(Zip Code)

Registrant's telephone number, including area code: (972) 233-1700

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None.

Indicate by check mark:

If the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

If disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes ☐ No ☒

Whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Act). Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

Whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of the 6.8 million shares of voting stock held by nonaffiliates of NL Industries, Inc. as of June 30, 2008 (the last business day of the Registrant's most recently-completed second fiscal quarter) approximated \$65 million.

As of February 27, 2009, 48,602,584 shares of the Registrant's common stock were outstanding.

Documents incorporated by reference

The information required by Part III is incorporated by reference from the Registrant's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this report.

PART I

ITEM 1. BUSINESS

The Company

NL Industries, Inc. was organized as a New Jersey corporation in 1891. Our common stock trades on the New York Stock Exchange, or the NYSE, under the symbol NL. References to "NL Industries," "NL," the "Company," the "Registrant," "we," "our," "us" and similar terms mean NL Industries, Inc. and its subsidiaries and affiliate, unless the context otherwise requires.

Our principal executive offices are located at Three Lincoln Center, 5430 LBJ Freeway, Suite 1700, Dallas, TX 75240. Our telephone number is (972) 233-1700. We maintain a website at www.nl-ind.com.

Business Summary

We are primarily a holding company. We operate in the component products industry through our majority-owned subsidiary, CompX International Inc. (NYSE: CIX). We operate in the chemicals industry through our non-controlling interest in Kronos Worldwide, Inc. CompX (NYSE: CIX) and Kronos (NYSE: KRO), each file periodic reports with the Securities and Exchange Commission ("SEC").

Organization

We are majority-owned by Valhi, Inc. (NYSE: VHI). At December 31, 2008, Valhi owned approximately 83% of our outstanding common stock. Subsidiaries of Contran Corporation owned approximately 94% of Valhi's outstanding common stock at December 31, 2008. Substantially all of Contran's outstanding voting stock is held by trusts established for the benefit of certain children and grandchildren of Harold C. Simmons (for which Mr. Simmons is the sole trustee) or is held directly by Mr. Simmons or other persons or entities related to Mr. Simmons. Consequently, Mr. Simmons may be deemed to control Contran, Valhi and us.

Forward-looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Statements in this Annual Report that are not historical facts are forward-looking in nature and represent management's beliefs and assumptions based on currently available information. In some cases, you can identify forward-looking statements by the use of words such as "believes," "intends," "may," "should," "could," "anticipates," "expects" or comparable terminology, or by discussions of strategies or trends. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we do not know if these expectations will be correct. Such statements by their nature involve substantial risks and uncertainties that could significantly impact expected results. Actual future results could differ materially from those predicted. The factors that could cause actual future results to differ materially from those described herein are the risks and uncertainties discussed in this Annual Report and those described from time to time in our other filings with the SEC include, but are not limited to, the following:

- Future supply and demand for our products,
- The extent of the dependence of certain of our businesses on certain market sectors,
- The cyclical nature of our businesses (such as Kronos' titanium dioxide pigments ("TiO₂") operations),
- Customer inventory levels (such as the extent to which Kronos' customers may, from time to time, accelerate purchases of TiO₂ in advance of anticipated price increases or defer purchases of TiO₂ in advance of anticipated price decreases),
- Changes in raw material and other operating costs (such as energy and steel costs),
- General global economic and political conditions (such as changes in the level of gross domestic product in various regions of the world and the impact of such changes on demand for, among other things, TiO₂ and component products),
- Possible disruption of our business or increases in the cost of doing business resulting from terrorist activities or global conflicts,
- Competitive products and substitute products, including increased competition from low-cost manufacturing sources (such as China),
- Customer and competitor strategies,
- Potential consolidation or solvency of our competitors,
- Demand for office furniture,
- Demand for high performance marine components,
- Substitute products,
- The impact of pricing and production decisions,
- Competitive technology positions,
- The introduction of trade barriers,
- Service industry employment levels,
- Fluctuations in currency exchange rates (such as changes in the exchange rate between the U.S. dollar and each of the euro, the Norwegian kroner, the Canadian dollar and the New Taiwan dollar),
- Operating interruptions (including, but not limited to, labor disputes, leaks, natural disasters, fires, explosions, unscheduled or unplanned downtime and transportation interruptions),
- The timing and amounts of insurance recoveries,
- Our ability to maintain sufficient liquidity,
- The extent to which our subsidiaries were to become unable to pay us dividends,
- CompX's and Kronos' ability to renew or refinance credit facilities,
- The ultimate outcome of income tax audits, tax settlement initiatives or other tax matters,
- Potential difficulties in integrating completed or future acquisitions,
- Decisions to sell operating assets other than in the ordinary course of business,
- Uncertainties associated with new product development,
- The ultimate ability to utilize income tax attributes or changes in income tax rates related to such attributes, the benefits of which have been recognized under the more-likely-than-not recognition criteria,
- Environmental matters (such as those requiring compliance with emission and discharge standards for existing and new facilities or new developments regarding environmental remediation at sites related to our former operations),
- Government laws and regulations and possible changes therein (such as changes in government regulations which might impose various obligations on present and former manufacturers of lead pigment and lead-based paint, including us, with respect to asserted health concerns associated with the use of such products),
- The ultimate resolution of pending litigation (such as our lead pigment and environmental matters), and
- Possible future litigation.

Should one or more of these risks materialize or if the consequences of such a development worsen, or should the underlying assumptions prove incorrect, actual results could differ materially from those currently forecasted or expected. We disclaim any intention or obligation to update or revise any forward-looking statement whether as a result of changes in information, future events or otherwise.

Operations and equity investment

Information regarding our operations and the companies conducting such operations is set forth below. Geographic financial information is included in Note 3 to the Consolidated Financial Statements, which is incorporated herein by reference.

Component Products

CompX International Inc. - 87%
owned at December 31, 2008

CompX is a leading manufacturer of security products, precision bearing slides and ergonomic computer support systems used in the office furniture, transportation, postal, tool storage, appliance and a variety of other industries. CompX is also a leading manufacturer of stainless steel exhaust systems, gauges and throttle controls for the performance marine industry. CompX has production facilities in North America and Asia.

Chemicals

Kronos Worldwide, Inc. - 36%
owned at December 31, 2008

Kronos is a leading global producer and marketer of value-added TiO₂ pigments, which are used for imparting whiteness, brightness and opacity to a diverse range of customer applications and end-use markets, including coatings, plastics, paper and other industrial and

consumer "quality-of-life" products. Kronos has production facilities in Europe and North America. Sales of TiO₂ represented about 90% of Kronos' total sales in 2008, with sales of other products that are complementary to Kronos' TiO₂ business comprising the remainder.

COMPONENT PRODUCTS - COMPX INTERNATIONAL INC.

Industry Overview - Through our majority-owned subsidiary, CompX, we manufacture components that are sold to a variety of industries including office furniture, recreational transportation (including performance boats), mailboxes, tool boxes, appliances, banking equipment, vending equipment, computers and related equipment. Approximately 33% of CompX's total sales in 2008 are to the office furniture manufacturing industry, compared to 32% in 2007 and 36% in 2006. The decrease in the percentage of sales to the office furniture industry from 2006 is partially the result of our strategy to diversify our sales in order to strengthen our customer base. We believe that our emphasis on new product features and sales of our products to additional markets has resulted in our potential for higher rates of earnings growth and diversification of risk.

Manufacturing, Operations and Products - CompX's Security Products business, with a manufacturing facility in South Carolina and a facility in Illinois shared with the Marine Components business, manufactures locking mechanisms and other security products for sale to the postal, transportation, office furniture, banking, vending, and other industries. We believe that CompX is a North American market leader in the manufacture and sale of cabinet locks and other locking mechanisms. CompX's security products are used in a variety of applications including ignition systems, mailboxes, vending and gaming machines, parking meters, electrical circuit panels, storage compartments, office furniture and medical cabinet security. These products include:

- disc tumbler locks which provide moderate security and generally represent the lowest cost lock to produce;
- pin tumbler locking mechanisms which are more costly to produce and are used in applications requiring higher levels of security, including CompX's *KeSet* high security system, which allows the user to change the keying on a single lock 64 times without removing the lock from its enclosure; and
- innovative eLock electronic locks which provide stand-alone security and audit trail capability for drug storage and other valuables through the use of a proximity card, magnetic stripe, or keypad credentials.

A substantial portion of CompX's Security Products' sales consist of products with specialized adaptations to an individual manufacturer's specifications, some of which are listed above. CompX also has a standardized product line suitable for many customers which is offered through a North American distribution network to lock distributors and to smaller original equipment manufacturers ("OEMs") via its *STOCK LOCKS* distribution program.

CompX's Furniture Components business, with facilities in Canada, Michigan and Taiwan, manufactures a complete line of precision ball bearing slides and ergonomic computer support systems for use in applications such as computer-related equipment, appliances, tool storage cabinets, imaging equipment, file cabinets, desk drawers, automated teller machines and other applications. These products include:

- the patented *Integrated Slide Lock* which allows a file cabinet manufacturer to reduce the possibility of multiple drawers being opened at the same time;
- the patented adjustable *Ball Lock* which reduces the risk of heavily-filled drawers, such as auto mechanic tool boxes, from opening while in movement;
- the *Self-Closing Slide*, which is designed to assist in closing a drawer and is used in applications such as bottom-mount freezers;
- articulating computer keyboard support arms (designed to attach to desks in the workplace and home office environments to alleviate possible user strains and stress and maximize usable workspace), along with the patented *LeverLock* keyboard arm, which is designed to make ergonomic adjustments to the keyboard arm easier;
- CPU storage devices which minimize adverse effects of dust and moisture; and
- complementary accessories, such as ergonomic wrist rest aids, mouse pad supports and flat screen computer monitor support arms.

CompX's Marine Components business, with a facility in Wisconsin and a facility in Illinois shared with the Security Products business, manufactures and distributes marine instruments, hardware and accessories for performance boats. CompX's specialty marine component products are high performance components designed to operate within precise tolerances in the highly corrosive marine environment. These products include:

- original equipment and aftermarket stainless steel exhaust headers, exhaust pipes, mufflers and other exhaust components; and
- high performance gauges such as GPS speedometers and tachometers;
- controls, throttles, steering wheels and other billet accessories; and
- dash panels, LED lighting, rigging and other accessories.

CompX operated six manufacturing facilities at December 31, 2008 including one facility in Grayslake, Illinois that houses operations relating to Security Products and Marine Components.

Security Products

Mauldin, SC
Grayslake, IL

Furniture Components

Kitchener, Ontario
Byron Center, MI

Marine Components

Neenah, WI
Grayslake, IL

Taipei, Taiwan

Raw Materials - CompX's primary raw materials are:

- zinc, copper and brass (used in the Security Products business for the manufacture of locking mechanisms);
- coiled steel (used in the Furniture Components business for the manufacture of precision ball bearing slides and ergonomic computer support systems);
- stainless steel (used in the Marine Components business for the manufacture of exhaust headers, pipes and other components); and
- plastic resins (primarily used in the Furniture Components business for injection molded plastics in the manufacture of ergonomic computer support systems).

These raw materials are purchased from several suppliers and are readily available from numerous sources.

CompX occasionally enters into raw material arrangements to mitigate the short-term impact of future increases in raw material costs. While these arrangements do not necessarily commit us to a minimum volume of purchases, they generally provide for stated unit prices based upon achievement of specified purchase volumes. We utilize purchase arrangements to stabilize our raw material prices provided we meet the specified minimum monthly purchase quantities. Raw materials purchased outside of these arrangements are sometimes subject to unanticipated and sudden price increases. Due to the competitive nature of the markets served by our products, it is often difficult to recover all increases in raw material costs through increased product selling prices or raw material surcharges. Consequently, overall operating margins can be affected by raw material cost pressures. All of our primary raw materials are impacted by related commodity markets where prices are cyclical, reflecting overall economic trends and specific developments in consuming industries.

Patents and Trademarks - CompX holds a number of patents relating to component products, certain of which are believed to be important to its continuing business activity. Patents generally have a term of 20 years, and CompX's patents have remaining terms ranging from less than one year to 15 years at December 31, 2008. CompX's major trademarks and brand names include:

Furniture Components

CompX Precision Slides®
 CompX Waterloo®
 CompX ErgonomX®
 CompX DurISlide®
 Dynaslide®
 Waterloo Furniture
 Components Limited®

Security Products

CompX Security Products®
 National Cabinet Lock®
 Fort Lock®
 Timberline®
 Chicago Lock®
 STOCK LOCKS®
 KeSet®
 TuBar®
 CompX eLock®
 Lockview® Software

Marine Components

Custom Marine®
 Livorsi Marine®
 CMI Industrial Mufflers™
 Custom Marine Stainless
 Exhaust™
 The #1 Choice in
 Performance Boating®
 Mega Rim™
 Race Rim™
 CompX Marine™

Sales, marketing and distribution - CompX sells components directly to large OEM customers through factory-based sales and marketing professionals and with engineers working in concert with field salespeople and independent manufacturers' representatives. CompX selects manufacturers' representatives based on special skills in certain markets or relationships with current or potential customers.

A significant portion of CompX's sales are also made through distributors. CompX has a significant market share of cabinet lock sales as a result of the locksmith distribution channel. CompX supports distributor sales with a line of standardized products used by the largest segments of the marketplace. These products are packaged and merchandised for easy availability and handling by distributors and end users. Due to CompX's success with the *STOCK LOCKS* inventory program within the Security Products business, similar programs have been implemented for distributor sales of ergonomic computer support systems within the Furniture Components business.

In 2008, our ten largest customers accounted for approximately 35% of our total sales; however, no one customer accounted for sales of 10% or more in 2008. Of the 35%, 15% was related to Security Products and 20% was related to Furniture Components. Overall, our customer base is diverse and the loss of a single customer would not have a material adverse effect on our operations.

Competition - CompX operates in highly competitive markets, and competes primarily on the basis of product design, including ergonomic and aesthetic factors, product quality and durability, price, on-time delivery, service and technical support. CompX focuses efforts on the middle- and high-end segments of the market, where product design, quality, durability and service are valued by the customer.

CompX's Marine Components business competes with small domestic manufacturers and is minimally affected by foreign competitors. The Security Products and Furniture Components businesses compete against a number of domestic and foreign manufacturers. Suppliers, particularly Asian-based furniture component suppliers, have put intense price pressure on our Security Products and Furniture Components products. In some cases, we have lost sales to these lower-cost manufacturers. We have responded by

- shifting the manufacture of some products to our lower-cost facilities;
- working to reduce costs and gain operational efficiencies through workforce reductions and lean process improvements in all of our facilities; and
- working with our customers to be their value-added supplier of choice by offering customer support services which Asian-based suppliers are generally unable to provide.

International Operations - CompX has substantial operations and assets located outside the United States, principally Furniture Component operations in Canada and Taiwan. The majority of our 2008 non-U.S. sales are to customers located in Canada. These operations are subject to, among other things, currency exchange rate fluctuations. Our results of operations have in the past been both favorably and unfavorably affected by fluctuations in currency exchange rates. Political and economic uncertainties in certain of the countries in which we operate may expose us to risk of loss. We do not believe that there is currently any likelihood of material loss through political or economic instability, seizure, nationalization or similar events. We cannot predict, however, whether events of this type in the future could have a material effect on our operations. See Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 7A - "Quantitative and Qualitative Disclosures About Market Risk."

Regulatory and Environmental Matters - CompX's operations are subject to federal, state, local and foreign laws and regulations relating to the use, storage, handling, generation, transportation, treatment, emission, discharge, disposal, remediation of and exposure to hazardous and non-hazardous substances, materials and wastes ("Environmental Laws"). CompX's operations are also subject to federal, state, local and foreign laws and regulations relating to worker health and safety. We believe that CompX is in substantial compliance with all such laws and regulations. To date, the costs of maintaining compliance with such laws and regulations have not significantly impacted our results. We currently do not anticipate any significant costs or expenses relating to such matters; however, it is possible future laws and regulations may require us to incur significant additional expenditures.

Employees - As of December 31, 2008, CompX employed the following number of people:

United States	658
Canada ⁽¹⁾	237
Taiwan	81

Total

976

- (1) Approximately 75% of the Canadian employees are represented by a labor union covered by a collective bargaining agreement. A new collective bargaining agreement, providing for wage increases from 0% to 1%, was ratified in January 2009 and expires January 2012.

We believe our labor relations are good at all of our facilities.

CHEMICALS - KRONOS WORLDWIDE, INC.

Business Overview - Kronos is a leading global producer and marketer of value-added titanium dioxide pigments. Kronos, along with its distributors and agents, sells and provides technical services for its products to over 4,000 customers in approximately 100 countries with the majority of sales in Europe and North America. We believe that Kronos has developed considerable expertise and efficiency in the manufacture, sale, shipment and service of its products in domestic and international markets.

TiO₂ is an inorganic pigment used to impart whiteness, brightness and opacity for products such as coatings, plastics, paper, fibers, food, ceramics and cosmetics. TiO₂ is considered a "quality-of-life" product with demand and growth affected by gross domestic product and overall economic conditions in markets in various parts of the world. TiO₂ derives its value from its whitening properties and hiding power (opacity), which is the ability to cover or mask other materials effectively and efficiently. TiO₂ is the largest commercially-used whitening pigment because it has a high refractive rating giving it more hiding power than any other commercially-produced white pigment. In addition, TiO₂ has excellent resistance to interaction with other chemicals, good thermal stability and resistance to ultraviolet degradation. Kronos ships TiO₂ to customers in either a powder or slurry form via rail, truck or ocean carrier. Kronos, including its predecessors, has produced and marketed TiO₂ in North America and Europe for over 80 years.

We believe that Kronos is the second-largest producer of TiO₂ in Europe with an estimated 19% share of European TiO₂ sales volume. Approximately one-half of Kronos' 2008 sales volumes were attributable to markets in Europe. Kronos has an estimated 16% share of North American TiO₂ sales volume. Per capita utilization of TiO₂ in the United States and Western Europe far exceeds that of other areas in the world. We expect these markets to continue to be the largest consumers of TiO₂ for the foreseeable future. It is probable that significant markets for TiO₂ could emerge in other areas of the world. China continues to develop into a significant market and as its economy continues to mature it is probable that quality-of-life products, including TiO₂, will experience greater demand in that country. In addition, growth in recent years in Eastern Europe and the Far East has been significant as the economies in these regions continue developing to the point that quality-of-life products, including TiO₂, experience greater demand.

Sales of TiO₂ were about 90% of Kronos' net sales in 2008. The remaining 10% of net sales is made up of other product lines that are complementary to TiO₂. These other products are described as follows:

- Kronos owns and operates an ilmenite mine in Norway pursuant to a governmental concession with an unlimited term, and Kronos is currently excavating a second mine located near the first mine. Ilmenite is a raw material used directly as a feedstock by some sulfate-process TiO₂ plants, including all of Kronos' European sulfate-process plants. Kronos also sells ilmenite ore to third-parties, some of which are its competitors. The mines have estimated aggregate reserves that are expected to last for at least another 60 years.
- Kronos manufactures and sells iron-based chemicals that are co-products and processed co-products of TiO₂ pigment production. These co-product chemicals are marketed through Kronos' Ecochem division and are used primarily as treatment and conditioning agents for industrial effluents and municipal wastewater as well as in the manufacture of iron pigments, cement and agricultural products.
- Kronos manufactures and sells titanium oxychloride and titanyl sulfate which are side-stream products from the production of TiO₂. Titanium oxychloride is used in specialty applications in the formulation of pearlescent pigments and in the production of electroceramic capacitors for cell phones and other electronic devices. Titanyl sulfate products are used primarily in pearlescent pigments.

Manufacturing and operation - Kronos currently produces over 40 different TiO₂ grades under the *Kronos*TM trademark which provide a variety of performance properties to meet customers' specific requirements. Kronos' major customers include domestic and international paint, plastics and paper manufacturers.

Extenders, such as kaolin clays, calcium carbonate and polymeric opacifiers, are used in a number of the same end-use markets as white pigments. However, the opacity in these products is not able to duplicate the performance characteristics of TiO₂, and so we believe these products are not effective substitutes for TiO₂.

Kronos produces TiO₂ in two crystalline forms: rutile and anatase. Rutile TiO₂ is manufactured using both a chloride production process and a sulfate production process, whereas anatase TiO₂ is only produced using a sulfate production process. Chloride process rutile is preferred for the majority of customer applications. From a technical standpoint, chloride process rutile has a bluer undertone and

higher durability than sulfate process rutile. Although many end-use applications can use either form, chloride process rutile is the preferred form for use in coatings and plastics, the two largest end-use markets. Sulfate process anatase represents a much smaller percentage of annual global TiO_2 production and is preferred for use in selected paper, ceramics, rubber tires, man-made fibers, food and cosmetics.

Chloride production process - Approximately three-fourths of Kronos' current production capacity is based on the chloride process. The chloride process is a continuous process in which chlorine is used to extract rutile TiO_2 . The chloride process typically has lower manufacturing costs than the sulfate process due to newer technology, higher yield, less waste, lower energy requirements and lower labor costs. The chloride process produces less waste than the sulfate process because much of the chlorine is recycled and feedstock bearing higher titanium content is used.

Sulfate production process - The sulfate process is a batch chemical process that uses sulfuric acid to extract both rutile and anatase TiO_2 .

Once an intermediate TiO_2 pigment has been produced by either the chloride or sulfate process, it is "finished" into products with specific performance characteristics for particular end-use applications through proprietary processes involving various chemical surface treatments and intensive micronizing (milling). Due to environmental factors and customer considerations, the proportion of TiO_2 industry sales represented by chloride process pigments has increased relative to sulfate process pigments and, in 2007, chloride process production facilities represented approximately 60% of industry capacity.

Kronos produced 514,000 metric tons of TiO_2 in 2008, up slightly from the 512,000 metric tons produced in 2007. Such production amounts include Kronos' 50% interest in the TiO_2 manufacturing joint-venture discussed below. Kronos' average production capacity utilization rates were near-full capacity in 2006, 2007 and 2008. Kronos' production capacity has increased by approximately 30% over the past ten years due to debottlenecking programs, with only moderate capital expenditures. We believe that Kronos' annual attainable production capacity for 2009 is approximately 532,000 metric tons; however, we do expect that Kronos' production volumes in 2009 will be significantly lower than its attainable capacity.

Raw materials - The primary raw materials used in chloride process TiO_2 are titanium-containing feedstock (natural rutile ore or purchased slag), chlorine and coke. Chlorine and coke are available from a number of suppliers. Titanium-containing feedstock suitable for use in the chloride process is available from a limited but increasing number of suppliers principally in Australia, South Africa, Canada, India and the United States. Kronos purchases chloride process grade slag from Rio Tinto Iron and Titanium under a long-term supply contract that expires at the end of 2011. Kronos purchases natural rutile ore primarily from Iluka Resources, Limited under a long-term supply contract that expires at the end of 2009. Kronos expects to be successful in obtaining long-term extensions to these and other existing supply contracts prior to their expiration. We expect the raw materials purchased under these contracts to meet Kronos' chloride process feedstock requirements over the next several years.

The primary raw materials used in sulfate process TiO_2 are titanium-containing feedstock (primarily ilmenite from our Norwegian mine or purchased slag) and sulfuric acid. Sulfuric acid is available from a number of suppliers. Titanium-containing feedstock suitable for use in the sulfate process is available from a limited number of suppliers principally in Norway, Canada, Australia, India and South Africa. As one of the few vertically- integrated producers of sulfate process TiO_2 , Kronos owns and operates a rock ilmenite mine in Norway, which provided all of the feedstock for its European sulfate process TiO_2 plants in 2008. We expect that ilmenite production from the mine will meet Kronos' European sulfate process feedstock requirements for the foreseeable future. For Kronos' Canadian sulfate process plant, Kronos also purchases sulfate grade slag primarily from Q.I.T. Fer et Titane Inc. (also a subsidiary of Rio Tinto Iron and Titanium) under a long-term supply contract that expires at the end of 2009 and Tinfos Titan and Iron KS under a supply contract that expires in 2010. We expect that the raw materials purchased under these contracts will meet Kronos' sulfate process feedstock requirements over the next few years.

Many of Kronos' raw material contracts contain fixed quantities it is required to purchase, although these contracts allow for an upward or downward adjustment in the quantity purchased. The pricing under these agreements is generally negotiated annually.

The following table summarizes raw materials Kronos purchased or mined in 2008.

Production Process/Raw Material	Raw Materials Procured or Mined
	(In thousands of metric tons)
Chloride process plants:	
Purchased slag or natural rutile ore	422
Sulfate process plants:	
Raw ilmenite ore mined & used internally	305
Purchased slag	30

TiO_2 manufacturing joint venture - Kronos holds a 50% interest in a manufacturing joint venture with Huntsman Corporation

(Huntsman). The joint venture owns and operates a chloride process TiO_2 facility located in Lake Charles, Louisiana. Kronos shares production from the plant equally with Huntsman pursuant to separate offtake agreements.

A supervisory committee directs the business and affairs of the joint venture, including production and output decisions. This committee is composed of four members, two of whom Kronos appoints and two of whom Huntsman appoints. Two general managers manage the operations of the joint venture acting under the direction of the supervisory committee. Kronos appoints one general manager and Huntsman appoints the other.

Kronos is required to purchase one-half of the TiO_2 produced by the joint venture. The joint venture is not consolidated in Kronos' financial statements because Kronos does not control it. Kronos accounts for its interest in the joint venture by the equity method. The joint venture operates on a break-even basis, and therefore Kronos does not have any equity in earnings of the joint venture. Kronos shares all costs and capital expenditures of the joint venture equally with Huntsman with the exception of raw material and packaging costs for the pigment grades produced. Kronos' share of the net costs is reported as cost of sales as the related TiO_2 is sold.

Competition – The TiO_2 industry is highly competitive. Kronos' principal competitors are E.I. du Pont de Nemours & Co.; Millennium Inorganic Chemicals, Inc. (a subsidiary of National Titanium Dioxide Company Ltd. (Cristal)); Tronox Incorporated; Huntsman; and Ishihara Sangyo Kaisha, Ltd. These competitors have estimated individual shares of TiO_2 production capacity ranging from 4% (for Ishihara) to 22% (for DuPont), and an estimated aggregate share of worldwide TiO_2 production volume in excess of 60%. DuPont has about one-half of total North American TiO_2 production capacity and is Kronos' principal North American competitor. Tronox filed for Chapter 11 bankruptcy protection in January 2009, and it is unclear how and to what extent Tronox or a successor will compete in the TiO_2 industry at the conclusion of Tronox's bankruptcy proceedings.

Kronos competes primarily on the basis of price, product quality, technical service and the availability of high-performance pigment grades. Although certain TiO_2 grades are considered specialty pigments, the majority of Kronos' grades and substantially all of Kronos' production are considered commodity pigments with price generally being the most significant competitive factor. We believe that Kronos is the leading seller of TiO_2 in several countries, including Germany, with an estimated 11% share of worldwide TiO_2 sales volume in 2008. Overall, Kronos is the world's fifth-largest producer of TiO_2 .

Over the past ten years, Kronos and its competitors have increased industry capacity through debottlenecking projects. Given the current economic environment and reduced industry demand, we do not expect any significant efforts will be undertaken by Kronos or its competitors to further increase capacity through such projects in the foreseeable future. In addition, Huntsman announced the closure of one of its European facilities. Kronos believes further shutdowns or closures in the industry are possible. Even with these reductions in industry capacity, capacity utilization rates by Kronos and its competitors are expected to be lower in 2009 as compared to 2008 in response to a reduction in industry-wide demand, which in turn will result in downward pressure on average TiO_2 selling prices. Once the economic environment improves and industry-wide demand increases, the expected reduction in industry-wide capacity through plant shutdowns should have a favorable impact on production capacity utilization, selling prices and profitability. However, the volatility of the near-term economic environment makes it difficult to forecast future demand. If actual developments differ from expectations, Kronos and the TiO_2 industry's performances could continue to be unfavorably affected longer than expected.

Worldwide capacity additions in the TiO_2 market resulting from construction of new plants require significant capital expenditures and substantial lead time (typically three to five years). We are not aware of any TiO_2 plants currently under construction, and we believe that it is not likely any new plants will be constructed in the foreseeable future.

Research and development – Kronos' research and development activities are directed primarily on improving the chloride and sulfate production processes, improving product quality and strengthening Kronos' competitive position by developing new pigment applications. Kronos conducts research and development activities at its Leverkusen, Germany facility. Kronos' expenditures for research and development and certain technical support programs were approximately \$11 million in 2006 and \$12 million in each of 2007 and 2008. Kronos plans to scale back its research and development activities in 2009 due to the current adverse economic environment, consequently research and development expenditures in 2009 are expected to be lower as compared to recent history.

Kronos continually seeks to improve the quality of its grades and has been successful at developing new grades for existing and new applications to meet the needs of customers and increase product life cycle. Since 2002, Kronos has added 15 new grades for plastics, coatings, fibers and paper laminate applications.

Patents and trademarks – We believe that Kronos' patents held for products and production processes are important to us and Kronos' continuing business activities. Kronos seeks patent protection for technical developments, principally in the United States, Canada and Europe, and from time to time enters into licensing arrangements with third parties. Kronos' existing patents generally have terms of 20 years from the date of filing, and have remaining terms ranging from 1 to 19 years. Kronos seeks to protect its intellectual property rights, including its patent rights, and from time to time Kronos engages in disputes relating to the protection and use of intellectual property relating to its products.

Kronos' trademarks, including *Kronos*TM, are protected by registration in the United States and elsewhere with respect to those products Kronos manufactures and sells. Kronos also relies on unpatented proprietary knowledge, continuing technological innovation and other trade secrets to develop and maintain competitive position. Kronos' proprietary chloride production process is an important part of its technology, and Kronos' business could be harmed if it failed to maintain confidentiality of trade secrets used in this technology.

Customer base and seasonality - Kronos sells to a diverse customer base, and no single customer made up more than 10% of sales for 2008. Kronos' largest ten customers accounted for approximately 27% of sales in 2008.

Neither Kronos' business as a whole, nor any of its principal product groups is seasonal to any significant extent. However, TiO₂ sales are generally higher in the first half of the year. This is due in part to the increase in paint production in the spring to meet demand during the spring and summer painting season.

Employees - As of December 31, 2008, Kronos employed approximately 2,450 persons (excluding employees of the Louisiana joint venture), with 50 employees in the United States, 400 employees in Canada and 2,000 employees in Europe.

Kronos' hourly employees in production facilities worldwide, including the TiO₂ joint venture, are represented by a variety of labor unions under labor agreements with various expiration dates. Kronos' European Union employees are covered by master collective bargaining agreements in the chemicals industry that are generally renewed annually. Kronos' Canadian union employees are covered by a collective bargaining agreement that expires in June 2010.

Regulatory and environmental matters - Kronos' operations are governed by various environmental laws and regulations. Certain of Kronos' operations are, or have been, engaged in the handling, manufacture or use of substances or compounds that may be considered toxic or hazardous within the meaning of applicable environmental laws and regulations. As with other companies engaged in similar businesses, certain past and current operations and products of Kronos have the potential to cause environmental or other damage. Kronos has implemented and continues to implement various policies and programs in an effort to minimize these risks. Kronos' policy is to maintain compliance with applicable environmental laws and regulations at all of its facilities and to strive to improve our environmental performance. It is possible that future developments, such as stricter requirements in environmental laws and enforcement policies, could adversely affect Kronos' production, handling, use, storage, transportation, sale or disposal of such substances and could adversely effect Kronos' consolidated financial position and results of operations or liquidity.

Kronos' U.S. manufacturing operations are governed by federal environmental and worker health and safety laws and regulations. These primarily consist of the Resource Conservation and Recovery Act ("RCRA"), the Occupational Safety and Health Act, the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, the Toxic Substances Control Act and the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act ("CERCLA"), as well as the state counterparts of these statutes. We believe the TiO₂ plant owned by the joint venture and a TiO₂ slurry facility Kronos owns in Lake Charles, Louisiana are in substantial compliance with applicable requirements of these laws or compliance orders issued there under. These are Kronos' only U.S. manufacturing facilities.

While the laws regulating operations of industrial facilities in Europe vary from country to country, a common regulatory framework is provided by the EU. Germany and Belgium are members of the EU and follow its initiatives. Norway is not a member but generally patterns its environmental regulatory actions after the EU. We believe that Kronos has obtained all required permits and is in substantial compliance with applicable environmental requirements for its European and Canadian facilities.

At Kronos' sulfate plant facilities in Germany, Kronos recycles weak sulfuric acid either through contracts with third parties or at its own facilities. In addition, at its German locations Kronos has a contract with a third party to treat certain sulfate-process effluents. At its Norwegian plant, Kronos ships spent acid to a third party location where it is used as a neutralization agent. These contracts may be terminated by either party after giving three or four years advance notice, depending on the contract.

From time to time, Kronos' facilities may be subject to environmental regulatory enforcement under U.S. and foreign statutes. Typically Kronos establishes compliance programs to resolve these matters. Occasionally, Kronos may pay penalties. To date such penalties have not involved amounts having a material adverse effect on Kronos' consolidated financial position, results of operations or liquidity. We believe that all of Kronos' facilities are in substantial compliance with applicable environmental laws.

In December 2006, the EU approved Registration, Evaluation and Authorization of Chemicals ("REACH"), which took effect on June 1, 2007 and will be phased in over 11 years. Under REACH, companies that manufacture or import more than one ton of a chemical substance per year will be required to register such chemical substances in a central data base. REACH affects Kronos' European operations by imposing a testing, evaluation and registration program for many of the chemicals Kronos uses or produces in Europe. Kronos has established a REACH team that is working to identify and list all substances purchased, manufactured or imported by or for Kronos in the EU. Kronos spent \$4 million in 2007 and \$5 million in 2008 on REACH compliance, and we do not anticipate that future compliance costs will be material to Kronos.

Kronos' capital expenditures in 2008 related to ongoing environmental compliance, protection and improvement programs were \$11.9 million, and are currently expected to be approximately \$1 million in 2009.

OTHER

In addition to our 87% ownership of CompX and our 36% ownership of Kronos at December 31, 2008, we also own 100% of EWI Re. Inc., an insurance brokerage and risk management services company. We also hold certain marketable securities and other investments. See Notes 4 and 17 to the Consolidated Financial Statements.

Regulatory and environmental matters - We have discussed regulatory and environmental matters in the respective business sections contained elsewhere herein and in Item 3 - "Legal Proceedings." In addition, the information included in Note 19 to the

Consolidated Financial Statements under the captions "Lead pigment litigation" and "Environmental matters and litigation" is incorporated herein by reference.

Insurance – We maintain insurance for our businesses and operations, with customary levels of coverage, deductibles and limits. See also Item 3 – "Legal Proceedings – Insurance coverage claims" and Note 17 to our Consolidated Financial Statements.

Business Strategy – We routinely compare our liquidity requirements and alternative uses of capital against the estimated future cash flows we expect to receive from our subsidiaries and affiliates. As a result of this process, we have in the past and may in the future seek to raise additional capital, incur debt, repurchase indebtedness in the market or otherwise, modify our dividend policies, consider the sale of our interests in our subsidiaries, affiliates, business units, marketable securities or other assets, or take a combination of these and other steps, to increase liquidity, reduce indebtedness and fund future activities. Such activities have in the past and may in the future involve related companies. From time to time, we also evaluate the restructuring of ownership interests among our respective subsidiaries and related companies.

We and other entities that may be deemed to be controlled by or that are affiliated with Mr. Harold C. Simmons routinely evaluate acquisitions of interests in, or combinations with, companies, including related companies, perceived by management to be undervalued in the marketplace. These companies may or may not be engaged in businesses related to our current businesses. In some instances, we have actively managed the businesses acquired with a focus on maximizing return-on-investment through cost reductions, capital expenditures, improved operating efficiencies, selective marketing to address market niches, disposition of marginal operations, use of leverage and redeployment of capital to more productive assets. In other instances, we have disposed of the acquired interest in a company prior to gaining control. We intend to consider such activities in the future and may, in connection with such activities, consider issuing additional equity securities and increasing our indebtedness.

Available information – Our fiscal year ends December 31. We furnish our shareholders with annual reports containing audited financial statements. In addition, we file annual, quarterly and current reports, proxy and information statements and other information with the SEC. Our consolidated subsidiary (CompX) and our significant equity method investee (Kronos) also file annual, quarterly, and current reports, proxy and information statements and other information with the SEC. We also make our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments thereto, available free of charge through our website at www.nl-ind.com as soon as reasonably practicable after they have been filed with the SEC. We also provide to anyone, without charge, copies of such documents upon written request. Such requests should be directed to the attention of the Corporate Secretary at our address on the cover page of this Form 10-K.

Additional information, including our Audit Committee charter, our Code of Business Conduct and Ethics and our Corporate Governance Guidelines can be found on our website. Information contained on our website is not part of this Annual Report.

The general public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. We are an electronic filer. The SEC maintains an Internet website at www.sec.gov that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC, including us.

ITEM 1A. RISK FACTORS

Listed below are certain risk factors associated with us and our businesses. In addition to the potential effect of these risk factors discussed below, any risk factor which could result in reduced earnings or operating losses, or reduced liquidity, could in turn adversely affect our ability to service our liabilities or pay dividends on our common stock or adversely affect the quoted market prices for our securities.

We could incur significant costs related to legal and environmental matters.

We formerly manufactured lead pigments for use in paint. We and others have been named as defendants in various legal proceedings seeking damages for personal injury, property damage and governmental expenditures allegedly caused by the use of lead-based paints. These lawsuits seek recovery under a variety of theories, including public and private nuisance, negligent product design, negligent failure to warn, strict liability, breach of warranty, conspiracy/concert of action, aiding and abetting, enterprise liability, market share or risk contribution liability, intentional tort, fraud and misrepresentation, violations of state consumer protection statutes, supplier negligence and similar claims. The plaintiffs in these actions generally seek to impose on the defendants responsibility for lead paint abatement and health concerns associated with the use of lead-based paints, including damages for personal injury, contribution and/or indemnification for medical expenses, medical monitoring expenses and costs for educational programs. As with all legal proceedings, the outcome is uncertain. Any liability we might incur in the future could be material. See also Item 3 - "Legal Proceedings – Lead pigment litigation."

Certain properties and facilities used in our former operations are the subject of litigation, administrative proceedings or investigations arising under various environmental laws. These proceedings seek cleanup costs, personal injury or property damages and/or damages for injury to natural resources. Some of these proceedings involve claims for substantial amounts. Environmental obligations are difficult to assess and estimate for numerous reasons, and we may incur costs for environmental remediation in the future in excess of amounts currently estimated. Any liability we might incur in the future could be material. See also Item 3 - "Legal Proceedings – Environmental matters and litigation."

Our assets consist primarily of investments in our operating subsidiaries and affiliates, and we are dependent upon distributions

from our subsidiaries and affiliates.

The majority of our operating cash flows are generated by our operating subsidiaries, and our ability to service liabilities and to pay dividends on our common stock depends to a large extent upon the cash dividends or other distributions we receive from our subsidiaries and affiliates. Our subsidiaries and affiliates are separate and distinct legal entities and they have no obligation, contingent or otherwise, to pay such cash dividends or other distributions to us. In addition, the payment of dividends or other distributions from our subsidiaries could be subject to restrictions on or taxation of dividends or repatriation of earnings under applicable law, monetary transfer restrictions, foreign currency exchange regulations in jurisdictions in which our subsidiaries operate, any other restrictions imposed by current or future agreements to which our subsidiaries may be a party, including debt instruments. Events beyond our control, including changes in general business and economic conditions, could adversely impact the ability of our subsidiaries to pay dividends or make other distributions to us. If our subsidiaries were to become unable to make sufficient cash dividends or other distributions to us, our ability to service our liabilities and to pay dividends on our common stock could be adversely affected.

In this regard, in the first quarter of 2009 Kronos announced the suspension of its regularly quarterly dividend in consideration of the challenges and opportunities that exist in the TiO₂ pigment industry. We currently believe that we will have sufficient liquidity to service our liabilities in 2009. See Item 7. *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity."*

In February 2009, our Board of Directors declared a first quarter 2009 cash dividend of \$.125 per share to shareholders of record as of March 10, 2009 to be paid on March 26, 2009. However, the declaration and payment of future dividends, and the amount thereof, is discretionary and is dependent upon our results of operations, financial condition, cash requirements for businesses, contractual restrictions and other factors deemed relevant by our Board of Directors. The amount and timing of past dividends is not necessarily indicative of the amount or timing of any future dividends which might be paid. There are currently no contractual restrictions on the amount of dividends which we may pay.

In addition, a significant portion of our assets consist of ownership interests in our subsidiaries and affiliates. If we were required to liquidate any of such securities in order to generate funds to satisfy our liabilities, we may be required to sell such securities at a time or times at which we would not be able to realize what we believe to be the actual value of such assets.

Many of the markets in which we operate are mature and highly competitive resulting in pricing pressure and the need to continuously reduce costs.

Many of the markets CompX and Kronos serve are highly competitive, with a number of competitors offering similar products. CompX focuses efforts on the middle and high-end segment of the market where we feel that we can compete due to the importance of product design, quality and durability to the customer. However, our ability to effectively compete is impacted by a number of factors. The occurrence of any of these factors could result in reduced earnings or operating losses.

- Competitors may be able to drive down prices for our products because their costs are lower than our costs, especially those located in Asia.
- Competitors' financial, technological and other resources may be greater than our resources, which may enable them to more effectively withstand changes in market conditions.
- Competitors may be able to respond more quickly than we can to new or emerging technologies and changes in customer requirements.
- Consolidation of our competitors or customers in any of the markets in which we compete may result in reduced demand for our products.
- New competitors could emerge by modifying their existing production facilities to manufacture products that compete with our products.
- Our ability to sustain a cost structure that enables us to be cost-competitive.
- Our ability to adjust costs relative to our pricing.
- Customers may no longer value our product design, quality or durability over lower cost products of our competitors.

Demand for, and prices of, certain of Kronos' products are influenced by changing market conditions and Kronos is currently operating in a depressed worldwide market for its products, which may result in reduced earnings or operating losses.

A significant portion of our net income is attributable to sales of TiO₂ by Kronos. Approximately 90% of Kronos' revenues are attributable to sales of TiO₂. Pricing within the global TiO₂ industry over the long term is cyclical, and changes in economic conditions, especially in Western industrialized nations, can significantly impact our earnings and operating cash flows. The current world-wide economic downturn has depressed sales volumes in the fourth quarter of 2008, and we are unable to predict with a high degree of certainty when demand will return to the levels experienced prior to the fourth quarter of 2008. This may result in reduced earnings or operating losses.

Historically, the markets for many of Kronos' products have experienced alternating periods of increasing and decreasing demand. Relative changes in the selling prices for Kronos' products are one of the main factors that affect the level of its profitability. In periods of increasing demand, Kronos' selling prices and profit margins generally will tend to increase, while in periods of decreasing demand Kronos' selling prices and profit margins generally tend to decrease. Huntsman announced the closure of one of its European facilities, and we believe that further shutdowns or closures in the industry are possible. The closures may not be sufficient to alleviate the current excess industry capacity and such conditions may be further aggravated by anticipated or unanticipated capacity additions or other

events.

The demand for TiO_2 during a given year is also subject to seasonal fluctuations. TiO_2 sales are generally higher in the first half of the year. This is due in part to the increase in paint production in the spring to meet demand during the spring and summer painting season.

Higher costs or limited availability of our raw materials may decrease our liquidity.

Certain of the raw materials used in CompX's products are commodities that are subject to significant fluctuations in price in response to world wide supply and demand. Coiled steel is the major raw material used in the manufacture of precision ball bearing slides and ergonomic computer support systems. Plastic resins for injection molded plastics are also an integral material for ergonomic computer support systems. Zinc is a principal raw material used in the manufacture of security products. Stainless steel tubing is the major raw material used in the manufacture of marine exhaust systems. These raw materials are purchased from several suppliers and are generally readily available from numerous sources. We occasionally enter into raw material supply arrangements to mitigate the short-term impact of future increases in raw material costs. Materials purchased outside of these arrangements are sometimes subject to unanticipated and sudden price increases. Should our vendors not be able to meet their contractual obligations or should we be otherwise unable to obtain necessary raw materials, we may incur higher costs for raw materials or may be required to reduce production levels, either of which may decrease our liquidity as we may be unable to offset the higher costs with increased selling prices for our products.

For Kronos, the number of sources for, and availability of, certain raw materials is specific to the particular geographic region in which a facility is located. For example, titanium-containing feedstocks suitable for use in TiO_2 facilities are available from a limited number of suppliers around the world. Political and economic instability in the countries from which Kronos purchases raw material supplies could adversely affect their availability. If Kronos' worldwide vendors were not able to meet their contractual obligations and Kronos was unable to obtain necessary raw materials, Kronos might incur higher costs for raw materials or it might be required to reduce production levels. Kronos may not always be able to increase selling prices to offset the impact of any higher costs or reduced production levels, which could reduce its earnings and decrease liquidity.

Our development of innovative features for our current component products is critical to sustaining and growing our sales.

Historically, CompX's ability to provide value-added custom engineered component products that address requirements of technology and space utilization has been a key element of its success. We spend a significant amount of time and effort to refine, improve and adapt our existing products for new customers and applications. Since expenditures for these types of activities are not considered research and development expense under accounting principles generally accepted in the United States of America, the amount of our research and development expenditures, which is not significant, is not indicative of the overall effort involved in the development of new product features. The introduction of new products and features requires the coordination of the design, manufacturing and marketing of such products with potential customers. The ability to coordinate these activities may be affected by factors beyond CompX's control. While we will continue to emphasize the introduction of innovative new product features that target customer-specific opportunities, we cannot assure you that any new products CompX introduces will achieve the same degree of success that it has achieved with its existing products. Introduction of new products typically requires us to increase production volume on a timely basis while maintaining product quality. Manufacturers often encounter difficulties in increasing production volumes, including delays, quality control problems and shortages of qualified personnel. As CompX attempts to introduce new product features in the future, we cannot assure you that CompX will be able to increase production volume without encountering these or other problems, which might negatively impact our financial condition or results of operations.

Recent and future acquisitions could subject us to a number of operational risks.

A key component of CompX's strategy is to grow and diversify its business through acquisitions. Our ability to successfully execute this component of our strategy entails a number of risks, including:

- the identification of suitable growth opportunities;
- an inaccurate assessment of acquired liabilities;
- the entry into markets in which we may have limited or no experience;
- the diversion of management's attention from our core businesses;
- the potential loss of key employees or customers of the acquired businesses;
- difficulties in realizing projected efficiencies, synergies and cost savings; and
- an increase in our indebtedness and a limitation in our ability to access additional capital when needed.

Kronos' leverage may impair our financial condition or limit our ability to operate our businesses.

As of December 31, 2008, Kronos had consolidated debt of approximately \$638.5 million, the majority of which relates to Senior Secured Notes, a revolving credit facility of its wholly-owned subsidiary, Kronos International, Inc. and a note payable to us. Kronos' level of debt could have important consequences to its stockholders (including us) and creditors, including:

- making it more difficult for Kronos to satisfy its obligations with respect to its liabilities;
- increasing its vulnerability to adverse general economic and industry conditions;
- requiring that a portion of Kronos' cash flows from operations be used for the payment of interest on its debt, which reduces its ability to use cash flow to fund working capital, capital expenditures, dividends on our common stock, acquisitions or general corporate requirements;

- limiting its ability to obtain additional financing to fund future working capital, capital expenditures, dividends on its common stock, acquisitions or general corporate requirements;
- limiting its flexibility in planning for, or reacting to, changes in Kronos' business and the industry in which it operates; and
- placing it at a competitive disadvantage relative to other less leveraged competitors.

In addition to Kronos' indebtedness, Kronos is party to various lease and other agreements pursuant to which it is committed to pay approximately \$365.5 million in 2009. Kronos' ability to make payments on and refinance its debt, and to fund planned capital expenditures, depends on Kronos' future ability to generate cash flow. To some extent, this is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. In addition, Kronos' ability to borrow funds under its subsidiaries' credit facilities in the future will in some instances depend in part on these subsidiaries' ability to maintain specified financial ratios and satisfy certain financial covenants contained in the applicable credit agreement. In this regard, we currently believe it is probable that one of Kronos' required financial ratios associated with its European credit facility will not be maintained at some point during 2009, most likely commencing at March 31, 2009.

Kronos has begun discussions with the lenders to amend the terms of the existing European credit facility to eliminate the requirement to maintain this financial ratio until at least March 31, 2010. While we believe it is possible that Kronos can obtain such an amendment to eliminate this financial ratio through at least March 31, 2010, there is no assurance that such amendment will be obtained, or if obtained that the requirement to maintain the financial ratio will be eliminated (or waived, in the event the lenders would only agree to a waiver and not an amendment to eliminate the covenant itself) through at least March 31, 2010. Any such amendment or waiver which Kronos might obtain could increase Kronos' future borrowing costs, either from a requirement that it pay a higher rate of interest on outstanding borrowings or pay a fee to the lenders as part of agreeing to such amendment or waiver.

In the event that Kronos would not be successful in obtaining the amendment or waiver of the existing European credit facility to eliminate the requirement to maintain the financial ratio, it would seek to refinance such facility with a new group of lenders with terms that did not include such financial covenant or, if required, it will use existing liquidity resources (which could include funds provided by affiliates). While there is no assurance that Kronos would be able to refinance the existing European credit facility with a new group of lenders, we believe these other sources of liquidity available to Kronos would allow it to refinance the existing European credit facility. If required, Kronos believes by undertaking one or more of these steps it will be successful in maintaining sufficient liquidity to meet its future obligations including operations, capital expenditures and debt service for the next 12 months.

Kronos' business may not generate cash flows from operating activities sufficient to enable Kronos to pay its debts when they become due and to fund its other liquidity needs. As a result, Kronos may need to refinance all or a portion of its debt before maturity. Kronos may not be able to refinance any of its debt in a timely manner on favorable terms, if at all. Any inability to generate sufficient cash flows or to refinance Kronos' debt on favorable terms could have a material adverse effect on our financial condition.

Negative worldwide economic conditions could continue to result in a decrease in our sales and an increase in our operating costs, which could continue to adversely affect our business and operating results.

If the current worldwide economic downturn continues, many of CompX's direct and indirect customers may continue to delay or reduce their purchases of the components we manufacture or of the products that utilize our components. In addition, many of CompX's customers rely on credit financing for their working capital needs. If the negative conditions in the global credit markets continue to prevent CompX's customers' access to credit, product orders may continue to decrease which could result in lower sales. Likewise, if suppliers continue to face challenges in obtaining credit, in selling their products or otherwise in operating their businesses, they may become unable to continue to offer the materials CompX uses to manufacture our products. These actions could continue to result in reductions in our sales, increased price competition and increased operating costs, which could adversely affect our business, results of operations and financial condition.

Negative global economic conditions increase the risk that we could suffer unrecoverable losses on our customers' accounts receivable which would adversely affect our financial results.

CompX and Kronos extend credit and payment terms to some customers. Although we have an ongoing process of evaluating customers' financial conditions, we could suffer significant losses if a customer fails and is unable to pay. A significant loss of an account receivable would have a negative impact on our financial results.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our principal executive offices are located in an office building located at 5430 LBJ Freeway, Dallas, Texas, 75240-2697. The principal properties used in the operations of our subsidiaries and affiliates, including certain risks and uncertainties related thereto, are described in the applicable business sections of Item 1 - "Business." We believe that our facilities are generally adequate and suitable for

our respective uses.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various legal proceedings. In addition to information that is included below, we have included certain of the information called for by this Item in Note 19 to our Consolidated Financial Statements, and we are incorporating that information here by reference.

Lead pigment litigation

Our former operations included the manufacture of lead pigments for use in paint and lead-based paint. We, other former manufacturers of lead pigments for use in paint and lead-based paint (together, the "former pigment manufacturers") and the Lead Industries Association ("LIA"), which discontinued business operations in 2002, have been named as defendants in various legal proceedings seeking damages for personal injury, property damage and governmental expenditures allegedly caused by the use of lead-based paints. Certain of these actions have been filed by or on behalf of states, counties, cities or their public housing authorities and school districts, and certain others have been asserted as class actions. These lawsuits seek recovery under a variety of theories, including public and private nuisance, negligent product design, negligent failure to warn, strict liability, breach of warranty, conspiracy/concert of action, aiding and abetting, enterprise liability, market share or risk contribution liability, intentional tort, fraud and misrepresentation, violations of state consumer protection statutes, supplier negligence and similar claims.

The plaintiffs in these actions generally seek to impose on the defendants responsibility for lead paint abatement and health concerns associated with the use of lead-based paints, including damages for personal injury, contribution and/or indemnification for medical expenses, medical monitoring expenses and costs for educational programs. To the extent the plaintiffs seek compensatory or punitive damages in these actions, such damages are unspecified unless otherwise indicated below. In some cases, the damages are unspecified pursuant to the requirements of applicable state law. A number of cases are inactive or have been dismissed or withdrawn. Most of the remaining cases are in various pre-trial stages. Some are on appeal following dismissal or summary judgment rulings in favor of either the defendants or the plaintiffs. In addition, various other cases are pending (in which we are not a defendant) seeking recovery for injury allegedly caused by lead pigment and lead-based paint. Although we are not a defendant in these cases, the outcome of these cases may have an impact on cases that might be filed against us in the future.

We believe that these actions are without merit, and we intend to continue to deny all allegations of wrongdoing and liability and to defend against all actions vigorously. We have never settled any of these cases, nor have any final, non-appealable, adverse judgments against us been entered.

We have not accrued any amounts for any of the pending lead pigment and lead-based paint litigation cases. Liability that may result, if any, cannot be reasonably estimated. In addition, new cases may continue to be filed against us. We cannot assure you that we will not incur liability in the future in respect of any of the pending or possible litigation in view of the inherent uncertainties involved in court and jury rulings. The resolution of any of these cases could result in recognition of a loss contingency accrual that could have a material adverse impact on our net income for the interim or annual period during which such liability is recognized, and a material adverse impact on our consolidated financial condition and liquidity.

In September 1999, an amended complaint was filed in *Thomas v. Lead Industries Association, et al.* (Circuit Court, Milwaukee, Wisconsin, Case No. 99-CV-6411) adding as defendants the former pigment manufacturers to a suit originally filed against plaintiff's landlords. Plaintiff, a minor, alleged injuries purportedly caused by lead on the surfaces of premises in homes in which he resided and sought compensatory and punitive damages. The case was tried in October 2007, and in November 2007 the jury returned a verdict in favor of all defendants. In April 2008, plaintiff filed an appeal, and in February 2009, the appeal was stayed after the appellate court received notice that one of the defendants, Millennium Chemicals, Inc., had filed for bankruptcy.

In April 2000, we were served with a complaint in *County of Santa Clara v. Atlantic Richfield Company, et al.* (Superior Court of the State of California, County of Santa Clara, Case No. CV788657) brought against the former pigment manufacturers, the LIA and certain paint manufacturers. The County of Santa Clara seeks to recover compensatory damages for funds the plaintiffs have expended or will in the future expend for medical treatment, educational expenses, abatement or other costs due to exposure to, or potential exposure to, lead paint, disgorgement of profit, and punitive damages. Solano, Alameda, San Francisco, Monterey and San Mateo counties, the cities of San Francisco, Oakland, Los Angeles and San Diego, the Oakland and San Francisco unified school districts and housing authorities and the Oakland Redevelopment Agency have joined the case as plaintiffs. In January 2007, plaintiffs amended the complaint to drop all of the claims except for the public nuisance claim. In April 2007, the trial court ruled that the contingency fee arrangement between plaintiffs and their counsel was illegal. In May 2007, plaintiffs appealed the ruling and all proceedings in the trial court were stayed pending review by the appellate court. The appellate court reversed the trial court's ruling, thereby allowing contingent fee arrangements in the case. In May 2008, the defendants filed a petition for review by the California Supreme Court, which was granted in July 2008.

In June 2000, a complaint was filed in Illinois state court, *Lewis, et al. v. Lead Industries Association, et al.* (Circuit Court of Cook County, Illinois, County Department, Chancery Division, Case No. 00CH09800). Plaintiffs seek to represent two classes, one consisting of minors between the ages of six months and six years who resided in housing in Illinois built before 1978, and another consisting of individuals between the ages of six and twenty years who lived in Illinois housing built before 1978 when they were between the ages of six months and six years and who had blood lead levels of 10 micrograms/deciliter or more. The complaint seeks damages jointly and severally from the former pigment manufacturers and the LIA to establish a medical screening fund for the first class to determine blood

lead levels, a medical monitoring fund for the second class to detect the onset of latent diseases, and a fund for a public education campaign. In April 2008, the trial court judge certified a class of children whose blood lead levels were screened venously between August 1995 and February 2008 and who had incurred expenses associated with such screening. Certain defendants filed a motion to decertify the class in January 2009. The case is proceeding in the trial court.

In May 2001, we were served with a complaint in *City of Milwaukee v. NL Industries, Inc. and Mautz Paint* (Circuit Court, Civil Division, Milwaukee County, Wisconsin, Case No. 01CV003066). Plaintiff sought compensatory and equitable relief for lead hazards in Milwaukee homes, restitution for amounts it has spent to abate lead and punitive damages. The case was tried in May and June 2007, and in June 2007, the jury returned a verdict in favor of NL. In December 2007, plaintiff filed a notice of appeal, and in November 2008, the appellate court affirmed the verdict. In December 2008, the plaintiff petitioned the Wisconsin Supreme Court for review.

In November 2003, we were served with a complaint in *Lauren Brown v. NL Industries, Inc., et al.* (Circuit Court of Cook County, Illinois, County Department, Law Division, Case No. 03L 012425). The complaint seeks damages against us and two local property owners on behalf of a minor for injuries alleged to be due to exposure to lead paint contained in the minor's residence. We have denied all allegations of liability. In January 2009, NL filed a motion for summary judgment seeking dismissal of the case. The case is proceeding in the trial court.

In January 2006, we were served with a complaint in *Hess, et al. v. NL Industries, Inc., et al.* (Missouri Circuit Court 22nd Judicial Circuit, St. Louis City, Cause No. 052-11799). Plaintiffs are two minor children who allege injuries purportedly caused by lead on the surfaces of the home in which they resided. Plaintiffs seek compensatory and punitive damages. We have denied all allegations of liability. The case is proceeding in the trial court.

In January and February 2007, we were served with several complaints, the majority of which were filed in Circuit Court in Milwaukee County, Wisconsin. In some cases, complaints have been filed elsewhere in Wisconsin. The plaintiffs are minor children who allege injuries purportedly caused by lead on the surfaces of the homes in which they reside. Plaintiffs seek compensatory and punitive damages. The defendants in these cases include us, American Cyanamid Company, Armstrong Containers, Inc., E.I. Du Pont de Nemours & Company, Millennium Holdings, LLC, Atlanta Richfield Company, The Sherwin-Williams Company, Conagra Foods, Inc. and the Wisconsin Department of Health and Family Services. In some cases, additional lead paint manufacturers and/or property owners are also defendants. Of the cases filed, five remain pending, four of the remaining cases have been removed to Federal court and all of the cases have been stayed. We have denied all liability in these cases.

In May 2007, we were served with a complaint in *State of Ohio, ex rel. Marc Dann Attorney General v. Sherwin-Williams Company et al* (U.S. District Court, Southern District of Ohio, Eastern Division, Case No. 2:08-cv-079). NL filed a motion to dismiss the claims in October 2008. In February 2009, the state voluntarily dismissed its complaint.

In October 2007, we were served with a complaint in *Jones v. Joaquin Coe et al.* (Superior Court of New Jersey, Essex County, Case No. ESX-L-9900-06). Plaintiff seeks compensatory and punitive damages for injuries purportedly caused by lead paint on the surfaces of the apartments in which he resided as a minor. Other defendants include three former owners of the apartment building at issue in this case. We have denied all liability. In October 2008, the complaint was amended to add as defendants, former owners of other residences in which the plaintiff lived. The case is proceeding in the trial court.

In addition to the foregoing litigation, various legislation and administrative regulations have, from time to time, been proposed that seek to (a) impose various obligations on present and former manufacturers of lead pigment and lead-based paint with respect to asserted health concerns associated with the use of such products and (b) effectively overturn court decisions in which we and other pigment manufacturers have been successful. Examples of such proposed legislation include bills which would permit civil liability for damages on the basis of market share, rather than requiring plaintiffs to prove that the defendant's product caused the alleged damage, and bills which would revive actions barred by the statute of limitations. While no legislation or regulations have been enacted to date that are expected to have a material adverse effect on our consolidated financial position, results of operations or liquidity, the imposition of market share liability or other legislation could have such an effect.

Environmental matters and litigation

Our operations are governed by various environmental laws and regulations. Certain of our businesses are and have been engaged in the handling, manufacture or use of substances or compounds that may be considered toxic or hazardous within the meaning of applicable environmental laws and regulations. As with other companies engaged in similar businesses, certain of our past and current operations and products have the potential to cause environmental or other damage. We have implemented and continue to implement various policies and programs in an effort to minimize these risks. Our policy is to maintain compliance with applicable environmental laws and regulations at all of our plants and to strive to improve environmental performance. From time to time, we may be subject to environmental regulatory enforcement under U.S. and foreign statutes, the resolution of which typically involves the establishment of compliance programs. It is possible that future developments, such as stricter requirements of environmental laws and enforcement policies, could adversely affect our production, handling, use, storage, transportation, sale or disposal of such substances. We believe that all of our facilities are in substantial compliance with applicable environmental laws.

Certain properties and facilities used in our former operations, including divested primary and secondary lead smelters and former mining locations, are the subject of civil litigation, administrative proceedings or investigations arising under federal and state environmental laws. Additionally, in connection with past operating practices, we are currently involved as a defendant, potentially responsible party ("PRP") or both, pursuant to the CERCLA, and similar state laws in various governmental and private actions associated with waste disposal sites, mining locations, and facilities we or our predecessors currently or previously owned, operated or were used by

us or our subsidiaries, or their predecessors, certain of which are on the United States Environmental Protection Agency's ("EPA") Superfund National Priorities List or similar state lists. These proceedings seek cleanup costs, damages for personal injury or property damage and/or damages for injury to natural resources. Certain of these proceedings involve claims for substantial amounts. Although we may be jointly and severally liable for these costs, in most cases we are only one of a number of PRPs who may also be jointly and severally liable. In addition, we are a party to a number of personal injury lawsuits filed in various jurisdictions alleging claims related to environmental conditions alleged to have resulted from our operations.

Environmental obligations are difficult to assess and estimate for numerous reasons including the:

- complexity and differing interpretations of governmental regulations;
- number of PRPs and their ability or willingness to fund such allocation of costs;
- financial capabilities of the PRPs and the allocation of costs among them;
- solvency of other PRPs;
- multiplicity of possible solutions; and
- number of years of investigatory, remedial and monitoring activity required.

In addition, the imposition of more stringent standards or requirements under environmental laws or regulations, new developments or changes regarding site cleanup costs or allocation of costs among PRPs, solvency of other PRPs, the results of future testing and analysis undertaken with respect to certain sites or a determination that we are potentially responsible for the release of hazardous substances at other sites, could cause our expenditures to exceed our current estimates. Because we may be jointly and severally liable for the total remediation cost at certain sites, the amount for which we are ultimately liable may exceed our accruals due to, among other things, the reallocation of costs among PRPs or the insolvency of one or more PRPs. We cannot assure you that actual costs will not exceed accrued amounts or the upper end of the range for sites for which estimates have been made, and we cannot assure you that costs will not be incurred for sites where no estimates presently can be made. Further, additional environmental matters may arise in the future. If we were to incur any future liability, this could have a material adverse effect on our consolidated financial statements, results of operations and liquidity.

We record liabilities related to environmental remediation obligations when estimated future expenditures are probable and reasonably estimable. We adjust our environmental accruals as further information becomes available to us or as circumstances change. We generally do not discount estimated future expenditures to their present value due to the uncertainty of the timing of the pay out. We recognize recoveries of remediation costs from other parties, if any, as assets when their receipt is deemed probable. At December 31, 2008, we have not recognized any receivables for recoveries.

We do not know and cannot estimate the exact time frame over which we will make payments for our accrued environmental costs. The timing of payments depends upon a number of factors including the timing of the actual remediation process; which in turn depends on factors outside of our control. At each balance sheet date, we estimate the amount of our accrued environmental costs which we expect to pay within the next twelve months, and we classify this estimate as a current liability. We classify the remaining accrued environmental costs as a noncurrent liability.

On a quarterly basis, we evaluate the potential range of our liability at sites where we have been named as a PRP or defendant, including sites for which our wholly-owned environmental management subsidiary, NL Environmental Management Services, Inc. ("EMS") has contractually assumed our obligations. See Note 19 to our Consolidated Financial Statements. At December 31, 2008, we had accrued approximately \$50 million for those environmental matters which we believe are reasonably estimable. We believe that it is not possible to estimate the range of costs for certain sites. The upper end of the range of reasonably possible costs to us for sites for which we believe it is possible to estimate costs is approximately \$76 million, including the amount currently accrued. We have not discounted these estimates to present value.

At December 31, 2008, there are approximately 20 sites for which we are not currently able to estimate a range of costs. For these sites, generally the investigation is in the early stages, and we are unable to determine whether or not we actually had any association with the site, the nature of our responsibility, if any, for the contamination at the site and the extent of contamination at the site. The timing and availability of information on these sites is dependent on events outside of our control, such as when the party alleging liability provides information to us. At certain of these previously inactive sites, we have received general and special notices of liability from the EPA alleging that we, along with other PRPs, are liable for past and future costs of remediating environmental contamination allegedly caused by former operations conducted at the sites. These notifications may assert that we, along with other PRPs, are liable for past clean-up costs that could be material to us if we are ultimately found liable.

In December 2003, we were served with a complaint in *The Quapaw Tribe of Oklahoma et al. v. ASARCO Incorporated et al.* (United States District Court, Northern District of Oklahoma, Case No. 03-CV-846H(J)). The complaint alleges public nuisance, private nuisance, trespass, strict liability, deceit by false representation and was subsequently amended to assert claims under CERCLA against us; six other mining companies and the United States of America with respect to former operations in the Tar Creek mining district in Oklahoma. Among other things, the complaint seeks actual and punitive damages from defendants. We have moved to dismiss the complaint, asserted certain counterclaims and have denied all of plaintiffs' allegations. In February 2006, the court of appeals affirmed the trial court's ruling that plaintiffs waived their sovereign immunity to defendants' counter claim for contribution and indemnity. In December 2007, the court granted the defendants' motion to dismiss the Tribe's medical monitoring claims. In July 2008, the court granted the defendants' motion to dismiss the Tribe's CERCLA natural resources damages claim. In January 2009, the defendants filed a motion for partial summary judgment, seeking dismissal of certain plaintiffs' claims for lack of standing.

In February 2004, we were served in *Evans v. ASARCO* (United States District Court, Northern District of Oklahoma, Case No.

04-CV-94EA(M)), a purported class action on behalf of two classes of persons living in the town of Quapaw, Oklahoma: (1) a medical monitoring class of persons who have lived in the area since 1994, and (2) a property owner class of residential, commercial and government property owners. Four individuals are named as plaintiffs, together with the mayor of the town of Quapaw, Oklahoma, and the School Board of Quapaw, Oklahoma. Plaintiffs allege causes of action in nuisance and seek a medical monitoring program, a relocation program, property damages and punitive damages. We answered the complaint and denied all of plaintiffs' allegations. The trial court subsequently stayed all proceedings in this case pending the outcome of a class certification decision in another case that had been pending in the same U.S. District Court, a case from which we have been dismissed with prejudice.

In January 2006, we were served in *Brown et al. v. NL Industries, Inc. et al.* (Circuit Court Wayne County, Michigan, Case No. 06-602096 CZ). Plaintiffs, property owners and other past or present residents of the Krainz Woods Neighborhood of Wayne County, Michigan, allege causes of action in negligence, nuisance, trespass and under the Michigan Natural Resources and Environmental Protection Act with respect to a lead smelting facility formerly operated by us and another defendant. Plaintiffs seek property damages, personal injury damages, loss of income and medical expense and medical monitoring costs. In October 2007, we moved to dismiss several plaintiffs who failed to respond to discovery requests, and in February 2008, the motion was granted with respect to all such plaintiffs. In February 2008, the trial court entered a case management order pursuant to which the case will proceed as to eight of the plaintiffs' claims, and the claims of the remaining plaintiffs have been stayed in the meantime. In April 2008, the other defendant in the case agreed to a settlement with the plaintiffs, and we are the only remaining defendant. The case is proceeding in the trial court.

In June 2008, we were served in *Barton, et al. v. NL Industries, Inc.*, (U.S. District Court, Eastern District of Michigan, Case No.: 2:08-CV-12558). In January 2009, we were served in *Brown, et al. v. NL Industries, Inc. et al.* (Circuit Court Wayne County, Michigan, Case No. 09-002458 CE). The plaintiffs in both of these cases are additional property owners and other past or present residents of the Krainz Woods Neighborhood, and the claims raised in these cases are identical to those in the *Brown* case described above. We intend to deny liability in both subsequent cases and will defend vigorously against all claims.

In June 2006, we and several other PRPs received a Unilateral Administrative Order ("UAO") from the EPA regarding a formerly-owned mine and milling facility located in Park Hills, Missouri. The Doe Run Company is the current owner of the site, which was purchased by a predecessor of Doe Run from us in approximately 1936. Doe Run is also named in the Order. In April 2008, the parties signed a definitive cost sharing agreement for sharing of the costs anticipated in connection with the order. In May 2008, the parties began work at the site as required by the UAO and in accordance with the cost sharing agreement.

In October 2006, we entered into a consent decree in the United States District Court for the District of Kansas, in which we agreed to perform remedial design and remedial actions in Operating Unit 6 of the Waco Subsite of the Cherokee County Superfund Site. We conducted milling activities on the portion of the site which we have agreed to remediate. We are also sharing responsibility with other PRPs as well as the EPA for remediating a tributary that drains the portions of the site in which the PRPs operated. We will also reimburse the EPA for a portion of its past and future response costs related to the site.

In June 2008, we received a Directive and Notice to Insurers from the New Jersey Department of Environmental Protection ("NJDEP") regarding the Margaret's Creek site in Old Bridge Township, New Jersey. NJDEP alleged that a waste hauler transported waste from one of our former facilities for disposal at the site in the early 1970s. We are involved in an ongoing dialogue with the NJDEP regarding the scope of the remedial activities that may be necessary at the site and the identification of other parties who may have liability for the site.

In September 2008, we received a Special Notice letter from the EPA for liability associated with the Tar Creek site and a demand for related past and relocation costs. We responded with a good-faith offer to pay certain of the past costs and to complete limited work in the areas in which it operated, but declined to pay for other past costs and declined to pay for any relocation costs. We are involved in an ongoing dialogue with the EPA regarding a potential settlement with the EPA.

Other litigation

In addition to the matters described above, we and our affiliates are also involved in various other environmental, contractual, product liability, patent (or intellectual property), employment and other claims and disputes incidental to present and former businesses. In certain cases, we have insurance coverage for these items, although we do not expect additional material insurance coverage for environmental claims.

We currently believe that the disposition of all claims and disputes, individually or in the aggregate, should not have a material adverse effect on our consolidated financial position, results of operations or liquidity beyond the accruals already provided.

Insurance coverage claims

We are involved in certain legal proceedings with a number of our former insurance carriers regarding the nature and extent of the carriers' obligations to us under insurance policies with respect to certain lead pigment and asbestos lawsuits. In addition to information that is included below, we have included certain of the information called for by this Item in Note 19 to our Consolidated Financial Statements, and we are incorporating that information here by reference.

The issue of whether insurance coverage for defense costs or indemnity or both will be found to exist for our lead pigment and asbestos litigation depends upon a variety of factors, and we cannot assure you that such insurance coverage will be available. We have not considered any potential insurance recoveries for lead pigment or asbestos litigation matters in determining related accruals.

We have agreements with two former insurance carriers pursuant to which the carriers reimburse us for a portion of our lead pigment litigation defense costs, and one carrier reimburses us for a portion of our asbestos litigation defense costs. We are not able to determine how much we will ultimately recover from these carriers for defense costs incurred by us, because of certain issues that arise regarding which defense costs qualify for reimbursement. While we continue to seek additional insurance recoveries, we do not know if we will be successful in obtaining reimbursement for either defense costs or indemnity. We have not considered any additional potential insurance recoveries in determining accruals for lead pigment or asbestos litigation matters. Any additional insurance recoveries would be recognized when the receipt is probable and the amount is determinable.

We have settled insurance coverage claims concerning environmental claims with certain of our principal former carriers. We do not expect further material settlements relating to environmental remediation coverage.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the quarter ended December 31, 2008.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

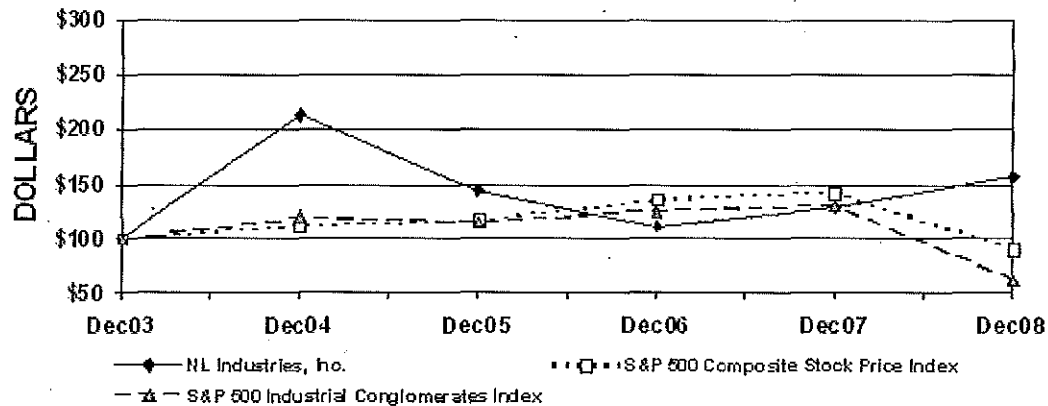
Our common stock is listed and traded on the New York Stock Exchange (symbol: NL). As of February 28, 2009, there were approximately 3,480 holders of record of our common stock. The following table sets forth the high and low closing per share sales prices for our common stock for the periods indicated, according to Bloomberg, and cash dividends paid during such periods. On February 27, 2009 the closing price of our common stock was \$9.27.

	High	Low	Cash dividends paid
<i>Year ended December 31, 2007</i>			
First Quarter	\$ 12.09	\$ 10.02	\$.125
Second Quarter	13.52	10.02	.125
Third Quarter	13.05	9.49	.125
Fourth Quarter	12.33	9.34	.125
<i>Year ended December 31, 2008</i>			
First Quarter	\$ 11.63	\$ 8.65	\$.125
Second Quarter	11.89	9.53	.125
Third Quarter	10.93	9.37	.125
Fourth Quarter	13.96	8.09	.125
<i>January 1, 2009 through February 27, 2009</i>	\$ 14.35	\$ 9.21	\$.125

In February 2009, our Board of Directors declared a first quarter 2009 cash dividend of \$.125 per share to shareholders of record as of March 10, 2009 to be paid on March 26, 2009. However, the declaration and payment of future dividends, and the amount thereof, is discretionary and is dependent upon our results of operations, financial condition, cash requirements for businesses, contractual restrictions and other factors deemed relevant by our Board of Directors. The amount and timing of past dividends is not necessarily indicative of the amount or timing of any future dividends which might be paid. There are currently no contractual restrictions on the amount of dividends which we may pay.

Performance Graph - Set forth below is a line graph comparing the yearly change in our cumulative total stockholder return on our common stock against the cumulative total return of the S&P 500 Composite Stock Price Index and the S&P 500 Industrial Conglomerates Index for the period from December 31, 2003 through December 31, 2008. The graph shows the value at December 31 of each year assuming an original investment of \$100 at December 31, 2003 and the reinvestment of dividends.

	2003	2004	2005	2006	2007	2008
NL common stock	\$ 100	\$ 213	\$ 144	\$ 111	\$ 128	\$ 157
S&P 500 Composite Stock Price Index	100	111	116	135	142	90
S&P 500 Industrial Conglomerates Index	100	119	115	125	130	63



The information contained in the performance graph shall not be deemed "soliciting material" or "filed" with the SEC, or subject to the liabilities of Section 18 of the Securities Exchange Act, except to the extent we specifically request that the material be treated as soliciting material or specifically incorporate this performance graph by reference into a document filed under the Securities Act or the Securities Exchange Act.

Equity compensation plan information

We have an equity compensation plan, which was approved by our shareholders, providing for the discretionary grant to our employees and directors of, among other things, options to purchase our common stock and stock awards. As of December 31, 2008, there were 95,050 options outstanding to purchase shares of our common stock, and approximately 4,086,000 shares were available for future grant or issuance. We do not have any equity compensation plans that were not approved by our shareholders. See Note 13 to the Consolidated Financial Statements.

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with our Consolidated Financial Statements and Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Years ended December 31,				
	2004	2005	2006	2007	2008
	(In millions, except per share data)				
STATEMENTS OF OPERATIONS DATA:					
Net sales:					
Component products	\$ 182.6	\$ 186.4	\$ 190.1	\$ 177.7	\$ 165.5
Chemicals (1)	<u>559.1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 741.7</u>	<u>\$ 186.4</u>	<u>\$ 190.1</u>	<u>\$ 177.7</u>	<u>\$ 165.5</u>
Income from operations:					
Component products	\$ 16.2	\$ 19.3	\$ 20.5	\$ 15.4	\$ 5.3
Chemicals (1)	<u>66.7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 82.9</u>	<u>\$ 19.3</u>	<u>\$ 20.5</u>	<u>\$ 15.4</u>	<u>\$ 5.3</u>
Equity in earnings(losses) of Kronos (1)	<u>\$ 9.1</u>	<u>\$ 25.7</u>	<u>\$ 29.3</u>	<u>\$ (23.9)</u>	<u>\$ 3.2</u>
Income (loss) from continuing operations	\$ 159.1	\$ 33.3	\$ 26.1	\$ (1.7)	33.2
Discontinued operations	<u>3.5</u>	<u>(.3)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$ 162.6</u>	<u>\$ 33.0</u>	<u>\$ 26.1</u>	<u>\$ (1.7)</u>	<u>\$ 33.2</u>
DILUTED EARNINGS PER SHARE DATA:					
Income (loss) from continuing operations	\$ 3.29	\$.68	\$.54	\$ (.04)	\$.68
Discontinued operations	<u>.07</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	<u>\$ 3.36</u>	<u>\$.68</u>	<u>\$.54</u>	<u>\$ (.04)</u>	<u>\$.68</u>
Dividends per share (2)	<u>\$.80</u>	<u>\$ 1.00</u>	<u>\$.50</u>	<u>\$.50</u>	<u>\$.50</u>
Weighted average common shares outstanding	48,419	48,587	48,584	48,590	48,605
BALANCE SHEET DATA (at year end):					
Total assets	\$ 552.5	\$ 485.6	\$ 529.3	\$ 524.8	\$ 419.5
Long-term debt, including current maturities (3)	.1	1.4	-	50.0	43.0
Stockholders' equity	234.2	220.3	248.5	246.5	188.4
STATEMENT OF CASH FLOW DATA:					
Net cash provided by(used in):					
Operating activities	\$ 92.7	\$ (5.3)	\$ 29.0	\$ (2.8)	\$.8
Investing activities	34.5	18.5	(25.2)	17.5	7.1
Financing activities	(28.7)	(35.8)	(27.7)	(27.3)	(32.2)

- (1) We ceased to consolidate the Kronos chemicals segment effective July 1, 2004, at which time we commenced to account for our interest in Kronos by the equity method.
- (2) Amounts paid in 2005 (last three quarters), 2006, 2007 and 2008 were cash dividends, while amounts paid in 2004 and the first quarter of 2005 were in the form of shares of Kronos common stock.
- (3) Long-term debt in 2007 and 2008 represents a promissory note payable to an affiliate. See Note 17 to the Consolidated Financial Statements.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Business Overview

We are primarily a holding company. We operate in the component products industry through our majority-owned subsidiary, CompX International Inc. We also own a non-controlling interest in Kronos Worldwide, Inc. Both CompX (NYSE: CIX) and Kronos (NYSE: KRO) file periodic reports with the SEC.

CompX is a leading manufacturer of security products, precision ball bearing slides and ergonomic computer support systems used in the office furniture, transportation, postal, tool storage, appliance and a variety of other industries. CompX is also a leading manufacturer of stainless steel exhaust systems, gauges and throttle controls for the performance marine industry.

We account for our 36% non-controlling interest in Kronos by the equity method. Kronos is a leading global producer and marketer of value-added titanium dioxide pigments. TiO₂ is used for a variety of manufacturing applications including plastics, paints, paper and other industrial products.

Net Income Overview

We had net income of \$33.2 million, or \$.68 per diluted share, in 2008 compared to a net loss of \$1.7 million, or \$.04 per diluted share, in 2007 and net income of \$26.1 million, or \$.54 per diluted share, in 2006.

The increase in our diluted earnings per share from 2007 to 2008 is due primarily to the net effects of:

- a litigation settlement pre-tax gain of \$48.8 million in 2008;
- a goodwill impairment charge of \$10.1 million in 2008;
- higher equity in earnings from Kronos in 2008;
- lower litigation and related expenses in 2008;
- higher environmental costs in 2008; and
- higher insurance recoveries in 2008.

The decrease in our diluted earnings per share from 2006 to 2007 is due primarily to the net effects of:

- lower equity in earnings from Kronos in 2007;
- lower insurance recoveries in 2007;
- higher legal defense costs in 2007;
- higher securities transaction gains in 2007; and
- lower component products income from operations in 2007.

Our net income in 2008 includes:

- a litigation settlement gain of \$.65 per diluted share related to the settlement of condemnation proceedings on real property we owned;
- a goodwill impairment charge of \$.21 per diluted share related to the marine business line of our component products operations;
- interest income of \$.06 per diluted share related to certain escrow funds;
- income included in our equity in earnings of Kronos of \$.03 per diluted share related to an adjustment of certain income tax attributes of Kronos in Germany; and
- income of \$.13 per diluted share related to certain insurance recoveries.

Our net loss in 2007 includes:

- a charge included in our equity in earnings of Kronos of \$.43 per diluted share related to a reduction in Kronos' net deferred income tax asset resulting from a change in German income tax rates as discussed below;
- a charge included in our equity in earnings of Kronos of \$.04 per diluted share related to an adjustment of certain income tax attributes of Kronos in Germany;
- income of \$.30 per diluted share from a gain on sale of TIMET common stock;
- income of \$.08 per diluted share related to certain insurance recoveries we received; and
- income of \$.03 per diluted share due to a net reduction in our reserve for uncertain tax positions.

Our net income in 2006 includes:

- a charge included in our equity in earnings of Kronos of \$.07 per diluted share related to Kronos' redemption of its 8.875% Senior Secured Notes;
- income included in our equity in earnings of Kronos of \$.16 per diluted share related to Kronos' aggregate income tax benefit associated with the net effects of the withdrawal of certain income tax assessments previously made by the Belgian and Norwegian tax authorities, the resolution of certain income tax issues related to German and Belgian operations and the enactment of a reduction in the Canadian federal income tax rate; and
- income of \$.10 per diluted share related to certain insurance recoveries we received.

Outlook for 2009

We currently expect our net income in 2009 to be significantly lower than 2008 due to the net effects of:

- lower income from operations in 2009 as a result of higher legal defense costs;
- lower equity in earnings from Kronos in 2009; and
- lower litigation settlement gains in 2009.

Critical accounting policies and estimates

The accompanying "Management's Discussion and Analysis of Financial Condition and Results of Operations" is based upon our Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reported period. On an ongoing basis, we evaluate our estimates, including those related to the recoverability of long-lived assets, pension and other postretirement benefit obligations and the underlying actuarial assumptions related thereto, the realization of deferred income tax assets and accruals for litigation, income tax and other contingencies. We base our estimates on historical experience and on various other assumptions we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ significantly from previously-estimated amounts under different assumptions or conditions.

The following critical accounting policies affect our more significant judgments and estimates used in the preparation of our Consolidated Financial Statements:

- *Investments* - We own investments in certain companies that we account for as marketable securities carried at fair value (Level 1 inputs) or that we account for under the equity method. For all such investments, we record an impairment charge when we believe that an investment has experienced a decline in fair value below its cost basis (for marketable securities) or below its carrying value (for equity method investees) that is other than temporary. Future adverse changes in market conditions or poor operating results of underlying investments could result in losses or an inability to recover the carrying value of the investments that may not be reflected in an investment's current carrying value, thereby possibly requiring an impairment charge in the future.

At December 31, 2008, the carrying value (which equals fair value) of substantially all of our marketable securities equaled or exceeded the cost basis of each of such investments. With respect to our investment in Valhi, the \$51.2 million carrying value exceeded its \$24.3 million cost basis by about 111%, and the \$12.8 million carrying value of our investment in TIMET exceeded its \$11.4 million cost basis by about 12%. At December 31, 2008, the \$11.65 per share quoted market price of our investment in Kronos (our only equity method investee) exceeded its per share net carrying value by about 79 %.

- *Long-lived assets*. We recognize an impairment charge associated with our long-lived assets, including property and equipment, whenever we determine that recovery of such long-lived asset is not probable. Such determination is made in accordance with the applicable GAAP requirements of SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, and is based upon, among other things, estimates of the amount of future net cash flows to be generated by the long-lived asset (Level 3 inputs) and estimates of the current fair value of the asset. Significant judgment is required in estimating such cash flows. Assumptions used in our impairment evaluations, such as forecasted growth rates and our cost of capital, are consistent with our internal projections and operating plans. We do not assess our property and equipment for impairment unless certain impairment indicators specified in SFAS No. 144 are present. We did not evaluate any long-lived assets for impairment during 2008 because no such impairment indicators were present.

Goodwill - In accordance with SFAS No. 142, *Goodwill and other Intangible Assets*, we review goodwill for impairment at least

- on an annual basis. We are also required to review goodwill for impairment at other times during each year when impairment indicators, as defined, are present. The estimated fair values of CompX's three reporting units are determined based on discounted cash flow projections (Level 3 inputs). See Note 8 to the Consolidated Financial Statements. Considerable management judgment is necessary to evaluate the impact of operating changes and to estimate future cash flows. Assumptions used in our impairment evaluations, such as forecasted growth rates and our cost of capital, are consistent with our internal projections and operating plans.

During the third quarter of 2008, we recorded a goodwill impairment charge of \$10.1 million for CompX's marine components reporting unit, which represented all of the goodwill we had previously recognized for this reporting unit (including a nominal amount of goodwill inherent in our investment in CompX). We used a discounted cash flow methodology in determining the estimated fair value of CompX's marine components reporting unit. The factors that led us to conclude that goodwill associated with CompX's marine components reporting unit was fully impaired include the continued decline in consumer spending in the marine market as well as the overall negative economic outlook, both of which resulted in near-term and longer-term reduced revenue, profit and cash flow forecasts for the marine components unit. While we continue to believe in the long term potential of the Marine Components unit, due to the extraordinary economic downturn in the marine industry we are not currently able to foresee when the industry and our business will recover. In response to the present economic conditions, we have taken steps to reduce operating costs without inhibiting our ability to take advantage of opportunities to expand our market share.

When we performed this analysis in the third quarter, we also reviewed the goodwill associated with CompX's security products and furniture components reporting units and concluded there was no impairment of the goodwill for those reporting units or the other intangible assets of our Marine Components unit. The estimated fair values were also determined based on discounted cash flow projections. Assumptions used in these impairment evaluations, such as forecasted growth rates and our cost of capital, are consistent with our internal projections and operating plans. However, different assumptions and estimates could result in materially different findings which could result in the recognition of a material asset impairment. Due to the continued weakening of the economy, we re-evaluated the goodwill associated with our Furniture Components reporting unit again in the fourth quarter of 2008 and concluded no additional impairments were present.

If our future results were to be significantly below our current expectations, it is reasonably likely that we would conclude additional impairments of the goodwill and intangible assets associated with our Furniture Components reporting unit would be present. As of December 31, 2008 our Furniture Components reporting unit had approximately \$7.1 million of goodwill. Holding all other assumptions constant at the re-evaluation date, a 100 to 200 basis point increase in the discount rate would reduce the enterprise value for our Furniture Components reporting unit, indicating potential impairment. If we record additional impairment charges in the future, it could cause CompX to fail to comply with one or more of the financial covenants contained in its credit facility. See Note 12 to the Consolidated Financial Statements. In the event CompX were to fail to comply with one or more covenants, we would attempt to negotiate waivers of any noncompliance; however, there can be no assurance that we would be able to negotiate any waivers. In addition the costs or conditions associated with any waivers could be significant. At December 31, 2008 we had no balances outstanding under the facility and we do not anticipate needing to utilize the facility for operations in 2009.

- **Benefit plans** - We maintain various defined benefit pension plans and postretirement benefits other than pensions ("OPEB"). The amounts recognized as defined benefit pension and OPEB expenses, and the reported amounts of prepaid and accrued pension and OPEB costs, are actuarially determined based on several assumptions, including discount rates, expected rates of return on plan assets and expected health care trend rates. Variances from these actuarially assumed rates will result in increases or decreases, as applicable, in the recognized pension and OPEB obligations, pension and OPEB expenses and funding requirements. These assumptions are more fully described below under "Defined Benefit Pension Plans" and "OPEB Plans."
- **Income taxes** - Deferred taxes are recognized for future tax effects of temporary differences between financial and income tax reporting in accordance with the recognition criteria of SFAS No. 109, *Accounting for Income Taxes*. We record a reserve for uncertain tax positions in accordance with Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertain Tax Positions* for tax positions where we believe that it is more-likely-than-not our position will not prevail with the applicable tax authorities. While we have considered future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for a valuation allowance, it is possible that in the future we may change our estimate of the amount of the deferred income tax assets that would more-likely-than-not be realized in the future resulting in an adjustment to the deferred income tax asset valuation allowance that would either increase or decrease, as applicable, reported net income in the period such change in estimate was made.

In addition, we make an evaluation at the end of each reporting period as to whether or not some or all of the undistributed earnings of our foreign subsidiaries are permanently reinvested (as that term is defined by GAAP). While we may have concluded in the past that some of such undistributed earnings are permanently reinvested, facts and circumstances can change in the future, and it is possible that a change in facts and circumstances, such as a change in the expectation regarding the capital needs of our foreign subsidiaries, could result in a conclusion that some or all of such undistributed earnings are no longer permanently reinvested. In such an event, we would be required to recognize a deferred income tax liability in an amount equal to the estimated incremental U.S. income tax and withholding tax liability that would be generated if all of such previously-considered permanently reinvested undistributed earnings were distributed to us in the U.S.

- **Accruals** - We record accruals for environmental, legal and other contingencies and commitments when estimated future expenditures associated with such contingencies become probable, and the amounts can be reasonably estimated. However, new information may become available, or circumstances (such as applicable laws and regulations) may change, thereby resulting in an

increase or decrease in the amount required to be accrued for such matters (and therefore a decrease or increase in reported net income in the period of such change).

Net income from operations of CompX and Kronos is impacted by certain of these significant judgments and estimates, as summarized below:

- Chemicals – allowance for doubtful accounts, reserves for obsolete or unmarketable inventories, impairment of equity method investees, long-lived assets, defined benefit pension and OPEB plans and loss accruals, and
- Component products – reserves for obsolete or unmarketable inventories, impairment of goodwill and long-lived assets and loss accruals.

In addition, general corporate and other items are impacted by the significant judgments and estimates for impairment of marketable securities and equity method investments, defined benefit pension and OPEB plans, deferred income tax asset valuation allowances and loss accruals.

Income from operations

The following table shows the components of our income from operations.

	Year ended December 31,			% Change	
	2006	2007	2008	2006-07	2007-08
	(Dollars in millions)				
CompX	\$ 20.5	\$ 15.4	\$ 5.3	(25)%	(66)%
Insurance recoveries	7.7	5.6	9.6	(27)%	70%
Litigation settlement gain	-	-	48.8	-	100%
Corporate expense and other	(24.3)	(31.3)	(24.9)	29%	(20)%
Income (loss) from operations	\$ 3.9	\$ (10.3)	\$ 38.8	(364)%	477%

CompX International Inc.

	Year ended December 31,			% Change	
	2006	2007	2008	2006-07	2007-08
	(Dollars in millions)				
Net sales	\$ 190.1	\$ 177.7	\$ 165.5	(7)%	(7)%
Cost of goods sold	143.6	132.5	125.7	(8)%	(5)%
Gross margin	46.5	45.2	39.8	(3)%	(12)%
Operating costs and expenses	26.0	29.8	34.5	15%	16%
Income from operations	\$ 20.5	\$ 15.4	\$ 5.3	(25)%	(66)%
Percentage of net sales:					
Cost of goods sold	76%	75%	76%		
Gross margin	24%	25%	24%		
Operating costs and expenses	14%	16%	21%		
Income from operations	11%	9%	3%		

Net Sales – Net sales decreased in 2008 as compared to 2007 principally due to lower order rates from many of our customers resulting from unfavorable economic conditions in North America, offset in part by the effect of sales price increases for certain products to mitigate the effect of higher raw material costs.

Net sales decreased in 2007 as compared to 2006 principally due to lower sales of certain products to the office furniture market where Asian competitors have established selling prices at a level below which we consider would return a minimally sufficient margin to us as well as to lower order rates from many of our customers due to unfavorable economic conditions, offset in part by the effect of sales price increases for certain products to mitigate the effect of higher raw material costs.

Costs of Goods Sold and Gross Margin – Cost of goods sold decreased from 2007 to 2008 primarily due to decreased sales volumes. As a percentage of sales, gross margin decreased in 2008 from the prior year. The decrease in gross margin is primarily due to higher raw material costs, not all of which could be recovered through sales price increases or surcharges, combined with reduced coverage of fixed manufacturing costs from lower sales volume partially offset by lower depreciation expense in 2008 due to a reduction in capital expenditure requirements for shorter lived assets over the last several years in response to lower sales.

Cost of goods sold as a percentage of net sales decreased from 2006 to 2007, and gross margin percentage increased from the prior year. During 2007, we experienced the favorable effects of an improved product mix and improvements in our operating efficiency through cost reductions partially offset by the unfavorable effect of relative changes in foreign currency exchange rates, lower sales to the office furniture industry due to competition from lower-priced Asian manufacturers and lower order rates from many of our customers due to unfavorable economic conditions.

Goodwill Impairment – During 2008, we recorded a non-cash goodwill impairment charge of \$10.1 million for CompX's marine components reporting unit. See Note 8 to our Consolidated Financial Statements.

Income from operations – Excluding the goodwill impairment charge discussed above, the comparison of income from operations for 2008 compared to 2007 includes the net effects of:

- a negative impact of approximately \$5.4 million relating to lower order rates from many of our customers resulting from unfavorable economic conditions in North America,

- increased raw material costs that we were not able to fully recover through sales price increases by approximately \$1 million due to the competitive nature of the markets we serve,
- the one-time \$2.7 million charge for facility consolidation costs incurred in 2007,
- \$1.8 million in lower depreciation expense in 2008 due to a reduction in capital expenditures for shorter lived assets over the last several years in response to lower sales, and
- \$1.3 million favorable effect on operating income from changes in foreign currency exchange rates.

Income from operations for 2007 decreased \$5.1 million, or 25% compared to 2006 and operating margins decreased to 9% in 2007 compared to 11% for 2006. 2007 income from operations includes the net effects of:

- a higher portion of the sales decline in 2007 occurring among lower margin products,
- an increased percentage of sales from our higher margin Marine business,
- the \$2.7 million charge for facility consolidation costs,
- a \$2.4 million unfavorable effect of relative changes in foreign currency exchange rates (including the \$1.2 million related to foreign exchange transaction losses noted above),
- lower sales to the office furniture industry due to competition from lower priced Asian manufacturers, and
- lower order rates from many of our customers due to unfavorable economic conditions.

The \$2.7 million facility consolidation costs incurred in 2007 include abnormal manufacturing costs such as physical move costs, equipment installation, redundant labor and recruiting fees, and fixed asset write-downs of \$765,000. Approximately \$600,000 of the write-down relates to the classification of our vacated River Grove facility as an "asset held for sale." See Note 14 to the Consolidated Financial Statements.

Currency - CompX has substantial operations and assets located outside the United States (in Canada and Taiwan). The majority of sales generated from CompX's non-U.S. operations are denominated in the U.S. dollar with the remainder denominated in other currencies, principally the Canadian dollar and the New Taiwan dollar. Most raw materials, labor and other production costs for our non-U.S. operations are denominated primarily in local currencies. Consequently, the translated U.S. dollar values of our non-U.S. sales and operating results are subject to currency exchange rate fluctuations which may favorably or unfavorably impact reported earnings and may affect comparability of period-to-period operating results. Overall, fluctuations in foreign currency exchange rates had the following effects on our net sales and income from operations in 2008 as compared to 2007.

	Increase (decrease) – Year ended December 31,	
	2007 vs. 2006	2008 vs. 2007
	(In thousands)	
Impact on:		
Net sales	\$ 886	\$ 406
Income from operations	(2,384)	1,304

The positive impact on sales relates to sales denominated in non-U.S. dollar currencies translating into higher U.S. dollar sales due to a strengthening of the local currency in relation to the U.S. dollar. The negative impact on operating income for the 2007 versus 2006 comparison results from the U.S. dollar denominated sales of non-U.S. operations converted into lower local currency amounts due to the weakening of the U.S. dollar. This negatively impacts margin as it results in less local currency generated from sales to cover the costs of non-U.S. operations which are denominated in the local currency. The positive impact on operating income for the 2008 versus 2007 comparison is due to lower currency exchange losses in 2008 as compared to 2007.

General – CompX's profitability primarily depends on our ability to utilize production capacity effectively, which is affected by, among other things, the demand for our products and our ability to control our manufacturing costs, primarily comprising labor costs and raw materials such as zinc, copper, coiled steel, stainless steel and plastic resins. Raw material costs represent approximately 51% of our total cost of sales. During 2006, 2007 and most of 2008, worldwide raw material costs increased significantly. We occasionally enter into raw material supply arrangements to mitigate the short-term impact of future increases in raw material costs. While these arrangements do not necessarily commit us to a minimum volume of purchases, they generally provide for stated unit prices based upon achievement of specified volume purchase levels. This allows us to stabilize raw material purchase prices to a certain extent, provided the specified minimum monthly purchase quantities are met. We enter into such arrangements for zinc, coiled steel and plastic resins. While raw material purchase prices have recently declined, it is uncertain whether the current prices will stabilize during 2009. Materials purchased on the spot market are sometimes subject to unanticipated and sudden price increases. Due to the competitive nature of the markets served by our products, it is often difficult to recover increases in raw material costs through increased product selling prices or raw material surcharges. Consequently, overall operating margins may be affected by raw material cost pressures.

Outlook – Demand for CompX's products continues to slow, especially during the fourth quarter of 2008, as customers react to the condition of the overall economy. While all of CompX's product lines are being affected, we are experiencing a greater softness in demand in the industries we serve which are more directly connected to lower consumer spending, as further explained below.

- Our Security Products business is the least affected by the softness in consumer demand, because we sell products to a diverse number of customers across a wide range of markets, most of which are not directly impacted by changes in consumer demand. While demand within this business is not as significantly affected by softness in the overall economy, we do expect sales to be lower over the next twelve months.

- Our Furniture Components sales are primarily concentrated in the office furniture, toolbox, home appliance and a number of other industries. Several of these industries, primarily toolbox and home appliance, are more directly affected by consumer demand than those served by our Security Products business. We expect many of the markets served by Furniture Components to continue to experience low demand over the next twelve months.
- Our Marine business has been the most affected by the slowing economy as the decrease in consumer confidence, the decline in home values, a tighter credit market and volatile fuel costs have resulted in a significant reduction in consumer spending in the marine market. We do not expect the marine market to recover until consumer confidence returns and home values stabilize.

While changes in market demand are not within our control, we are focused on the areas we can impact. We expect our lean manufacturing and cost improvement initiatives to continue to positively impact our productivity and result in a more efficient infrastructure that we can leverage when demand growth returns. Additionally, we continue to seek opportunities to gain market share in markets we currently serve, expand into new markets and develop new product features in order to mitigate the impact of reduced demand as well as broaden our sales base.

In addition to challenges with overall demand, volatility in the cost of raw materials is ongoing. While the cost of commodity raw materials declined in the second half of 2008, we currently expect these costs to continue to be volatile in 2009. If raw material prices increase, we may not be able to fully recover the cost by passing them on to our customers through price increases due to the competitive nature of the markets we serve and the depressed economic conditions.

Kronos Worldwide, Inc.

	Years ended December 31,			% Change	
	2006	2007	2008	2006-07	2007-08
	(Dollars in millions)				
Net sales	\$ 1,279.4	\$ 1,310.3	\$ 1,316.9	2%	1%
Cost of sales	<u>968.9</u>	<u>1,058.9</u>	<u>1,096.3</u>	9%	4%
Gross margin	<u>\$ 310.5</u>	<u>\$ 251.4</u>	<u>\$ 220.6</u>		
Income from operations	\$ 143.2	\$ 84.9	\$ 47.2	(41)%	(44)%
Other general corporate, net	3.6	2.5	1.0		
Loss on prepayment of debt	(22.3)	-	-		
Interest expense	<u>(43.2)</u>	<u>(39.4)</u>	<u>(42.2)</u>		
Income before income taxes	81.3	48.0	6.0		
Provision for income taxes (benefit)	<u>(.7)</u>	<u>114.7</u>	<u>(3.0)</u>		
Net income (loss)	<u>\$ 82.0</u>	<u>\$ (66.7)</u>	<u>\$ 9.0</u>		
Percentage of net sales:					
Cost of sales	76%	81%	83%		
Income from operations	11%	6%	4%		
Equity in earnings (losses) of Kronos Worldwide, Inc.	<u>\$ 29.3</u>	<u>\$ (23.9)</u>	<u>\$ 3.2</u>		
TiO ₂ operating statistics:					
Sales volumes*	511	519	478	1%	(8)%
Production volumes*	516	512	514	(1)%	-%
Change in TiO ₂ net sales:					
TiO ₂ product pricing				(4)%	2%
TiO ₂ sales volume				1	(8)
TiO ₂ product mix				-	2
Changes in currency exchange rates				<u>5</u>	<u>5</u>
Total				<u>2%</u>	<u>1%</u>

* Thousands of metric tons

Net sales – Kronos’ net sales increased 1% or \$6.6 million in 2008 compared to 2007, primarily due to favorable currency exchange rates, which we estimate increased Kronos’ net sales for 2008 by approximately \$61 million, or 5%, compared to the same period in 2007. Variations in grades of products sold favorably impacted net sales by 2%, along with a 2% increase in average TiO₂ selling prices. TiO₂ selling prices generally follow industry trends and prices will increase or decrease generally as a result of competitive market pressures. During the second and third quarters of 2008, Kronos and its competitors announced various price increases and surcharges in response to higher operating costs. A portion of these increase announcements were implemented during the second, third and fourth quarters of 2008. The positive impact of currency, product mix and pricing in 2008 were substantially offset by an 8% decrease in sales volumes. Kronos’ sales volumes decreased 8% in 2008 primarily due to lower sales volumes in all markets as a result of a global weakening of demand due to poor overall economic conditions.

Kronos’ net sales increased 2% or \$30.9 million in 2007 compared to 2006, primarily due to favorable currency exchange rates and a 1% increase in sales volumes offset somewhat by a 4% decrease in average TiO₂ selling prices. We estimate the favorable effect of changes in currency exchange rates increased Kronos’ net sales for 2007 by approximately \$65 million, or 5%, compared to 2006. Kronos’ sales volumes increased 1% in 2007 primarily due to higher sales volumes in European and export markets, which were somewhat offset by lower sales volumes in North America. Kronos’ TiO₂ sales volumes in 2007 were a new record for Kronos.

Cost of sales – Kronos’ cost of sales increased 4% or \$37.4 million in 2008 compared to 2007 due to the impact of a 22% or approximately \$27 million increase in utility costs (primarily energy costs), a 10% or approximately \$35 million increase in raw material costs largely offset by currency fluctuations (primarily the euro). The cost of sales as a percentage of net sales increased to 83% in the year ended December 31, 2008 compared to 81% in the same period of 2007 primarily due to the net effects of higher operating costs and

slightly higher average selling prices.

Kronos' cost of sales increased 9% or \$90 million in 2007 compared to 2006 due to higher sales volumes, lower production volumes, and to the effects of changes in currency exchange rates. Cost of sales as a percentage of net sales increased to 81% in the year ended December 31, 2007, compared to 76% in the same period of 2006 primarily due to the net effects of lower average selling prices, lower utility costs, higher other manufacturing costs (including maintenance) and slightly lower production volumes.

Income from operations — Kronos' income from operations in 2008 declined by 44% to \$47.2 million compared to 2007; income from operations as a percentage of net sales decreased to 4% in 2008 from 6% for 2007. The decline in income from operations is driven by the decline in gross margin, which decreased to 17% in 2008 compared to 19% in 2007. While Kronos' average TiO₂ selling prices were higher in 2008, Kronos' gross margin decreased primarily because of lower sales volumes and higher manufacturing costs, which more than offset the impact of higher sales prices. Changes in currency rates have also negatively affected Kronos' gross margin. We estimate the negative effect of changes in currency exchange rates decreased income from operations by approximately \$4 million when comparing 2008 to 2007.

As a percentage of net sales, selling, general and administrative expenses were relatively consistent at approximately 12% and 13% for 2007 and 2008, respectively.

Kronos' income from operations in 2007 declined by 41% to \$84.9 million compared to 2006; the income from operations as a percentage of net sales decreased to 6% in 2007 from 11% for 2006. The decline in income from operations is driven by the decline in gross margin, which decreased to 19% in 2007 compared to 24% in 2006. While Kronos' sales volumes were higher in 2007, gross margin decreased primarily because of lower average TiO₂ selling prices, lower production volumes and higher manufacturing costs, which more than offset the impact of higher sales volumes. Changes in currency rates have also negatively affected Kronos' gross margin. Kronos estimates the negative effect of changes in foreign currency exchange rates decreased income from operations by approximately \$4 million when comparing 2007 to 2006.

As a percentage of net sales, selling, general and administrative expenses were consistent at approximately 12% for both 2007 and 2006

Other non-operating income (expense) — In 2006, Kronos issued euro 400 million principal amount of 6.5% Senior Secured Notes, and used the proceeds to redeem its euro 375 million principal amount of 8.875% Senior Secured Notes. As a result of prepayment of the 8.875% Senior Secured Notes, Kronos recognized a \$22.3 million pre-tax interest charge (\$14.5 million net of income tax benefit.)

Effects of currency exchange rates - Kronos has substantial operations and assets located outside the United States (primarily in Germany, Belgium, Norway and Canada). The majority of sales generated from non-U.S. operations are denominated in currencies other than the U.S. dollar, principally the euro, other major European currencies and the Canadian dollar. A portion of sales generated from non-U.S. operations are denominated in the U.S. dollar. Certain raw materials, primarily titanium-containing feedstocks, are purchased in U.S. dollars, while labor and other production costs are denominated primarily in local currencies. Consequently, the translated U.S. dollar value of foreign sales and operating results are subject to currency exchange rate fluctuations, which may favorably or adversely impact reported earnings and may affect the comparability of period-to-period operating results. Overall, fluctuations in foreign currency exchange rates had the following effects on Kronos' net sales and income from operations for the periods indicated.

	Year ended December 31, 2007 vs. 2006	Year ended December 31, 2008 vs. 2007
	Increase (decrease), in millions	
Impact on:		
Net sales	\$ 65	\$ 61
Income from operations	(4)	(4)

Interest expense — Kronos' interest expense increased \$2.8 million from \$39.4 million in 2007 to \$42.2 million in 2008 due to unfavorable changes in currency exchange rates in 2008 compared to 2007 and increased borrowings in 2008 (primarily under Kronos' European credit facility).

Kronos' interest expense decreased \$3.8 million from \$43.2 million for 2006 to \$39.4 million for 2007 due to the issuance of the 6.5% Senior Secured Notes during 2006, which was partially offset by unfavorable changes in currency exchange rates in 2007 compared to 2006.

Kronos has a significant amount of indebtedness denominated in the euro, primarily its 6.5% Senior Secured Notes. The interest expense Kronos recognizes will vary with fluctuations in the euro exchange rate.

Income taxes — Kronos' benefit for income taxes was \$3.0 million in 2008 compared to an income tax provision of \$114.7 million for 2007. Some of the more significant items impacting this reconciliation are summarized below.

Income tax benefit in 2008 includes:

- A non-cash benefit of \$7.2 million relating to a European Court ruling that resulted in the favorable resolution of certain income tax issues in Germany and an increase in the amount of Kronos' German corporate and trade tax net operating loss carryforwards.

Income tax expense in 2007 includes:

- a non-cash charge of \$90.8 million relating to a decrease in Kronos' net deferred income tax asset in Germany resulting from the reduction in income tax rates;
- a non-cash charge of \$8.7 million relating to the adjustment of certain German income tax attributes; and
- a non-cash income tax benefit of \$2.0 million resulting from a net reduction in Kronos' reserve for uncertain tax positions.

Income tax benefit in 2006 includes:

- an income tax benefit of \$21.7 million resulting from a favorable resolution of certain income tax audits in Germany that resulted in an increase in the amount of Kronos' German trade tax net operating loss carryforward;
- an income tax benefit of \$10.7 million resulting from the reduction in Kronos' income tax contingency reserves related to favorable developments with income tax audits in Belgium, Norway and Germany;
- an income tax benefit of \$1.4 million relating to the favorable resolution of certain income tax audit issues in Germany and Belgium; and
- a \$1.1 million benefit resulting from the enactment of a reduction in Canadian income tax rates.

Other - On September 22, 2005, the chloride-process TiO₂ facility operated by Kronos' 50%-owned joint venture, Louisiana Pigment Company ("LPC"), temporarily halted production due to Hurricane Rita, and as a result, both Kronos and LPC filed claims with their insurers. Kronos recognized a \$1.8 million gain related to its business interruption claim in 2006.

Outlook - Kronos currently expects income from operations will be lower in 2009 compared to 2008 primarily from higher production costs resulting in part from significantly reduced production volumes and the resulting unabsorbed fixed production costs and unfavorable currency effects. Kronos currently expects to report a net loss in 2009 as compared to reporting net income in 2008 due to lower expected income from operations in 2009.

In response to the worldwide economic slowdown and weak consumer confidence, Kronos is significantly reducing its production volumes in 2009 in order to reduce its finished goods inventory and improve its liquidity. While overall industry pigment demand is expected to be lower in 2009 as compared to 2008 as a result of worldwide economic conditions, Kronos currently expects sales volumes in 2009 will be slightly higher as compared to 2008, as it expects to gain market share following anticipated reductions in industry capacity due to competitors' permanent plant shutdowns. Kronos believes average selling prices in 2009 will decline from year end levels during the first half of the year but will rise during the second half of 2009 which should result in slightly higher average worldwide TiO₂ selling prices for the year. To mitigate the negative impact of its significantly reduced production volumes, Kronos is reducing operating costs where possible, such as; reducing maintenance expenditures, research development expenditures and personnel costs.

Kronos' expectations as to the future of the TiO₂ industry are based upon a number of factors beyond its control, including worldwide growth of gross domestic product, competition in the marketplace, solvency and continued operation of competitors, unexpected or earlier than expected capacity additions or reductions and technological advances. If actual developments differ from expectations, results of operations could be unfavorably affected.

Kronos believes that its annual attainable production capacity for 2009 is approximately 532,000 metric tons. Kronos expect its production volumes in 2009 will be significantly lower than attainable capacity. Kronos currently expects that it will operate at 75% to 85% of attainable production capacity in 2009. Expected capacity utilization levels could be adjusted upwards or downwards to match changes in demand for Kronos' product.

General corporate and other items

Interest and dividend income - Interest and dividend income in 2008 increased \$3.2 million from 2007 primarily due to the interest received on certain escrow funds that we became entitled to as part of the April 2008 litigation settlement agreement. We recognized this as interest income during the second quarter of 2008. See Note 19 to the Consolidated Financial Statements.

Interest and dividend income in 2007 decreased \$362,000 from 2006 due primarily to lower levels of funds available for investment. Other interest and dividend income fluctuates in part based upon the amount of funds invested and yields thereon. We expect that interest income will be lower in 2009 than 2008 primarily due to the 2008 receipt of interest on certain escrow funds.

Securities transactions - In October 2007 we sold 800,000 shares of TIMET common stock to Valhi for \$26.8 million. The transaction was approved by the independent members of our board of directors. We recognized a \$22.7 million pre-tax security transaction gain in the fourth quarter of 2007 related to the sale. See Note 4 to the Consolidated Financial Statements.

Litigation settlement gain - In October 2008 we recognized a \$48.8 million gain related to the initial closing associated with the settlement of condemnation proceedings on certain real property we owned that is subject to environmental remediation, and for which we had a carrying value of approximately \$5.8 million at the date of closing. A second closing is scheduled for April 2009, and if that closing occurs we will receive additional consideration at that time and recognize an additional gain. See Note 19 to the Consolidated Financial Statements.

Insurance recoveries – Insurance recoveries in 2006, 2007 and 2008 relate to amounts we received from certain of our former insurance carriers, and relate principally to the recovery of prior lead pigment and asbestos litigation defense costs incurred by us. We have agreements with two former insurance carriers pursuant to which the carriers reimburse us for a portion of our past and future lead pigment and asbestos litigation defense costs, and the insurance recoveries in 2007 and 2008 include amounts we received from these carriers. We are not able to determine how much we will ultimately recover from these carriers for past defense costs we incurred because of certain issues that arise regarding which past defense costs qualify for reimbursement. Insurance recoveries in 2006 also include amounts we received for prior legal defense and indemnity coverage for certain of our environmental expenditures. We do not expect to receive any further material insurance settlements relating to environmental remediation matters.

While we continue to seek additional insurance recoveries for lead pigment and asbestos litigation matters, we do not know the extent to which we will be successful in obtaining reimbursement for either defense costs or indemnity. We have not considered any additional potential insurance recoveries in determining accruals for lead pigment litigation matters. Any additional insurance recoveries would be recognized when the receipt is probable and the amount is determinable. See Note 19 to our Consolidated Financial Statements.

Corporate expenses – Corporate expenses were \$25.0 million in 2008, \$6.3 million or 20% lower than in 2007. Included in 2008 corporate expense are:

- Litigation and related costs of \$14.6 million in 2008 compared to \$22.1 in 2007; and
- Environmental expenses of \$6.8 million in 2008, compared to \$4.4 million in 2007.

Corporate expenses were \$31.3 million in 2007, \$7.1 million, or 29%, higher than in 2006 primarily due to higher litigation and related expense. Included in 2007 corporate expenses are:

- Litigation and related costs of \$22.1 million in 2007 compared to \$15.3 million in 2006; and
- Environmental expense of \$4.4 million in 2007, compared to \$4.3 million in 2006.

We expect that net general corporate expenses in 2009 will be higher than in 2008, primarily due to higher expected litigation and related expenses as well as higher defined benefit pension plan expense.

Obligations for environmental remediation costs are difficult to assess and estimate, and it is possible that actual costs for environmental remediation will exceed accrued amounts or that costs will be incurred in the future for sites in which we cannot currently estimate our liability. If these events were to occur in 2009, our corporate expenses would be higher than we currently estimate. See Note 19 to the Consolidated Financial Statements.

Interest expense - Substantially all of our interest expense in 2006, 2007 and 2008 relates to CompX. Interest expense increased \$1.6 million in 2008 compared to 2007 and increased \$541,000 in 2007 compared to 2006 due to the \$52.6 million promissory note entered into by CompX upon the repurchase and/or cancellation of 2.7 million shares of its Class A common stock in October 2007. See Note 2 to the Consolidated Financial Statements.

Provision for income taxes - We recognized an income tax expense of \$14.9 million in 2008 compared to a benefit of \$8.3 million in 2007 and an expense of \$8.9 million in 2006. In accordance with GAAP, we recognize deferred income taxes on our undistributed equity in earnings of Kronos. We do not recognize, and we are not required to pay, income taxes to the extent we receive dividends from Kronos. Because we and Kronos are part of the same U.S. federal income tax group, dividends we receive from Kronos are nontaxable to us. Therefore, our effective income tax rate will generally be lower than the U.S. federal statutory income tax rate in periods during which we receive dividends from Kronos. In this regard, Kronos announced the suspension of its regularly quarterly dividend in February 2009 in consideration of the challenges and opportunities that exist in the TiO₂ pigment industry. If Kronos continues to not pay any dividends for the remainder of 2009, our effective tax rate in 2009 would consequently be higher as compared to 2008.

See Note 15 to our Consolidated Financial Statements for a tabular reconciliation of our statutory tax expense to our actual tax expense. Some of the more significant items impacting this reconciliation are summarized below.

The goodwill impairment charge of \$10.1 million recorded in the third quarter of 2008 (see Note 8) is non-deductible goodwill for income tax purposes. Accordingly, there is no income tax benefit associated with the goodwill impairment charge for financial reporting purposes. Our income tax expense in 2008 includes a \$2.1 million benefit related to a net reduction in our reserve for uncertain tax positions primarily due to a fourth quarter recognition of unrecognized tax benefits because of statute of limitation expirations.

Our income tax benefit in 2007 includes a \$1.3 million benefit related to a net reduction in our reserve for uncertain tax positions primarily due to a third quarter recognition of unrecognized tax benefits because of statute of limitation expirations.

Our income tax expense in 2006 includes a \$142,000 benefit resulting from the enactment of a reduction in Canadian income tax rates.

Minority interest – Minority interest in earnings decreased \$3.0 million in 2008 as compared to 2007. This decrease is due to both our increased ownership of CompX as compared to the same period last year and to lower earnings of CompX in 2008.

Minority interest decreased \$844,000 in 2007 as compared to 2006 primarily due to our increased ownership percentage in

CompX that resulted from CompX's repurchase and/or cancellation of its shares from TIMET. See Note 2 to our Consolidated Financial Statements.

Related party transactions – We are a party to certain transactions with related parties. See Notes 2 and 17 to the Consolidated Financial Statements. It is our policy to engage in transactions with related parties on terms, in our opinion, no less favorable to us than we could obtain from unrelated parties.

Recent accounting pronouncements - See Note 21 to our Consolidated Financial Statements.

Assumptions on defined benefit pension plans and OPEB plans

Defined benefit pension plans - We maintain various defined benefit pension plans in the U.S. and the U.K., and Kronos maintains various defined benefit pension plans in Europe, Canada and the U.S. See Note 16 to the Consolidated Financial Statements.

We account for our defined benefit pension plans in accordance with SFAS No. 87, *Employer's Accounting for Pensions*, as amended. Under SFAS No. 87, defined benefit pension plan expense and prepaid and accrued pension costs are each recognized based on certain actuarial assumptions, principally the assumed discount rate, the assumed long-term rate of return on plan assets and the assumed increase in future compensation levels.

In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*. SFAS No. 158 requires us to recognize an asset or liability for the over or under funded status of each of our individual defined benefit pension plans on our Consolidated Balance Sheets. This standard does not change the existing recognition and measurement requirements that determine the amount of periodic benefit cost we recognize in net income. We adopted the asset and liability recognition and disclosure requirements of this standard effective December 31, 2006 on a prospective basis, in which we recognized through other comprehensive income all of our prior unrecognized gains and losses and prior service costs or credits, net of tax, as of December 31, 2006.

Prior to December 31, 2007, we used a September 30 measurement date. Effective December 31, 2007, we now use a December 31 measurement date, concurrent with our adoption of the measurement date requirements of SFAS No. 158 effective December 31, 2007. See Note 16 to our Consolidated Financial Statements.

We recognized consolidated defined benefit pension plan income of \$2.2 million in 2006, \$2.5 million in 2007 and \$3.1 million in 2008. The amount of funding requirements for these defined benefit pension plans is generally based upon applicable regulations (such as ERISA in the U.S.), and will generally differ from pension expense recognized under SFAS No. 87 for financial reporting purposes. Contributions made to all of our plans aggregated \$1.3 million in 2006, \$900,000 in 2007, and \$600,000 in 2008.

The discount rates we use for determining defined benefit pension expense and the related pension obligations are based on an approach of cash flow matching to a portfolio of high quality corporate bonds in the applicable country where the defined benefit pension benefits are being paid. In addition, we receive advice about appropriate discount rates from our third-party actuaries, who may in some cases utilize proprietary cash flow matching models. The discount rates are adjusted as of each measurement date to reflect then-current interest rates on such long-term bond portfolios. Such discount rates are used to determine the actuarial present value of the pension obligations as of the measurement date, and such discount rates are also used to determine the interest component of defined benefit pension expense for the following year.

At December 31, 2008, approximately 86% of the projected benefit obligations related to our plans in the U.S., with the remainder related to a plan in the United Kingdom associated with a former disposed business unit. We use different discount rate assumptions in determining our defined benefit pension plan obligations and expense for the plans we maintain in the United States and the U.K. as the interest rate environment differs from country to country.

We used the following discount rates for our defined benefit pension plans:

	Discount rates used for:		
	Obligations at December 31, 2006 and expense in 2007	Obligations at December 31, 2007 and expense in 2008	Obligations at December 31, 2008 and expense in 2009
U.S.	5.8%	6.1%	6.1%
United Kingdom	5.0%	5.8%	6.0%

The assumed long-term rate of return on plan assets represents the estimated average rate of earnings on the funds invested or to be invested from the plans' assets provided to fund the benefit payments inherent in the projected benefit obligations. Unlike the discount rate, which is adjusted each year based on changes in current long-term interest rates, the assumed long-term rate of return on plan assets will not necessarily change based upon the actual, short-term performance of the plan assets in any given year. Defined benefit pension income (expense) each year is based upon the assumed long-term rate of return on plan assets for each plan and the actual fair value of the plan assets as of the beginning of the year. Differences between the expected return on plan assets for a given year and the actual return are

deferred and amortized over future periods based either upon the expected average remaining service life of the active plan participants (for plans for which benefits are still being earned by active employees) or the average remaining life expectancy of the inactive participants (for plans in which benefits are not still being earned by active employees).

At December 31, 2008, approximately 85% of the plan assets related to plan assets for our plans in the U.S., with the remainder related to the U.K. plan. We use different long-term rates of return on plan asset assumptions for our U.S. and U.K. defined benefit pension plan expense because the respective plan assets are invested in a different mix of investments and the long-term rates of return for different investments differ from country to country.

In determining the expected long-term rate of return on plan asset assumptions, we consider the long-term asset mix (e.g. equity vs. fixed income) for the assets for each of our plans and the expected long-term rates of return for such asset components. In addition, we receive advice about appropriate long-term rates of return from our third-party actuaries. At December 31, 2007 and 2008, substantially all of the assets attributable to U.S. plans were invested in the Combined Master Retirement Trust ("CMRT"), a collective investment trust sponsored by Contran to permit the collective investment by certain master trusts which fund certain employee benefits plans sponsored by Contran and certain of its affiliates.

The CMRT's long-term investment objective is to provide a rate of return exceeding a composite of broad market equity and fixed income indices (including the S&P 500 and certain Russell indices) utilizing both third-party investment managers as well as investments directed by Mr. Harold Simmons. Mr. Simmons is the sole trustee of the CMRT. The trustee of the CMRT, along with the CMRT's investment committee, of which Mr. Simmons is a member, actively manages the investments of the CMRT. The trustee and investment committee periodically change the asset mix of the CMRT based upon, among other things, advice they receive from third-party advisors and their expectations as to what asset mix will generate the greatest overall return. For the years ended December 31, 2006, 2007 and 2008, the assumed long-term rate of return for plan assets invested in the CMRT was 10%. In determining the appropriateness of the rate of return assumption, we considered, among other things, the historical rates of return for the CMRT, the current and projected asset mix of the CMRT and the investment objectives of the CMRT's managers. During the over 20-year history of the CMRT from its inception in 1987 through December 31, 2008, the average annual rate of return has been approximately 11%.

The CMRT weighted-average asset allocation by asset category was as follows:

	December 31,	
	2007	2008
Equity securities	98%	53%
Debt securities	-	43
Cash and other	2	4
Total	100%	100%

We regularly review our actual asset allocation for each of our plans, and will periodically rebalance the investments in each plan to more accurately reflect the targeted allocation when considered appropriate.

Our assumed long-term rates of return on plan assets for 2006, 2007 and 2008 were as follows:

	2006	2007	2008
U.S.	10.0%	10.0%	10.0%
United Kingdom	6.5%	6.5%	7.0%

We currently expect to utilize the same long-term rate of return on plan asset assumptions in 2009 as we used in 2008 for purposes of determining the 2009 defined benefit pension plan expense.

To the extent that a plan's particular pension benefit formula calculates the pension benefit in whole or in part based upon future compensation levels, the projected benefit obligations and the pension expense would be based in part upon expected increases in future compensation levels. However, we have no active employees participating in our defined benefit pension plans. Such plans are closed to additional participants and assumptions regarding future compensation levels are not applicable for our plans.

In addition to the actuarial assumptions discussed above, because we maintain a defined benefit pension plan in the U.K., the amount of recognized defined benefit pension expense and the amount of prepaid and accrued pension costs will vary based upon relative changes in foreign currency exchange rates.

A reduction in the assumed discount rate generally results in an actuarial loss, as the actuarially-determined present value of estimated future benefit payments will increase. Conversely, an increase in the assumed discount rate generally results in an actuarial gain. In addition, an actual return on plan assets for a given year that is greater than the assumed return on plan assets results in an actuarial gain, while an actual return on plan assets that is less than the assumed return results in an actuarial loss. Other actual outcomes that differ from previous assumptions, such as individuals living longer or shorter than assumed in mortality tables which are also used to determine the actuarially-determined present value of estimated future benefit payments, changes in such mortality table themselves or plan amendments, will also result in actuarial losses or gains. Accordingly, under GAAP we do not recognize all of such actuarial gains and losses in earnings currently; instead these amounts are deferred and amortized into income in the future as part of net periodic defined benefit pension

cost. However, upon adoption of SFAS No. 158 effective December 31, 2006, these amounts are recognized in other comprehensive income. See Note 16 to the Consolidated Financial Statements. In addition, any actuarial gains generated in future periods would reduce the negative amortization effect of any cumulative unrecognized actuarial losses, while any actuarial losses generated in future periods would reduce the favorable amortization effect of any cumulative unrecognized actuarial gains.

During 2008, all of our defined benefit pension plans generated a combined net actuarial loss of approximately \$31.6 million. This actuarial loss resulted primarily from the general market decline and the actual return on plan assets below the assumed return.

Based on the actuarial assumptions described above and our current expectation for what actual average foreign currency exchange rates will be during 2009, we expect that our defined benefit pension expense will approximate \$700,000 in 2009. In comparison, we expect to be required to make approximately \$600,000 of contributions to such plans during 2009.

As noted above, defined benefit pension expense and the amounts recognized as accrued pension costs are based upon the actuarial assumptions discussed above. We believe that all of the actuarial assumptions used are reasonable and appropriate. If we had lowered the assumed discount rate by 25 basis points for all of our plans as of December 31, 2008, our aggregate projected benefit obligations would have increased by approximately \$1.0 million at that date. Such a change would not materially impact our defined benefit pension income for 2009. Similarly, if we lowered the assumed long-term rate of return on plan assets by 25 basis points for all of our plans, our defined benefit pension expense would be expected to increase by approximately \$73,000 during 2009.

OPEB plans - We currently provide certain health care and life insurance benefits for eligible retired employees. See Note 16 to the Consolidated Financial Statements. We account for such OPEB costs under SFAS No. 106, *Employers Accounting for Postretirement Benefits other than Pensions*, as amended. Under SFAS No. 106, OPEB expense and accrued OPEB costs are based on certain actuarial assumptions, principally the assumed discount rate and the assumed rate of increases in future health care costs.

We recognized consolidated OPEB expense of \$622,000 in 2006, \$629,000 in 2007, and \$476,000 in 2008. Similar to defined benefit pension benefits, the amount of funding will differ from the expense recognized for financial reporting purposes, and contributions to the plans to cover benefit payments aggregated \$1.9 million in 2006, \$1.5 million in 2007 and \$1.1 million in 2008. Substantially all of our accrued OPEB cost relates to benefits being paid to current retirees and their dependents, and no OPEB benefits are being earned by current employees. As a result, the amount recognized for OPEB expense for financial reporting purposes has been, and is expected to continue to be, significantly less than the amount of OPEB benefit payments made each year. Accordingly, the amount of accrued OPEB expense is expected to decline gradually.

The assumed discount rates we utilize for determining OPEB expense and the related accrued OPEB obligations are generally based on the same discount rates we utilize for our defined benefit pension plans.

In estimating the health care cost trend rate, we consider our actual health care cost experience, future benefit structures, industry trends and advice from our third-party actuaries. In certain cases, we have the right to pass on to retirees all or a portion of increases in health care costs. During each of the past three years, we have assumed that the relative increase in health care costs will generally trend downward over the next several years, reflecting, among other things, assumed increases in efficiency in the health care system and industry-wide and plan-design cost containment initiatives. For example, at December 31, 2008 the expected rate of increase in future health care costs ranges from 8.5% in 2009, declining to 5.5% in 2014 and thereafter.

Based on the actuarial assumptions described above and our current expectation for what actual average currency exchange rates will be during 2009, we expect that our consolidated OPEB expense will approximate \$400,000 in 2009. In comparison, we expect to be required to make approximately \$1.2 million of contributions to such plans during 2009.

We believe that all of the actuarial assumptions used are reasonable and appropriate. If we had lowered the assumed discount rate by 25 basis points for all of our OPEB plans as of December 31, 2008, our aggregate projected benefit obligations would have increased by approximately \$200,000 at that date, and our OPEB expense would be expected to decrease by less than \$50,000 during 2009. Similarly, if the assumed future health care cost trend rate had been increased by 100 basis points, our accumulated OPEB obligations would have increased by approximately \$500,000 at December 31, 2008 and OPEB expense would have increased by less than \$50,000 in 2008.

Foreign operations

CompX - CompX has substantial operations and assets located outside the United States, principally furniture component product operations in Canada and Taiwan. At December 31, 2008, CompX had substantial net assets denominated in the Canadian dollar and the New Taiwan dollar.

Kronos - Kronos has substantial operations located outside the United States (principally Europe and Canada) for which the functional currency is not the U.S. dollar. As a result, the reported amount of our net investment in Kronos will fluctuate based upon changes in currency exchange rates. At December 31, 2008, Kronos had substantial net assets denominated in the euro, Canadian dollar, Norwegian krone and British pound sterling.

LIQUIDITY AND CAPITAL RESOURCES

Consolidated cash flows

Operating activities

Trends in cash flows from operating activities, excluding the impact of deferred taxes and relative changes in assets and liabilities, are generally similar to trends in our income from operations. Cash flows provided by operating activities increased from \$2.8 million used in operating activities in 2007 to \$760,000 provided by operating activities in 2008. The \$3.5 million increase in cash provided by operating activities includes the net effect of:

- higher income from operations in 2008 of \$10.4 million (excluding both the \$10.1 million non-cash goodwill impairment charge and the litigation settlement pre-tax gain of \$48.8 million), due primarily to lower litigation expense of \$7.5 million and lower depreciation and amortization in 2008 of \$2.0 million;
- higher interest income of \$3.2 million in 2008 primarily due to \$4.3 million of interest received from certain escrow funds;
- higher cash paid for environmental liabilities in 2008 of \$2.3 million;
- lower net cash provided by relative changes in our inventories and receivables of \$3.0 million; and
- higher cash paid for interest in 2008 of \$2.2 million due to CompX's issuance of its note payable to an affiliate in the fourth quarter of 2007.

Cash flows from operating activities decreased from \$29.0 million provided by operating activities in 2006 to \$2.8 million used in operating activities in 2007. This \$31.8 million decrease is primarily due to the net effect of:

- higher cash paid for income taxes in 2007 of \$23.3 million due in part to income tax payments we made related to the capital gain generated from Valhi's distribution of TIMET common stock in March 2007 (as discussed in Note 4 to the Consolidated Financial Statements) and the U.S. income taxes related to a higher amount of dividends CompX received from its non-U.S. subsidiaries in 2007;
- higher cash paid for legal expenses in 2007 of \$8.5 million;
- lower cash received for insurance recoveries in 2007 of \$2.0 million; and
- lower cash paid for environmental liabilities in 2007 of \$3.4 million.

We do not have complete access to CompX's cash flows in part because we do not own 100% of CompX. A detail of our consolidated cash flows from operating activities is presented in the table below. Intercompany dividends have been eliminated. The reference to NL Parent in the tables below is a reference to NL Industries, Inc., as the parent company of CompX and our other wholly-owned subsidiaries.

	Years ended December 31,		
	2006	2007	2008
	(In millions)		
Cash provided by (used in) operating activities:			
CompX	\$ 27.4	\$ 11.9	\$ 15.7
NL Parent and wholly-owned subsidiaries	6.9	(9.3)	(9.5)
Eliminations	(5.3)	(5.4)	(5.4)
Total	<u>\$ 29.0</u>	<u>\$ (2.8)</u>	<u>\$.8</u>

Relative changes in working capital can have a significant effect on cash flows from operating activities. Our average days'-sales-outstanding ("DSO") at December 31, 2008 was 41 days compared to 44 days at December 31, 2007. The decrease is primarily due to the timing of collections on a lower accounts receivable balance as of December 31, 2008. For comparative purposes, our average DSO was 44 days for December 31, 2007 and 41 days at December 31, 2006. Our average number of days-in-inventory ("DII") was 70 days at December 31, 2008 and 63 days at December 31, 2007. The increase in DII is primarily due to lower sales in the fourth quarter of 2008 which impacted the DII calculation, although in absolute terms we reduced inventory by \$1.6 million from 2007 to 2008. For comparative purposes our average DII was 63 days at December 31, 2007 and 57 days at December 31, 2006. The increase is primarily due to the higher cost of commodity raw materials during 2007 and higher inventory balances associated with the facility consolidation in 2007.

Investing activities

Net cash provided by investing activities totaled \$7.1 million in 2008 and \$17.5 million in 2007 compared to net cash used in 2006 of \$25.2 million. Capital expenditures, substantially all of which relate to CompX, were \$6.9 million in 2008, \$14.0 million in 2007 and \$12.1 million in 2006. Capital expenditure projects in 2008 emphasized improved production efficiency and included \$2.6 million spent to replace CompX's waste water treatment equipment at its South Carolina facility. Capital expenditures in 2006 and 2007 primarily emphasized improving CompX's manufacturing facilities and investing in manufacturing equipment which utilizes new technologies and increases automation of the manufacturing process to provide for increased productivity and efficiency.

During 2008:

- We received \$39.6 million from the initial closing contained in a settlement agreement related to condemnation proceedings on certain real property we owned in New Jersey;
- We provided loans to affiliates in the amount of \$19.2 million to Kronos and \$3.0 million to Valhi;
- CompX purchased approximately 126,000 shares of its common stock in market transactions for \$1.0 million;

- We purchased approximately 79,500 shares of Kronos common stock for \$.8 million and approximately 79,000 shares of Valhi for \$1.1 million in market transactions; and
- We used a net \$2.6 million of cash to fund two new escrow accounts related to environmental matters (such escrow funds are classified as restricted cash.)

In addition during 2008 we received a \$15 million promissory note related to the settlement of condemnation proceedings. See Notes 9 and 19 to the Condensed Consolidated Financial Statements.

During 2007:

- We sold 800,000 shares of TIMET common stock to Valhi at a cash price of \$33.50 per share, or an aggregate of \$26.8 million;
- We had additional net proceeds from sales of other marketable securities of \$4.2 million; and
- CompX purchased approximately 179,100 shares of its common stock in market transactions for \$3.3 million.

In addition, during 2007 CompX repurchased or cancelled a net 2.7 million shares of its Class A common stock held by TIMET, an affiliate, for \$19.50 per share, or aggregate consideration of \$52.6 million, which was paid in the form of a consolidated promissory note. See Notes 2 and 17 to our Consolidated Financial Statements.

During 2006:

- CompX acquired a marine component products company for \$9.8 million, net of cash acquired; and
- We purchased 147,500 shares of CompX common stock in market transactions for \$2.3 million.

Financing activities

Net cash used in financing activities totaled \$32.2 million, \$27.3 million and \$27.7 million in 2008, 2007 and 2006, respectively. We paid cash dividends of \$24.3 million (\$.50 per share) in 2008, 2007 and 2006. Other financing cash flows over the past three years consisted principally of:

- CompX paid cash dividends to minority interests in the amount of \$.8 million in 2008, \$1.9 million in 2007 and \$2.3 million in 2006;
- CompX prepaid \$7.0 million in 2008 and \$2.6 million in 2007 on its note payable to TIMET and in 2006 prepaid \$1.6 million of indebtedness assumed in its August 2005 business acquisition;
- We received proceeds from the exercise of options to purchase CompX common stock of \$1.4 million in 2007 and \$.3 million in 2006.

Provisions contained in certain of CompX's and Kronos' credit agreements could result in the acceleration of the applicable indebtedness prior to its stated maturity for reasons other than defaults from failing to comply with typical financial covenants. For example, certain credit agreements allow the lender to accelerate the maturity of the indebtedness upon a change of control (as defined) of the borrower. None of Kronos' credit agreements contain provisions that link the debt payment rates or schedules or borrowing availability to its credit rating. In addition, certain credit agreements could result in the acceleration of all or a portion of the indebtedness following a sale of assets outside the ordinary course of business.

CompX and Kronos are in compliance with all of their debt covenants at December 31, 2008. Our and our affiliates' ability to borrow funds under our credit facilities in the future will, in some instances, depend in part on our ability to maintain specified financial ratios and satisfy certain financial covenants contained in the applicable credit agreement. In this regard, Kronos currently expects that one of its required financial ratios of its European credit facility may not be maintained during 2009. Kronos has begun discussions with the lenders to obtain a waiver of such ratio. While we believe we can obtain such a waiver, there is no assurance that such waiver would be obtained.

Liquidity

Our primary source of liquidity on an ongoing basis is our cash flow from operating activities. We generally use these amounts to (i) fund capital expenditures (substantially all of which relate to CompX), (ii) pay ongoing environmental remediation and legal expenses and (iii) provide for the payment of debt service and dividends.

In January 2009, CompX amended its secured revolving bank credit facility, which extended the facility until January 15, 2012. Additionally, CompX reduced the size of the credit facility from \$50 million to \$37.5 million, which more appropriately reflects our potential borrowing needs. The credit facility is collateralized by 65% of the ownership interests in CompX's first-tier non-United States subsidiaries. Provisions contained in the Revolving Bank Credit Agreement could result in the acceleration of outstanding indebtedness prior to its stated maturity for reasons other than defaults from failing to comply with typical financial covenants. For example, the Credit Agreement allows the lender to accelerate the maturity of the indebtedness upon a change of control (as defined) of the borrower. The terms of the Credit Agreement could result in the acceleration of all or a portion of the indebtedness following a sale of assets outside of the ordinary course of business. At December 31, 2008 we had no balances outstanding under the facility.

In October 2007, CompX repurchased and/or cancelled a net 2.7 million shares of its Class A common stock from TIMET for aggregate consideration of \$52.6 million, which we paid in the form of a promissory note. See Note 12 to the Consolidated Financial Statements.

At December 31, 2008, we had an aggregate of \$29.4 million of restricted and unrestricted cash, cash equivalents and debt securities. A detail by entity is presented in the table below.

CompX	\$	14.4
NL Parent and wholly-owned subsidiaries		<u>15.0</u>
Total	\$	<u>29.4</u>

We routinely compare our liquidity requirements and alternative uses of capital against the estimated future cash flows we expect to receive from our subsidiaries and affiliates. As a result of this process, we have in the past and may in the future seek to raise additional capital, incur debt, repurchase indebtedness in the market or otherwise, modify our dividend policies, consider the sale of our interests in our subsidiaries, affiliates, business units, marketable securities or other assets, or take a combination of these and other steps, to increase liquidity, reduce indebtedness and fund future activities. Such activities have in the past and may in the future involve related companies.

We periodically evaluate acquisitions of interests in or combinations with companies (including related companies) perceived by management to be undervalued in the marketplace. These companies may or may not be engaged in businesses related to our current businesses. We intend to consider such acquisition activities in the future and, in connection with this activity, may consider issuing additional equity securities and increasing indebtedness. From time to time, we also evaluate the restructuring of ownership interests among our respective subsidiaries and related companies.

Based upon our expectations of our operating performance, and the anticipated demands on our cash resources we expect to have sufficient liquidity to meet our short-term obligations (defined as the twelve-month period ending December 31, 2009). If actual developments differ from our expectations, our liquidity could be adversely affected.

Capital Expenditures

We currently expect that our aggregate capital expenditures for CompX in 2009 will be approximately \$4 million. 2009 capital expenditures are expected to be lower than in 2008 in response to the current economic conditions and are limited to those expenditures required to meet the lower expected customer demand and to properly maintain our facilities. Kronos intends to spend approximately \$29 million for major improvements and upgrades to existing facilities during 2009, including approximately \$3 million in the area of environmental protection and compliance.

Dividends

Because our operations are conducted primarily through subsidiaries and affiliates, our long-term ability to meet parent company-level corporate obligations is largely dependent on the receipt of dividends or other distributions from our subsidiaries and affiliates. CompX currently pays a regular quarterly dividend of \$.125 per share. At that rate, and based on the 10.8 million shares of CompX we held at December 31, 2008, we would receive annual dividends from CompX of \$5.4 million. In addition, Valhi pays regular quarterly dividends of \$.10 per share. Based on the 4.8 million shares of Valhi we held at December 31, 2008, we would receive annual dividends from Valhi of \$1.9 million. In February 2009, Kronos announced the suspension of its regularly quarterly dividend in consideration of the challenges and opportunities that exist in the TiO₂ pigment industry. Also in February 2009, TIMET announced the suspension of its regular quarterly dividend on its common stock in consideration of the challenges and opportunities that exist in the titanium metals industry.

Investments in our Subsidiaries and Affiliates and other Acquisitions

We have in the past, and may in the future, purchase the securities of our subsidiaries and affiliates or third-parties in market or privately-negotiated transactions. We base our purchase decisions on a variety of factors, including an analysis of the optimal use of our capital, taking into account the market value of the securities and the relative value of expected returns on alternative investments. In connection with these activities, we may consider issuing additional equity securities or increasing our indebtedness. We may also evaluate the restructuring of ownership interests of our businesses among our subsidiaries and related companies.

During 2008 we purchased approximately 79,000 shares of Valhi in open-market transactions for an aggregate amount of \$1.1 million. Also during 2008 we purchased approximately 79,500 shares of Kronos in open-market transactions for an aggregate amount of \$800,000. See Notes 4 and 7 to our Consolidated Financial Statements.

Summary of debt and other contractual commitments

As more fully described in the notes to our Consolidated Financial Statements, we are party to various debt, lease and other agreements which contractually and unconditionally commit us to pay certain amounts in the future. See Notes 12 and 19 to our Consolidated Financial Statements. The following table summarizes our contractual commitments as of December 31, 2008 by the type and date of payment.

Contractual commitment	Payment due date				Total
	2009	2010/2011	2012/2013 (In millions)	2014 and After	

Note and interest payable to affiliate	\$ 3.1	\$ 6.1	\$ 5.9	\$ 39.4	\$ 54.5
Estimated tax obligations	1.9	-	-	-	1.9
Operating leases	.6	.7	.2	-	1.5
Purchase obligations	16.5	-	-	-	16.5
Fixed asset acquisitions	.6	-	-	-	.6
	<u>\$ 22.7</u>	<u>\$ 6.8</u>	<u>\$ 6.1</u>	<u>\$ 39.4</u>	<u>\$ 75.0</u>

The timing and amount shown for our commitments related to notes payable, operating leases and fixed asset acquisitions are based upon the contractual payment amount and the contractual payment date for such commitments. The timing and amount shown for raw material and other purchase obligations, which consist of all open purchase orders and contractual obligations (primarily commitments to purchase raw materials) is also based on the contractual payment amount and the contractual payment date for such commitments. The amount shown for income taxes is the consolidated amount of income taxes payable including the net amount payable to Valhi under our tax sharing agreement at December 31, 2008, which is assumed to be paid during 2009. Fixed asset acquisitions include firm purchase commitments for capital projects.

The above table does not reflect any amounts that we might pay to fund our defined benefit pension and OPEB plans, as the timing and amount of any such future fundings are unknown and dependent on, among other things, the future performance of defined benefit pension plan assets, interest rate assumptions and actual future retiree medical costs. Such defined benefit pension plans and OPEB plans are discussed above in greater detail.

The above table also does not reflect any amounts that we might pay to settle any of our uncertain tax positions, as the timing and amount of any such future settlements are unknown and dependent on, among other things, the timing of tax audits. See Notes 15 and 21 to our Consolidated Financial Statements.

Commitments and contingencies

We are subject to certain commitments and contingencies, as more fully described in Note 19 to our Consolidated Financial Statements or in Part I, Item 3 of this report. In addition to those legal proceedings described in Note 19 to our Consolidated Financial Statements, various legislation and administrative regulations have, from time to time, been proposed that seek to (i) impose various obligations on present and former manufacturers of lead pigment and lead-based paint (including us) with respect to asserted health concerns associated with the use of such products and (ii) effectively overturn court decisions in which we and other pigment manufacturers have been successful. Examples of such proposed legislation include bills which would permit civil liability for damages on the basis of market share, rather than requiring plaintiffs to prove that the defendant's product caused the alleged damage, and bills which would revive actions barred by the statute of limitations. While no legislation or regulations have been enacted to date that are expected to have a material adverse effect on our consolidated financial position, results of operations or liquidity, enactment of such legislation could have such an effect.

Off balance sheet financing arrangements

Other than operating lease commitments disclosed in Note 19 to our Consolidated Financial Statements, we are not party to any material off-balance sheet financing arrangements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

General - We are exposed to market risk from changes in currency exchange rates, interest rates, raw materials and equity security prices.

Interest rates - We are exposed to market risk from changes in interest rates, primarily related to our indebtedness.

At December 31, 2008 and 2007, CompX had no amounts outstanding under its secured Revolving Bank Credit Agreement. In conjunction with CompX's repurchase and/or cancellation of a net 2.7 million shares of its class A common stock, during the fourth quarter of 2007, CompX issued a promissory note for \$52.6 million. See Notes 12 and 17 to the Consolidated Financial Statements. At December 31, 2008, there was \$43.0 million outstanding on the promissory note (\$50.0 million at December 31, 2007) which bears interest at LIBOR plus 1%, (5.05% and 5.98% at December 31, 2008 and 2007, respectively) and the fair value of such indebtedness approximates its carrying value. The interest rate is reset quarterly based on the three month LIBOR.

Foreign currency exchange rates - We are exposed to market risk arising from changes in currency exchange rates as a result of manufacturing and selling our products outside the United States (principally Canada and Taiwan). A portion of sales generated from our non-U.S. operations are denominated in currencies other than the U.S. dollar, principally the Canadian dollar and the New Taiwan dollar. In addition, a portion of our sales generated from our non-U.S. operations are denominated in the U.S. dollar. Most raw materials, labor and other production costs for such non-U.S. operations are denominated primarily in local currencies. Consequently, the translated U.S. dollar value of our non-U.S. sales and operating results are subject to currency exchange rate fluctuations which may favorably or unfavorably impact reported earnings and may affect comparability of period-to-period operating results.

As mentioned above, certain of our sales generated by CompX's non-U.S. operations are denominated in U.S. dollars. To mitigate the financial statement impact of changes in currency exchange rates, CompX periodically enters into forward currency contracts. At each balance sheet date, outstanding forward currency contracts are marked to market with any resulting gain or loss recognized in income

currently unless the contract is designated as a hedge upon which the mark-to-market adjustment is recorded in other comprehensive income. To manage a portion of the currency exchange rate market risk associated with receivables, or similar exchange rate risk associated with future sales, at December 31, 2008 CompX had entered into a series of short-term forward currency exchange contracts to exchange an aggregate of \$7.5 million for an equivalent value of Canadian dollars at exchange rates of Cdn. \$1.25 to \$1.26 per U.S. dollar. These contracts qualified for hedge accounting and mature through June 2009. At December 31, 2008, the actual exchange rate was Cdn. \$1.22 per U.S. dollar. The estimated fair value of such contracts was not material at December 31, 2008. We had no forward currency contracts outstanding at December 31, 2007.

Marketable equity and debt security prices - We are exposed to market risk due to changes in prices of the marketable securities which we own. The fair value of equity securities at December 31, 2007 and 2008 was \$113.4 million and \$64.0 million, respectively. The potential change in the aggregate fair value of these investments, assuming a 10% change in prices, would be \$11.3 million at December 31, 2007 and \$6.4 million at December 31, 2008. The fair value of marketable debt securities at December 31, 2007 was \$5.9 million and was \$5.5 million at December 31, 2008. The potential change in the aggregate fair value of these investments assuming a 10% change in prices would be \$590,000 at December 31, 2007 and \$550,000 at December 31, 2008.

Raw materials - CompX will occasionally enter into raw material arrangements to mitigate the short-term impact if future increases in raw material costs. Otherwise, we generally do not have long-term supply agreements for our raw material requirements because either we believe the risk of unavailability of those raw materials is low and we believe the price to be stable or because long-term supply agreements for those materials are generally not available. We do not engage in commodity hedging programs.

Other - We believe there may be a certain amount of incompleteness in the sensitivity analyses presented above. For example, the hypothetical effect of changes in interest rates discussed above ignores the potential effect on other variables which affect our results of operations and cash flows, such as demand for our products, sales volumes, selling prices and operating expenses. Contrary to the above assumptions, changes in interest rates rarely result in simultaneous parallel shifts along the yield curve. Accordingly, the amounts presented above are not necessarily an accurate reflection of the potential losses we would incur assuming the hypothetical changes in market prices were actually to occur.

The above discussion and estimated sensitivity analysis amounts include forward-looking statements of market risk which assume hypothetical changes in market prices. Actual future market conditions will likely differ materially from such assumptions. Accordingly, such forward-looking statements should not be considered to be projections of future events, gains or losses.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information called for by this Item is contained in a separate section of this Annual Report. See "Index of Financial Statements and Schedules" (page F-1).

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

We maintain a system of disclosure controls and procedures. The term "disclosure controls and procedures," as defined by Exchange Act Rule 13a-15(e), means controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit to the SEC under the Securities Exchange Act of 1934, as amended (the "Act"), is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information we are required to disclose in the reports we file or submit to the SEC under the Act is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions to be made regarding required disclosure. Each of Harold C. Simmons, our Chief Executive Officer, and Gregory M. Swallow, our Vice President, Finance and Chief Financial Officer, have evaluated the design and effectiveness of our disclosure controls and procedures as of December 31, 2008. Based upon their evaluation, these executive officers have concluded that our disclosure controls and procedures are effective as of December 31, 2008.

Internal control over financial reporting

We also maintain internal control over financial reporting. The term "internal control over financial reporting," as defined by Exchange Act Rule 13a-15(f) means a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, and effected by the board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets,
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in

accordance with GAAP, and that receipts and expenditures are being made only in accordance with authorizations of management and directors, and

- provide reasonable assurance regarding prevention or timely detection of an unauthorized acquisition, use or disposition of assets that could have a material effect on our Condensed Consolidated Financial Statements.

Section 404 of the Sarbanes-Oxley Act of 2002 requires us to report on internal control over financial reporting in this Annual Report on Form 10-K for the year ended December 31, 2008. Our independent registered public accounting firm is also required to audit our internal control over financial reporting as of December 31, 2008.

As permitted by the SEC, our assessment of internal control over financial reporting excludes (i) internal control over financial reporting of equity method investees and (ii) internal control over the preparation of our financial statement schedules required by Article 12 of Regulation S-X. However, our assessment of internal control over financial reporting with respect to equity method investees did include controls over the recording of amounts related to our investment that are recorded in the consolidated financial statements, including controls over the selection of accounting methods for our investments, the recognition of equity method earnings and losses and the determination, valuation and recording of our investment account balances.

Changes in Internal Control Over Financial Reporting

There has been no change to our internal control over financial reporting during the quarter ended December 31, 2008 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our evaluation of the effectiveness of internal control over financial reporting is based upon the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (commonly referred to as the "COSO" framework). Based on our evaluation under that framework, we have concluded that our internal control over financial reporting was effective as of December 31, 2008.

PricewaterhouseCoopers LLP, the independent registered public accounting firm that has audited our consolidated financial statements included in this Annual Report, has audited the effectiveness of our internal control over financial reporting as of December 31, 2008, as stated in their report which is included in this Annual Report on Form 10-K.

Certifications

Our chief executive officer is required to annually file a certification with the New York Stock Exchange ("NYSE"), certifying our compliance with the corporate governance listing standards of the NYSE. During 2008, our chief executive officer filed such annual certification with the NYSE. The 2008 certification was unqualified.

Our chief executive officer and chief financial officer are also required to, among other things, quarterly file certifications with the SEC regarding the quality of our public disclosures, as required by Section 302 of the Sarbanes-Oxley Act of 2002. We have filed the certifications for the quarter ended December 31, 2008 as Exhibits 31.1 and 31.2 to this Annual Report on Form 10-K.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The information required by this Item is incorporated by reference to our definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this report (the "NL Proxy Statement").

ITEM 11. EXECUTIVE COMPENSATION.

The information required by this Item is incorporated by reference to the NL Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The information required by this Item is incorporated by reference to the NL Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The information required by this Item is incorporated by reference to the NL Proxy Statement. See also Note 17 to the Consolidated Financial Statements.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The Information required by this Item is incorporated by reference to the NL Proxy Statement.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) and (c) Financial Statements and Schedules

The Registrant

The consolidated financial statements and schedules of the Registrant listed on the accompanying Index of Financial Statements and Schedules (see page F-1) are filed as part of this Annual Report.

50%-or-less persons

The consolidated financial statements of Kronos (36%-owned at December 31, 2008) are incorporated by reference in Exhibit 99.1 of this Annual Report pursuant to Rule 3-09 of Regulation S-X. Management's Report on Internal Control Over Financial Reporting of Kronos is not included as part of Exhibit 99.1. The Registrant is not required to provide any other consolidated financial statements pursuant to Rule 3-09 of Regulation S-X.

(b) Exhibits

We have included as exhibits the items listed in the Exhibit Index. We will furnish a copy of any of the exhibits listed below upon payment of \$4.00 per exhibit to cover the costs to us of furnishing the exhibits. Pursuant to Item 601(b)(4) (iii) of Regulation S-K, any instrument defining the rights of holders of long-term debt issues and other agreements related to indebtedness which do not exceed 10% of consolidated total assets as of December 31, 2008 will be furnished to the Commission upon request.

We will also furnish, without charge, a copy of our Code of Business Conduct and Ethics, as adopted by the board of directors on February 19, 2004, upon request. Such requests should be directed to the attention of our Corporate Secretary at our corporate offices located at 5430 LBJ Freeway, Suite 1700, Dallas, Texas 75240.

Item No.

Exhibit Index

- | | |
|------|---|
| 2.1 | Form of Distribution Agreement between NL Industries, Inc. and Kronos Worldwide, Inc. - incorporated by reference to Exhibit 2.1 to the Kronos Worldwide, Inc. Registration Statement on Form 10 (File No. 001-31763). |
| 3.1 | Certificate of Amended and Restated Certificate of Incorporation dated May 22, 2008 - incorporated by reference to Exhibit 1 to the Registrant's Proxy Statement on Schedule 14A for the annual meeting held on May 21, 2008. |
| 3.2 | Amended and Restated Bylaws of NL Industries, Inc. as of May 23, 2008 - incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission on May 23, 2008. |
| 4.1 | Indenture governing the 6.5% Senior Secured Notes due 2013, dated as of April 11, 2006, between Kronos International, Inc. and The Bank of New York, as trustee (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Kronos International, Inc. (File No. 333-100047) that was filed with the U.S. Securities and Exchange Commission on April 11, 2006). |
| 10.1 | Lease Contract dated June 21, 1952, between Farbenfabriken Bayer Aktiengesellschaft and Titangesellschaft mit beschränkter Haftung (German language version and English translation thereof) - incorporated by reference to Exhibit 10.14 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1985. |
| 10.2 | Formation Agreement dated as of October 18, 1993 among Tioxide Americas Inc., Kronos Louisiana, Inc. and Louisiana Pigment Company, L.P. - incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993. |
| 10.3 | Joint Venture Agreement dated as of October 18, 1993 between Tioxide Americas Inc. and Kronos Louisiana, Inc. - incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993. |
| 10.4 | Kronos Offtake Agreement dated as of October 18, 1993 between Kronos Louisiana, Inc. and Louisiana Pigment Company, L.P. - incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993. |
| 10.5 | Amendment No. 1 to Kronos Offtake Agreement dated as of December 20, 1995 between Kronos Louisiana, Inc. and Louisiana Pigment Company, L.P. - incorporated by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1995. |

- 10.6 Tioxide Americas Offtake Agreement dated as of October 18, 1993 between Tioxide Americas Inc. and Louisiana Pigment Company, L.P. - incorporated by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993.
- 10.7 Amendment No. 1 to Tioxide Americas Offtake Agreement dated as of December 20, 1995 between Tioxide Americas Inc. and Louisiana Pigment Company, L.P. - incorporated by reference to Exhibit 10.24 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1995.
- 10.8 TCI/KCI Output Purchase Agreement dated as of October 18, 1993 between Tioxide Canada Inc. and Kronos Canada, Inc. - incorporated by reference to Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993.
- 10.9 TAI/KLA Output Purchase Agreement dated as of October 18, 1993 between Tioxide Americas Inc. and Kronos Louisiana, Inc. - incorporated by reference to Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993.
- 10.10 Parents' Undertaking dated as of October 18, 1993 between ICI American Holdings Inc. and Kronos, Inc. - incorporated by reference to Exhibit 10.9 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993.
- 10.11 Allocation Agreement dated as of October 18, 1993 between Tioxide Americas Inc., ICI American Holdings, Inc., Kronos, Inc. and Kronos Louisiana, Inc. - incorporated by reference to Exhibit 10.10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993.
- 10.12 Form of Director's Indemnity Agreement between NL Industries, Inc. and the independent members of the Board of Directors of NL Industries, Inc. - incorporated by reference to Exhibit 10.20 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1987.
- 10.13* NL Industries, Inc. 1998 Long-Term Incentive Plan - incorporated by reference to Appendix A to the NL Industries, Inc. Proxy Statement on Schedule 14A for the annual meeting of shareholders held on May 6, 1998.
- 10.14* Form of Kronos Worldwide, Inc. 2003 Long-Term Incentive Plan - incorporated by reference to Exhibit 10.4 to the Kronos Worldwide, Inc. Registration Statement on Form 10 (File No. 001-31763).
- 10.15 Insurance Sharing Agreement, effective January 1, 1990, by and between the Registrant, NL Insurance, Ltd. (an indirect subsidiary of Tremont Corporation) and Baroid Corporation - incorporated by reference to Exhibit 10.20 to the NL Industries, Inc. Annual Report on Form 10-K for the year ended December 31, 1991.
- 10.16 Amended Tax Agreement among NL Industries, Inc., Valhi, Inc. and Contran Corporation effective November 30, 2004 - incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K as of November 30, 2004.
- 10.17 Intercorporate Services Agreement by and between Contran Corporation and NL Industries, Inc. effective as of January 1, 2004 - incorporated by reference to Exhibit 10.1 to the NL Industries, Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2004.
- 10.18 Intercorporate Services Agreement by and between Contran Corporation and Kronos Worldwide, Inc. - incorporated by reference to Exhibit 10.1 to the Kronos Worldwide, Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2004.
- 10.19 Intercorporate Services Agreement between CompX International Inc. and Contran Corporation effective as of January 1, 2004 - incorporated by reference to Exhibit 10.2 to the CompX International Inc. Annual Report on Form 10-K for the year ended December 31, 2004.
- 10.20 Form of Tax Agreement between Valhi, Inc. and Kronos Worldwide, Inc. - incorporated by reference to Exhibit 10.1 to the Kronos Worldwide, Inc. Registration Statement on Form 10 (File No. 001-31763).
- 10.21 Insurance sharing agreement dated October 30, 2003 by and among CompX International Inc., Contran Corporation, Keystone Consolidated Industries, Inc., Kronos Worldwide, Inc., Titanium Metals Corp., Valhi, Inc. and NL Industries, Inc. - incorporated by reference to Exhibit 10.48 to the NL Industries, Inc. Annual Report on Form 10-K for the year ended December 31, 2003.
- 10.22 First Amendment Agreement, dated September 3, 2004, Relating to a Facility Agreement dated June 25, 2002 among Kronos Titan GmbH, Kronos Europe S.A./N.V., Kronos Titan AS and Titania A/S, as borrowers, Kronos Titan GmbH, Kronos Europe S.A./N.V. and Kronos Norge AS, as guarantors, Kronos Denmark ApS, as security provider, with Deutsche Bank Luxembourg S.A., acting as agent - incorporated by reference to Exhibit 10.8 to the Registration Statement on Form S-1 of Kronos Worldwide, Inc. (File No. 333-119639).

- 10.23* CompX International Inc. 1997 Long-Term Incentive Plan – incorporated by reference to Exhibit 10.2 to the CompX International Inc. Registration Statement on Form S-1 (File No. 1-13905).
- 10.24 Second Amendment Agreement Relating to a Facility Agreement dated June 25, 2002 executed as of June 14, 2005 by and among Deutsche Bank AG, as mandated lead arranger, Deutsche Bank Luxembourg S.A. as agent, the participating lenders, Kronos Titan GmbH, Kronos Europe S.A./N.V, Kronos Titan AS, Kronos Norge AS, Titania AS and Kronos Denmark ApS – incorporated by reference to Exhibit 10.1 of the Kronos International, Inc. Form 8-K dated June 14, 2005. Certain schedules, exhibits, annexes and similar attachments to this Exhibit have not been filed; upon request, the Reporting Persons will furnish supplementally to the Commission a copy of any omitted exhibit, annex or attachment.
- 10.25 \$50,000,000 Credit Agreement between CompX International Inc. and Wachovia Bank, National Association, as Agent and various lending institutions dated December 23, 2005 – incorporated by reference to Exhibit 10.12 of CompX International Inc.'s Form 10-K for the year ended December 31, 2006 (File No. 1-13905). Certain exhibits, annexes and similar attachments to this Exhibit have not been filed; upon request, CompX International Inc. will furnish supplementally to the SEC a copy of any omitted exhibit, annex, or attachment.
- 10.26 Stock Purchase Agreement dated October 11, 2007 between NL Industries, Inc. and Valhi, Inc., - incorporated by reference to Exhibit 10.6 of CompX International Inc.'s Form 10-K for the year ended December 31, 2007 (File No. 1-13905).
- 10.27 First Amendment to Credit Agreement dated as of October 16, 2007 among CompX International Inc., CompX Security Products, Inc., CompX Precision Slides Inc., CompX Marine Inc., Custom Marine Inc., Livorsi Marine Inc., Wachovia Bank, National Association for itself and as administrative agent for Compass Bank and Comerica Bank - incorporated by reference to Exhibit 10.12 of CompX International Inc.'s Form 10-K for the year ended December 31, 2007 (File No. 1-13905).
- 10.28 Stock Purchase Agreement dated October 16, 2007 between CompX International, Inc. and TIMET Finance Management Company – incorporated by reference to Exhibit 10.6 of CompX International Inc.'s Form 10-K for the year ended December 31, 2007 (File No. 1-13905).
- 10.29 Form of Subordination Agreement among CompX International Inc., TIMET Finance Management Company, CompX Security Products, Inc., CompX Precision Sildes Inc., CompX Marine Inc., Custom Marine Inc., Livorsi Marine Inc., Wachovia Bank, National Association as administrative agent for itself, Compass Bank and Comerica Bank – incorporated by reference to Exhibit 10.8 of CompX International Inc.'s Form 10-K for the year ended December 31, 2007 (File No. 1-13905).
- 10.30 Subordinated Term Loan Promissory Note dated October 26, 2007 executed by CompX International Inc. and payable to the order of TIMET Finance Management Company – incorporated by reference to Exhibit 10.9 of CompX International Inc.'s Form 10-K for the year ended December 31, 2007 (File No. 1-13905).
- 10.31 Third Amendment Agreement Relating to a Facility Agreement dated June 25, 2002 executed as of May 26, 2008 by and among Deutsche Bank AG, as mandated lead arranger, Deutsche Bank Luxembourg S.A., as agent, the participating lenders, Kronos Titan GmbH, Kronos Europe S.A./N.V, Kronos Titan AS, Kronos Norge AS, Titania AS and Kronos Denmark ApS - incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Kronos International, Inc. (File No. 333-100047) dated May 26, 2008. Certain schedules, exhibits, annexes and similar attachments to this Exhibit 10.1 have not been filed; upon request, the registrant will furnish supplementally to the Commission a copy of any omitted exhibit, annex or attachment.
- 10.32 Reinstated and Amended Settlement Agreement and Release, dated June 26, 2008, by and among NL Industries, Inc., NL Environmental Management Services, Inc., the Sayreville Economic and Redevelopment Agency, Sayreville Seaport Associates, L.P., and the County of Middlesex. Certain schedules, exhibits, annexes and similar attachments to this Exhibit 10.1 have not been filed; upon request, the registrant will furnish supplementally to the Commission a copy of any omitted exhibit, annex or attachment -incorporated by reference to Exhibit 10.1 to the NL Industries, Inc. Current Report on Form 8-K that was filed with the U.S. Securities and Exchange Commission on October 16, 2008.
- 10.33 Amendment to Restated and Amended Settlement Agreement and Release, dated September 25, 2008 by and among NL Industries, Inc., NL Environmental Management Services, Inc., the Sayreville Economic and Redevelopment Agency, Sayreville Seaport Associates, L.P., and the County of Middlesex - incorporated by reference to Exhibit 10.2 to the NL Industries, Inc. Current Report on Form 8-K that was filed with the U.S. Securities and Exchange Commission on October 16, 2008.
- 10.34 Mortgage Note, dated October 15, 2008 by Sayreville Seaport Associates, L.P. in favor of NL Industries, Inc. and NL Environmental Management Services, Inc - incorporated by reference to Exhibit 10.3 to the NL Industries, Inc. Current Report on Form 8-K that was filed with the U.S. Securities and Exchange Commission on October 16, 2008.
- 10.35 Leasehold Mortgage, Assignment, Security Agreement and Fixture Filing, dated October 15, 2008, by Sayreville Seaport Associates, L.P. in favor of NL Industries, Inc. and NL Environmental Management Services, Inc. Certain schedules, exhibits, annexes and similar attachments to this Exhibit 10.4 have not been filed; upon request, the registrant will furnish

supplementally to the Commission a copy of any omitted exhibit, annex or attachment -incorporated by reference to Exhibit 10.4 to the NL Industries, Inc. Current Report on Form 8-K that was filed with the U.S. Securities and Exchange Commission on October 16, 2008.

- 10.36 Intercreditor, Subordination and Standstill Agreement, dated October 15, 2008, by NL Industries, Inc., NL Environmental Management Services, Inc., Bank of America, N.A. on behalf of itself and the other financial institutions, and acknowledged and consented to by Sayreville Seaport Associates, L.P. and J. Brian O'Neill. Certain schedules, exhibits, annexes and similar attachments to this Exhibit 10.5 have not been filed; upon request, the registrant will furnish supplementally to the Commission a copy of any omitted exhibit, annex or attachment -incorporated by reference to Exhibit 10.5 to the NL Industries, Inc. Current Report on Form 8-K that was filed with the U.S. Securities and Exchange Commission on October 16, 2008.
- 10.37 Multi Party Agreement, dated October 15, 2008 by and among Sayreville Seaport Associates, L.P., Sayreville Seaport Associates Acquisition Company, LLC, OPG Participation, LLC, J. Brian O'Neill, NL Industries, Inc., NL Environmental Management Services, Inc., The Prudential Insurance Company of America, Sayreville PRISA II LLC. Certain schedules, exhibits, annexes and similar attachments to this Exhibit 10.6 have not been filed; upon request, the registrant will furnish supplementally to the Commission a copy of any omitted exhibit, annex or attachment -incorporated by reference to Exhibit 10.6 to the NL Industries, Inc. Current Report on Form 8-K that was filed with the U.S. Securities and Exchange Commission on October 16, 2008.
- 10.38 Guaranty Agreement, dated October 15, 2008, by J. Brian O'Neill in favor of NL Industries, Inc. and NL Environmental Management Services, Inc. - incorporated by reference to Exhibit 10.7 to the NL Industries, Inc. Current Report on Form 8-K that was filed with the U.S. Securities and Exchange Commission on October 16, 2008.
- 10.39 Unsecured Revolving Demand Promissory Note dated October 29, 2008 in the original principal amount of \$40.0 million executed by Kronos Worldwide, Inc. and payable to the order of NL Industries, Inc. - incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K that Kronos Worldwide, Inc. (Commission File No. 1-31763) filed with the U.S. Securities and Exchange Commission on October 29, 2008.
- 10.40 Unsecured Revolving Demand Promissory Note dated November 5, 2008 in the original principal amount of \$40.0 million executed by Valhi, Inc. and payable to the order of NL Industries, Inc. -incorporated by reference to Exhibit 10.1 to the NL Industries, Inc. Current Report on Form 8-K, Commission File No. 1-640, that was filed with the U.S. Securities and Exchange Commission on November 5, 2008.
- 10.41 Third Amendment Agreement Relating to a Facility Agreement dated June 25, 2002 executed as of May 26, 2008 by and among Deutsche Bank AG, as mandated lead arranger, Deutsche Bank Luxembourg S.A., as agent, the participating lenders, Kronos Titan GmbH, Kronos Europe S.A./N.V, Kronos Titan AS, Kronos Norge AS, Titania AS and Kronos Denmark ApS - incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Kronos International, Inc. (File No. 333-100047) dated May 26, 2008. Certain schedules, exhibits, annexes and similar attachments to this Exhibit 10.1 have not been filed; upon request, the registrant will furnish supplementally to the Commission a copy of any omitted exhibit, annex or attachment.
- 10.42 Second Amendment to Credit Agreement dated as of January 15, 2009 among CompX International Inc., CompX Security Products Inc., CompX Precision Slides Inc., CompX Marine Inc., Custom Marine Inc., Livorsi Marine Inc., Wachovia Bank, National Association for itself and as administrative agent for Compass Bank and Comerica Bank - incorporated by reference to Exhibit 10.12 of CompX International Inc.'s Form 10-K for the year ended December 31, 2008.
- 21.1 Subsidiaries of the Registrant.
- 23.1 Consent of PricewaterhouseCoopers LLP with respect to NL's consolidated financial statements.
- 23.2 Consent of PricewaterhouseCoopers LLP with respect to Kronos' consolidated financial statements.
- 31.1 Certification
- 31.2 Certification
- 32.1 Certification
- 99.1 Consolidated financial statements of Kronos Worldwide, Inc. - incorporated by reference to Kronos' Annual Report on Form 10-K (File No. 1-31763) for the year ended December 31, 2008.

* Management contract, compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NL Industries, Inc.
(Registrant)

By: /s/ Harold C. Simmons

Harold C. Simmons
March 11, 2009
(Chairman of the Board and
Chief Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

/s/ Harold C. Simmons

Harold C. Simmons, March 11, 2009
(Chairman of the Board and Chief
Executive Officer)

/s/ Steven L. Watson

Steven L. Watson, March 11, 2009
(Director)

/s/ Thomas P. Stafford

Thomas P. Stafford, March 11, 2009
(Director)

/s/ Glenn R. Simmons

Glenn R. Simmons, March 11, 2009
(Director)

/s/ C. H. Moore, Jr.

C. H. Moore, Jr., March 11, 2009
(Director)

/s/ Gregory M. Swalwell

Gregory M. Swalwell, March 11, 2009
(Vice President, Finance and Chief Financial Officer, Principal
Financial Officer)

/s/ Terry N. Worrell

Terry N. Worrell, March 11, 2009
(Director)

/s/ Tim C. Hafer

Tim C. Hafer, March 11, 2009
(Vice President and Controller, Principal Accounting Officer)

NL Industries, Inc.**Annual Report on Form 10-K****Items 8, 15(a) and 15(c)****Index of Financial Statements and Schedules**

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Schedules II, III and IV are omitted because they are not applicable or the required amounts are either not material or are presented in the Notes to the Consolidated Financial Statements.	

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of NL Industries, Inc.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income, of changes in stockholders' equity and of cash flows present fairly, in all material respects, the financial position of NL Industries, Inc. and its subsidiaries at December 31, 2007 and 2008 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Notes 16 and 21 to the Consolidated Financial Statements, the Company changed the manner in which it accounts for pension and other postretirement benefit obligations in 2006 and the manner in which it accounts for uncertain tax positions in 2007.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Dallas, Texas
March 11, 2009

NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except per share data)

ASSETS	December 31,	
	2007	2008
Current assets:		
Cash and cash equivalents	\$ 41,112	\$ 16,450
Restricted cash and cash equivalents	4,970	7,457
Marketable securities	5,860	5,534
Accounts and other receivables, net	22,221	25,513
Receivable from affiliates	1,271	3,150
Inventories, net	24,277	22,661
Prepaid expenses and other	1,516	1,435
Deferred income taxes	6,474	5,766
Total current assets	<u>107,701</u>	<u>87,966</u>
Other assets:		
Marketable equity securities	113,393	64,000
Investment in and advances to Kronos Worldwide, Inc.	147,119	133,745
Pension asset	17,623	-
Goodwill	54,719	44,194
Assets held for sale	3,117	3,517
Other, net	7,856	17,832
Total other assets	<u>343,827</u>	<u>263,288</u>
Property and equipment:		
Land	12,346	12,232
Buildings	35,963	32,723
Equipment	127,801	115,546
Construction in progress	2,659	4,406
	<u>178,769</u>	<u>164,907</u>
Less accumulated depreciation	<u>105,536</u>	<u>96,625</u>
Net property and equipment	<u>73,233</u>	<u>68,282</u>
Total assets	<u>\$ 524,761</u>	<u>\$ 419,536</u>

NL INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)

(In thousands, except per share data)

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31,	
	2007	2008
Current liabilities:		
Accounts payable	\$ 8,769	\$ 6,802
Accrued liabilities	26,039	24,475
Accrued environmental costs	11,863	9,834
Payable to affiliates	1,149	3,139
Income taxes	136	1,167
Total current liabilities	<u>47,956</u>	<u>45,417</u>
Noncurrent liabilities:		
Note payable to affiliate	49,730	41,980
Accrued pension costs	1,665	11,768
Accrued postretirement benefits (OPEB) cost	9,865	8,883
Accrued environmental costs	38,467	40,220
Deferred income taxes	91,124	49,215
Other	25,126	21,823
Total noncurrent liabilities	<u>215,977</u>	<u>173,889</u>
Minority interest	<u>14,366</u>	<u>11,866</u>
Stockholders' equity:		
Preferred stock, no par value; 5,000 shares authorized; none issued	-	-
Common stock, \$.125 par value; 150,000 shares authorized; 48,592 and 48,599 shares issued and outstanding	6,073	6,074
Additional paid-in capital	345,338	330,879
Retained earnings (deficit)	(6,525)	16,909
Accumulated other comprehensive income:		
Marketable securities	57,603	24,970
Currency translation	(123,829)	(135,922)
Defined benefit pension plans	(31,373)	(54,333)
Postretirement benefit (OPEB) plans	(825)	(213)
Total stockholders' equity	<u>246,462</u>	<u>188,364</u>
Total liabilities and stockholders' equity	<u>\$ 524,761</u>	<u>\$ 419,536</u>

Commitments and contingencies (Notes 15, 19 and 21)

See accompanying Notes to Consolidated Financial Statements.

NL INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Years ended December 31,		
	2006	2007	2008
Net sales	\$ 190,123	\$ 177,683	\$ 165,502
Cost of goods sold	<u>143,648</u>	<u>132,455</u>	<u>125,749</u>
Gross margin	46,475	45,228	39,753
Selling, general and administrative expense	26,060	25,846	24,818
Other operating income (expense):			
Insurance recoveries	7,656	5,659	9,610
Facility consolidation expense	-	(2,665)	-
Goodwill impairment	-	-	(10,111)
Litigation settlement gain	-	-	48,806
Currency transaction gains (losses), net	145	(1,086)	679
Other expense, net	(94)	(256)	(131)
Corporate expense	<u>(24,247)</u>	<u>(31,318)</u>	<u>(25,012)</u>
Income (loss) from operations	3,875	(10,284)	38,776
Equity in earnings (losses) of Kronos Worldwide, Inc.	29,345	(23,901)	3,229
Other income (expense):			
Interest and dividends	5,140	4,778	8,010
Securities transactions, net	297	22,749	(1)
Interest expense	<u>(219)</u>	<u>(760)</u>	<u>(2,362)</u>
Income (loss) before income taxes and minority interest	38,438	(7,418)	47,652
Provision for income taxes (benefit)	8,860	(8,311)	14,850
Minority interest in after-tax earnings (loss)	<u>3,468</u>	<u>2,624</u>	<u>(382)</u>
Net income (loss)	<u>\$ 26,110</u>	<u>\$ (1,731)</u>	<u>\$ 33,184</u>
Basic and diluted net income (loss) per share	<u>\$.54</u>	<u>\$ (.04)</u>	<u>\$.68</u>
Weighted-average shares outstanding:			
Basic	48,568	48,590	48,596
Dilutive impact of stock options	<u>16</u>	<u>-</u>	<u>9</u>
Diluted	<u>48,584</u>	<u>48,590</u>	<u>48,605</u>

See accompanying Notes to Consolidated Financial Statements.

NL INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Years ended December 31,		
	2006	2007	2008
Net income (loss)	\$ 26,110	\$ (1,731)	\$ 33,184
Other comprehensive income (loss), net of tax:			
Marketable securities:			
Unrealized net gains (losses) arising during the year	22,712	15,475	(32,633)
Realized gains included in net income	-	(14,668)	-
	<u>22,712</u>	<u>807</u>	<u>(32,633)</u>
Currency translation adjustment	<u>6,499</u>	<u>10,152</u>	<u>(12,093)</u>
Defined benefit pension plans :			
Net actuarial gain (loss) arising during the year	-	10,618	(23,151)
Amortization of prior service cost included in net periodic pension cost	-	1,623	191
Minimum pension liability chan	<u>2,388</u>	<u>-</u>	<u>-</u>
	<u>2,388</u>	<u>12,241</u>	<u>(22,960)</u>
Postretirement benefit plan adjustment:			
Net actuarial gain arising during the year	-	861	746
Amortization of prior service credit included in net periodic pension cost	-	(75)	(134)
	<u>-</u>	<u>786</u>	<u>612</u>
Total other comprehensive income (loss)	<u>31,599</u>	<u>23,986</u>	<u>(67,074)</u>
Comprehensive income (loss)	<u>\$ 57,709</u>	<u>\$ 22,255</u>	<u>\$ (33,890)</u>

See accompanying Notes to Consolidated Financial Statements.

NL INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years ended December 31, 2006, 2007 and 2008
(In thousands, except per share data)

	Common stock	Additional paid-in capital	Retained earnings (deficit)	Accumulated other comprehensive income (loss)				Total
				Marketable securities	Currency translation	Pension plans	OPEB plans	
Balance at December 31, 2005	\$ 6,070	\$ 363,286	\$ -	\$ 34,084	\$ (140,480)	\$(42,687)	\$ -	\$220,273
Net income	-	-	26,110	-	-	-	-	26,110
Other comprehensive income (loss), net of tax	-	-	-	22,712	6,499	2,388	-	31,599
Issuance of common stock	3	196	-	-	-	-	-	199
Cash dividends - \$.50 per share	-	-	(24,284)	-	-	-	-	(24,284)
Change in accounting - asset and liability recognition provisions of SFAS No. 158	-	-	-	-	-	(3,764)	(1,611)	(5,375)
Other	-	(10)	-	-	-	-	-	(10)
Balance at December 31, 2006	6,073	363,472	1,826	56,796	(133,981)	(44,063)	(1,611)	248,512
Net loss	-	-	(1,731)	-	-	-	-	(1,731)
Other comprehensive income (loss), net of tax	-	-	-	807	10,152	12,241	786	23,986
Issuance of common stock	-	63	-	-	-	-	-	63
Cash dividends - \$.50 per share	-	(18,222)	(6,073)	-	-	-	-	(24,295)
Change in accounting: FIN 48	-	-	(97)	-	-	-	-	(97)
SFAS No. 158 - measurement date provisions	-	-	(450)	-	-	449	-	(1)
Other	-	25	-	-	-	-	-	25
Balance at December 31, 2007	6,073	345,338	(6,525)	57,603	(123,829)	(31,373)	(825)	246,462
Net income	-	-	33,184	-	-	-	-	33,184
Other comprehensive income (loss), net of tax	-	-	-	(32,633)	(12,093)	(22,960)	612	(67,074)
Issuance of common stock	1	71	-	-	-	-	-	72
Cash dividends - \$.50 per share	-	(14,549)	(9,750)	-	-	-	-	(24,299)
Other	-	19	-	-	-	-	-	19
Balance at December 31, 2008	<u>\$ 6,074</u>	<u>\$ 330,879</u>	<u>\$ 16,909</u>	<u>\$ 24,970</u>	<u>\$ (135,922)</u>	<u>\$(54,333)</u>	<u>\$ (213)</u>	<u>\$188,364</u>

. See accompanying Notes to Consolidated Financial Statements.

NL INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Years ended December 31,		
	2006	2007	2008
Cash flows from operating activities:			
Net income (loss)	\$ 26,110	\$ (1,731)	\$ 33,184
Depreciation and amortization	12,220	11,375	9,420
Deferred income taxes	8,407	(12,604)	(4,352)
Minority interest	3,468	2,624	(382)
Securities transaction gains	(298)	(22,749)	-
Benefit plan expense greater (less) than cash funding:			
Defined benefit pension plans	(2,161)	(2,464)	(2,976)
Other postretirement benefit plans	(1,009)	629	476
Equity in Kronos Worldwide, Inc.	(29,345)	23,901	(3,229)
Distributions from Kronos Worldwide, Inc.	17,516	17,516	17,532
Goodwill impairment	-	-	10,111
Litigation settlement gain	-	-	(48,806)
Other, net	1,469	1,413	601
Change in assets and liabilities:			
Accounts and other receivable	541	1,032	(4,703)
Inventories	2,258	(1,813)	889
Prepaid expenses	352	(160)	92
Accounts payable and accrued liabilities	(7,107)	(918)	(2,830)
Income taxes	509	(1,127)	976
Accounts with affiliates	3,618	(12,779)	2,277
Accrued environmental costs	(4,234)	(383)	(275)
Other noncurrent assets and liabilities, net	(3,313)	(4,533)	(7,245)
Net cash provided by (used in) operating activities	<u>29,001</u>	<u>(2,771)</u>	<u>760</u>
Cash flows from investing activities:			
Capital expenditures	(12,148)	(13,998)	(6,897)
Proceeds from real estate-related litigation settlement	-	-	39,550
Business acquisitions, net of cash acquired	(9,832)	-	-
Loans to affiliates, net	-	-	(22,210)
Collection of note receivable	1,306	1,306	1,306
Change in restricted cash equivalents and marketable debt securities, net	(2,903)	2,386	(2,558)
Proceeds from disposal of:			
Marketable securities	16,849	36,894	554
Property and equipment	1,316	73	377
Purchase of:			
CompX common stock	(2,318)	(3,309)	(1,007)
Kronos common stock	-	-	(793)
Valhi common stock	-	-	(1,081)
Other marketable securities	(17,501)	(5,861)	(156)
Net cash provided by (used in) investing activities	<u>(25,231)</u>	<u>17,491</u>	<u>7,085</u>

NL INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(In thousands)

	Years ended December 31,		
	2006	2007	2008
Cash flows from financing activities:			
Indebtedness:			
Principal payments	\$ (1,563)	\$ -	\$ -
Deferred financing costs paid	(110)	-	(56)
Repayment note payable to affiliate	-	(2,600)	(7,000)
Cash dividends paid	(24,284)	(24,295)	(24,299)
Proceeds from issuance of stock:			
NL common stock	88	-	6
CompX common stock	347	1,395	-
Tax benefit from exercise of stock options	111	73	-
Distributions to minority interests	(2,272)	(1,918)	(804)
Net cash used in financing activities	(27,683)	(27,345)	(32,153)
Net decrease	<u>\$ (23,913)</u>	<u>\$ (12,625)</u>	<u>\$ (24,308)</u>
Cash and cash equivalents - net change from:			
Operating, investing and financing activities	\$ (23,913)	\$ (12,625)	\$ (24,308)
Currency translation	(257)	995	(354)
Cash and cash equivalents at beginning of year	<u>76,912</u>	<u>52,742</u>	<u>41,112</u>
Cash and cash equivalents at end of year	<u>\$ 52,742</u>	<u>\$ 41,112</u>	<u>\$ 16,450</u>
Supplemental disclosures:			
Cash paid (received) for:			
Interest	\$ 139	\$ 109	\$ 2,278
Income taxes, net	(3,627)	19,680	19,398
Non-cash investing and financing activities:			
Note payable to affiliate issued for repurchase of CompX common stock	\$ -	\$ 52,580	\$ -
Receipt of TIMET shares from Valhi	-	11,410	-
Accrual for capital expenditures	-	665	511
Note receivable from litigation settlement	-	-	15,000

See accompanying Notes to Consolidated Financial Statements.

NL INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2008

Note 1 - Organization and basis of presentation:

Nature of our business – NL Industries, Inc. (NYSE: NL) is primarily a holding company. We operate in the component products industry through our majority-owned subsidiary, CompX International Inc. (NYSE: CIX). We operate in the chemicals industry through our non-controlling interest in Kronos Worldwide, Inc. (NYSE: KRO).

Organization – We are majority-owned by Valhi, Inc. (NYSE: VHI), which owns approximately 83% of our outstanding common stock at December 31, 2008. Valhi is majority-owned by subsidiaries of Contran Corporation. Substantially all of Contran's outstanding voting stock is held by trusts established for the benefit of certain children and grandchildren of Harold C. Simmons (for which Mr. Simmons is the sole trustee), or is held by Mr. Simmons or other persons or companies related to Mr. Simmons. Consequently, Mr. Simmons may be deemed to control Contran, Valhi and us.

Unless otherwise indicated, references in this report to “we,” “us” or “our” refer to NL Industries, Inc. and its subsidiaries and affiliate, Kronos, taken as a whole.

Management's estimates - In preparing our financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”), we are required to make estimates and assumptions that affect the reported amounts of our assets and liabilities and disclosures of contingent assets and liabilities at each balance sheet date, and the reported amounts of our revenues and expenses during each reporting period. Actual results may differ significantly from previously-estimated amounts under different assumptions or conditions.

Principles of consolidation - Our consolidated financial statements include the financial position, results of operations and cash flows of NL and our wholly-owned and majority-owned subsidiaries, including CompX. We account for the 13% non-controlling interest in CompX as minority interest. We eliminate all material intercompany accounts and balances.

We account for increases in our ownership interest of our consolidated subsidiaries and equity investees, either through our purchase of additional shares of their common stock or their purchase of their own shares of common stock, by the purchase method (step acquisition). Unless otherwise noted, such purchase accounting generally results in an adjustment to the carrying amount of goodwill for our consolidated subsidiaries. The effect of other changes in our ownership interest, which usually result from the exercise of stock options to purchase shares of common stock by employees, is generally not material. See Note 21.

Foreign currency translation - The financial statements of our non-U.S. subsidiaries are translated to U.S. dollars in accordance with the provisions of Statement of Financial Accounting Standards (“SFAS”) No. 52 “Foreign Currency Translation.” The functional currency of our non-U.S. subsidiaries is generally the local currency of the country. Accordingly, we translate the assets and liabilities at year-end rates of exchange, while we translate their revenues and expenses at average exchange rates prevailing during the year. We accumulate the resulting translation adjustments in stockholders' equity as part of accumulated other comprehensive income, net of related deferred income taxes and minority interest. We recognize currency transaction gains and losses in income.

Derivatives and hedging activities – We recognize derivatives as either an asset or liability measured at fair value in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended and interpreted. We recognize the effect of changes in the fair value of derivatives either in net income or other comprehensive income, depending on the intended use of the derivative. See Notes 20 and 21.

Cash and cash equivalents - We classify bank time deposits and government and commercial notes and bills with original maturities of three months or less as cash equivalents.

Restricted cash equivalents and restricted marketable debt securities - We classify cash equivalents and marketable debt securities that have been segregated or are otherwise limited in use as restricted. To the extent the restricted amount relates to a recognized liability, we classify such restricted amount as either a current or noncurrent asset to correspond with the classification of the liability. To the extent the restricted amount does not relate to a recognized liability, we classify restricted cash as a current asset and we classify the restricted debt security as either a current or noncurrent asset depending upon the maturity date of the security. See Note 4.

Marketable securities and securities transactions – We carry marketable debt and equity securities at fair value. We adopted SFAS No. 157, *Fair Value Measurements*, which establishes a framework for measuring fair value on January 1, 2008. The statement requires fair value measurements to be classified and disclosed in one of the following three categories:

- **Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- **Level 2** – Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for

- substantially the full term of the assets or liability; and
- *Level 3* – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

We accumulate unrealized gains and losses on available-for-sale securities as part of accumulated other comprehensive income, net of related deferred income taxes and minority interest. We calculate realized gains and losses by the specific identification of securities sold.

Accounts receivable - We provide an allowance for doubtful accounts for known and estimated potential losses arising from sales to customers based on a periodic review of these accounts.

Inventories and cost of goods sold - We state inventories at the lower of cost or market, net of allowance for obsolete and slow-moving inventories. We generally base inventory costs on average cost or the first-in, first-out method. We allocate fixed manufacturing overheads based on normal production capacity and recognize abnormal manufacturing costs as period costs. Cost of goods sold includes costs for materials, packing and finishing, utilities, salary and benefits, maintenance and depreciation.

Investment in Kronos Worldwide, Inc - We account for our 36% non-controlling interest in Kronos by the equity method. See Note 7.

Goodwill and other intangible assets; amortization expense - We account for goodwill and other intangible assets in accordance with SFAS No. 142, *Goodwill and Other Intangible Assets*. Goodwill represents the excess of cost over fair value of individual net assets acquired in business combinations accounted for by the purchase method. Goodwill is not subject to periodic amortization. We amortize other intangible assets by the straight-line method over their estimated useful lives and state them net of accumulated amortization. We evaluate goodwill for impairment annually or when circumstances indicate the carrying value may not be recoverable. See Notes 8 and 9.

Property and equipment; depreciation expense - We state property and equipment at cost, including capitalized interest on borrowings during the actual construction period of major capital projects. We did not capitalize any material interest costs in 2006, 2007 or 2008. We compute depreciation of property and equipment for financial reporting purposes principally by the straight-line method over the estimated useful lives of ten to 40 years for buildings and three to 20 years for equipment. We use accelerated depreciation methods for income tax purposes, as permitted. Upon the sale or retirement of an asset, we remove the related cost and accumulated depreciation from the accounts and recognize any gain or loss in income.

We expense as incurred maintenance, repairs and minor renewal expenditures that do not improve or extend the life of the assets, including planned major maintenance.

We perform impairment tests when events or changes in circumstances indicate the carrying value may not be recoverable. We perform the impairment test by comparing the estimated future undiscounted cash flows associated with the asset to the asset's net carrying value to determine if a write-down to market value or to discounted cash flow value is required. We assess impairment of property and equipment in accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*.

Employee benefit plans - Accounting and funding policies for our retirement and post retirement benefits other than pensions ("OPEB") plans are described in Note 16.

Income taxes - We and our qualifying subsidiaries are members of Contran's consolidated U.S. federal income tax group (the "Contran Tax Group"). We and certain of our qualifying subsidiaries also file consolidated unitary state income tax returns with Contran in qualifying U.S. jurisdictions. As a member of the Contran Tax Group, we are jointly and severally liable for the federal income tax liability of Contran and the other companies included in the Contran Tax Group for all periods in which we are included in the Contran Tax Group. See Note 19. We are party to a tax sharing agreement with Valhi and Contran pursuant to which we generally compute our provision for income taxes on a separate-company basis, and make payments to or receive payments from Valhi in amounts that we would have paid to or received from the U.S. Internal Revenue Service or the applicable state tax authority had we not been a member of the Contran Tax Group. Refunds are limited to amounts previously paid under the Contran Tax Agreement unless the individual company was entitled to a refund from the U.S. Internal Revenue Service on a separate company basis. The separate company provisions and payments are computed using the tax elections made by Contran. We made net cash payments to Valhi for income taxes of \$14.2 million in 2007 and \$15.4 million in 2008. In 2006, we received a net refund for income taxes from Valhi of \$5.8 million.

We recognize deferred income tax assets and liabilities for the expected future tax consequences of temporary differences between the income tax and financial reporting carrying amounts of our assets and liabilities, including investments in our subsidiaries and affiliates who are not members of the Contran Tax Group and undistributed earnings of non-U.S. subsidiaries which are not permanently reinvested. In addition, we recognize deferred income taxes with respect to the excess of the financial reporting carrying amount over the income tax basis of our direct investment in Kronos common stock because the exemption under GAAP to avoid recognition of such deferred income taxes is not available to us. The earnings of our non-U.S. subsidiaries subject to permanent reinvestment plans aggregated \$5.6 million at December 31, 2008 (2007 - \$5.7 million). It is not practical for us to determine the amount of the unrecognized deferred income tax liability related to such earnings due to the complexities associated with the U.S. taxation on earnings of non-U.S. subsidiaries repatriated to the U.S. We periodically evaluate our deferred income tax assets and recognize a valuation allowance based on the estimate of the amount of such deferred tax assets which we believe does not meet the more-likely-than-not recognition criteria.

Prior to 2007, we provided a reserve for uncertain income tax positions when we believed the benefit associated with a tax position was not probable of prevailing with the applicable tax authority and the amount of the lost benefit associated with such tax position

was reasonably estimable. Beginning in 2007, we record a reserve for uncertain tax positions in accordance with Financial Accounting Standards Board Interpretation No. 48 ("FIN"), *Accounting for Uncertain Tax Positions* for tax positions where we believe it is more-likely-than-not our position will not prevail with the applicable tax authorities. See Note 21.

Environmental remediation costs -- We record liabilities related to environmental remediation obligations when estimated future expenditures are probable and reasonably estimable. We adjust these accruals as further information becomes available to us or as circumstances change. We generally do not discount estimated future expenditures to present value. We recognize any recoveries of remediation costs from other parties when we deem their receipt probable. At December 31, 2007 and 2008, we had not recognized any receivables for recoveries. See Note 19.

Net sales -- We record sales when products are shipped and title and other risks and rewards of ownership have passed to the customer. Amounts charged to customers for shipping and handling are not material. We state sales net of price, early payment and distributor discounts and volume rebates. We report any tax assessed by a governmental authority that we collect from our customers that is both imposed on and concurrent with our revenue-producing activities (such as sales, use, value added and excise taxes) on a net basis (meaning we do not recognize these taxes either in our revenues or in our costs and expenses).

Selling, general and administrative expenses; advertising costs; research and development costs - Selling, general and administrative expenses include costs related to marketing, sales, distribution, research and development, legal and administrative functions such as accounting, treasury and finance, as well as costs for salaries and benefits, travel and entertainment, promotional materials and professional fees. Advertising costs related to continuing operations are expensed as incurred and were approximately \$1 million in each of 2006, 2007 and 2008. Research, development and certain sales technical support costs related to continuing operations are expensed as incurred and approximated \$200,000 in each of 2006, 2007 and 2008.

Corporate expenses - Corporate expenses include environmental, legal and other costs attributable to formerly-owned business units.

Earnings per share - Basic earnings per share of common stock is based upon the weighted average number of our common shares actually outstanding during each period. Diluted earnings per share of common stock includes the impact of our outstanding dilutive stock options. The weighted average number of outstanding stock options excluded from the calculation of diluted earnings per share because their impact would have been anti-dilutive was immaterial in each of 2006, 2007 and 2008.

Note 2 - Business combinations and related transactions:

In October 2007, CompX repurchased or cancelled a net 2.7 million shares of its Class A common stock held by TIMET, including the Class A shares held indirectly by TIMET through its ownership interest in CompX Group, Inc. The repurchase was approved by the independent members of CompX's board of directors. CompX purchased or cancelled these shares for \$19.50 per share, or aggregate consideration of \$52.6 million, which was paid in the form of a promissory note. See Note 17. The price per share was determined based on CompX's open market repurchases of its Class A common stock around the time the repurchase from TIMET was approved. As a result of the repurchase or cancellation of CompX's Class A shares from TIMET, TIMET no longer has any direct or indirect ownership in CompX or in CompX Group. CompX's outstanding Class A shares were reduced by 2.7 million and, as a result, our ownership interest in CompX increased to approximately 86%. During 2008, CompX purchased approximately 126,000 shares of its Class A shares, which has subsequently increased NL's ownership to approximately 87%. We accounted for our increase in ownership of CompX by the purchase method (step acquisition).

In April 2006, CompX completed the acquisition of a marine component products business for aggregate cash consideration of \$9.8 million, net of cash acquired. We have included the results of operations and cash flows of the acquired business in our consolidated financial statements from the date of acquisition. The purchase price has been allocated among the tangible and intangible net assets acquired (including goodwill) based upon an estimate of the fair value of such net assets. The pro forma effect to us, assuming this acquisition had been completed as of January 1, 2006, is not material. During 2008 we determined that all of the goodwill associated with CompX's marine components business was impaired. See Note 8.

Note 3 - Geographic information:

We operate in the component products industry through our majority ownership of CompX. CompX manufactures and sells component products (security products, precision ball bearing slides and ergonomic computer support systems) used in office furniture, transportation, postal, tool storage, home appliance and a variety of other industries. CompX is also a leading manufacturer of stainless steel exhaust systems, gauges and throttle controls for the performance boat industry. CompX has production facilities in North America and Asia.

For geographic information, we attribute net sales to the place of manufacture (point of origin) and the location of the customer (point of destination); we attribute property and equipment to their physical location. At December 31, 2007 and 2008 the net assets of non-U.S. subsidiaries included in consolidated net assets approximated \$34.9 million and \$28.5 million, respectively.

		Years ended December 31,		
		2006	2007	2008
		(In millions)		
Net sales - point of origin:				
United States		\$ 127.6	\$ 118.5	\$ 115.5
Canada		52.4	52.7	46.5
Taiwan		15.9	11.7	8.3
Eliminations		(5.8)	(5.2)	(4.8)
Total		<u>\$ 190.1</u>	<u>\$ 177.7</u>	<u>\$ 165.5</u>

Net sales - point of destination:				
United States		\$ 153.9	\$ 147.8	\$ 134.2
Canada		20.0	19.3	16.9
Other		16.2	10.6	14.4
Total		<u>\$ 190.1</u>	<u>\$ 177.7</u>	<u>\$ 165.5</u>

		December 31,	
		2007	2008
		(In millions)	
Identifiable assets -			
Net property and equipment:			
United States		\$ 51.9	\$ 52.2
Canada		13.9	9.0
Taiwan		7.4	7.1
Total		<u>\$ 73.2</u>	<u>\$ 68.3</u>

Note 4 - Marketable securities:

		December 31,	
		2007	2008
		(In thousands)	
Current assets (available-for-sale):			
Restricted debt securities		\$ 5,301	\$ 5,372
Other marketable securities		559	162
Total		<u>\$ 5,860</u>	<u>\$ 5,534</u>
Noncurrent assets (available-for-sale):			
Valhi common stock		\$ 75,064	\$ 51,234
TIMET common stock		38,329	12,766
Total		<u>\$ 113,393</u>	<u>\$ 64,000</u>

	Fair Value Measurements at December 31, 2008		
	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)
		(in thousands)	
Current assets (available-for-sale):			
Restricted debt securities	\$ 5,372	\$ -	\$ 5,372
Other marketable securities	162	-	162
Total	<u>\$ 5,534</u>	<u>\$ -</u>	<u>\$ 5,534</u>
Noncurrent assets (available-for-sale):			
Valhi common stock	\$ 51,234	\$ 51,234	\$ -
TIMET common stock	12,766	12,766	-
Total	<u>\$ 64,000</u>	<u>\$ 64,000</u>	<u>\$ -</u>

We held no level 3 securities at December 31, 2008. Restricted debt securities at December 31, 2007 and 2008 collateralize certain of our outstanding letters of credit.

The aggregate cost of the restricted debt securities and other available-for-sale marketable securities approximates their net carrying value at December 31, 2007 and 2008. The fair value of these securities is generally determined using Level 2 inputs as defined in SFAS No. 157 because although these securities are traded, in many cases the market is not active and the year end valuation is based on the last trade of the year which may be several days prior to December 31.

At December 31, 2007 and 2008, we owned approximately 4.7 million and 4.8 million shares, respectively, of Valhi common stock. During 2008 we purchased approximately 79,000 shares of Valhi common stock in market transactions for an aggregate of \$1.1 million. We account for our shares of Valhi common stock as available-for-sale marketable equity securities carried at fair value based on quoted market prices, a Level 1 input as defined by SFAS No. 157. See Note 21. The quoted market price per share of Valhi common stock was \$15.94 and \$10.70 at December 31, 2007 and December 31, 2008, respectively, with an aggregate market value of \$75.1 million and \$51.2 million, respectively. The aggregate cost basis of our investment in Valhi common stock was \$23.2 million and \$24.3 million at December 31, 2007 and 2008, respectively.

In March 2007, Valhi paid a special dividend to its stockholders in the form of the shares of Titanium Metals Corporation ("TIMET") common stock owned by Valhi. Prior to the special dividend, Valhi owned approximately 35% of TIMET's outstanding common stock. As a result of the special dividend, each Valhi stockholder, including us, received .4776 of a share of TIMET common stock for each share of Valhi common stock held. We received approximately 2.2 million shares of TIMET common stock in the special dividend. For financial reporting purposes, Valhi's carrying value of the 2.2 million TIMET shares we received was approximately \$11.4 million at the date of distribution. We accounted for our receipt of the 2.2 million shares of TIMET common stock by reducing the cost basis of our shares of Valhi common stock by this \$11.4 million carryover basis, since we and Valhi are under the common control of Contran. We also account for our shares of TIMET common stock as available-for-sale market equity securities based on quoted market prices.

In October 2007, we sold 800,000 shares of our TIMET common stock to Valhi for approximately \$26.8 million cash. The transaction was approved by the independent members of our board of directors. The transaction was valued based on TIMET's October 10, 2007 closing market price. As a result of such sale, we recognized a pre-tax securities transaction gain in the fourth quarter of 2007 of \$22.7 million.

At December 31, 2007 and 2008, we owned approximately 1.4 million shares of TIMET common stock. The quoted market price per share of TIMET common stock was \$26.45 and \$8.81 at December 31, 2007 and 2008, respectively, or an aggregate market value of \$38.3 million and \$12.8 million, respectively. The aggregate cost basis of our shares of TIMET common stock was \$7.4 million at December 31, 2007 and 2008.

The Valhi and TIMET common stock we own is subject to the restrictions on resale pursuant to certain provisions of the Securities and Exchange Commission ("SEC") Rule 144. In addition, as a majority-owned subsidiary of Valhi we cannot vote our shares of Valhi common stock under Delaware Corporation Law, but we do receive dividends from Valhi on these shares, when declared and paid. For financial reporting purposes, Valhi reports its proportional interest in these shares as treasury stock.

Note 5 - Accounts and other receivables, net:

December 31,

	2007	2008
	(In thousands)	
Trade receivables	\$ 21,129	\$ 17,598
Accrued insurance recoveries	-	7,219
Other receivables	1,535	1,069
Refundable income taxes	217	338
Allowance for doubtful accounts	(660)	(711)
Total	<u>\$ 22,221</u>	<u>\$ 25,513</u>

Accrued insurance recoveries are discussed in Note 19.

Note 6 - Inventories, net:

	December 31,	
	2007	2008
	(In thousands)	
Raw materials	\$ 6,341	\$ 7,552
In process products	9,783	8,225
Finished products	8,153	6,884
Total	<u>\$ 24,277</u>	<u>\$ 22,661</u>

Note 7 - Investment in and advances to Kronos Worldwide, Inc.:

At December 31, 2008, we owned approximately 17.6 million shares of Kronos common stock and the quoted market price was \$11.65 per share, or an aggregate market value of \$205.0 million. At December 31, 2007, we owned approximately 17.5 million shares and the quoted market price per share was \$17.45, or an aggregate market value of \$305.7 million. During 2008 we purchased approximately 79,500 shares of Kronos common stock in market transactions for an aggregate \$.8 million.

The composition of our investment in and advances to Kronos at December 31, 2007 and 2008 are summarized below. Our loan to Kronos is discussed in Note 17.

	December 31,	
	2007	2008
	(In millions)	
Investment in Kronos	\$ 147.1	\$ 114.5
Loan to Kronos	-	19.2
Total assets	<u>\$ 147.1</u>	<u>\$ 133.7</u>

The change in the carrying value of our investment in Kronos during the past three years is summarized below:

	Year ended December 31,		
	2006	2007	2008
	(In millions)		
Balance at the beginning of the period	\$ 147.7	\$ 160.5	\$ 147.1
Equity in earnings (losses) of Kronos	29.3	(23.9)	3.2
Dividends received from Kronos	(17.5)	(17.5)	(17.5)
Purchases of Kronos stock	-	-	.8
Equity in Kronos' changes in accounting	(13.4)	(2.1)	-
Other, principally equity in other comprehensive income	14.4	30.1	(19.1)
Balance at the end of the period	<u>\$ 160.5</u>	<u>\$ 147.1</u>	<u>\$ 114.5</u>

Selected financial information of Kronos is summarized below:

December 31,

	2007	2008
	(In millions)	
Current assets	\$ 621.7	\$ 589.5
Property and equipment, net	526.5	485.5
Investment in TiO ₂ joint venture	118.5	105.6
Other noncurrent assets	188.3	178.1
Total assets	<u>\$ 1,455.0</u>	<u>\$ 1,358.7</u>
Current liabilities	\$ 224.5	\$ 204.4
Long-term debt	590.0	618.5
Note payable to NL	-	19.2
Accrued pension and post retirement benefits	149.9	134.2
Other noncurrent liabilities	79.6	64.5
Stockholders' equity	411.0	317.9
Total liabilities and stockholders' equity	<u>\$ 1,455.0</u>	<u>\$ 1,358.7</u>

	Year ended December 31,		
	2006	2007	2008
Net sales	\$ 1,279.4	\$ 1,310.3	\$ 1,316.9
Cost of sales	968.9	1,058.9	1,096.3
Income from operations	143.2	84.9	47.2
Net income (loss)	82.0	(66.7)	9.0

Note 8 – Goodwill:

Substantially all of our goodwill is related to our component products operations and was generated principally from CompX's acquisitions of certain business units completed prior to 2006, from the marine components business acquired in 2006 and from our step acquisition of CompX in 2007. See Note 2. Our remaining goodwill resulted from our acquisition of EWI RE, Inc., an insurance broker subsidiary, prior to 2006 and totaled approximately \$6.4 million.

We have assigned our goodwill related to the component products operations to three *reporting units* (as that term is defined in SFAS No. 142): one consisting of CompX's security products operations, one consisting of CompX's furniture components operations and one consisting of CompX's marine component operations. In accordance with the requirements of SFAS No. 142, we test for goodwill impairment at each of our three component products reporting units as well as the goodwill associated with the EWI reporting unit during the third quarter of each year or when circumstances arise that indicate impairment might be present. In determining the estimated fair value of all four of these reporting units, we use appropriate valuation techniques, such as discounted cash flows. Such discounted cash flows are a Level 3 input as defined by SFAS No. 157 (although SFAS No. 157 is not in effect with respect to estimating the fair value of a reporting unit under SFAS No. 142 until January 1, 2009). See Note 21. If the carrying amount of goodwill exceeds its implied fair value, an impairment charge is recorded.

During the third quarter of 2008, we determined that all of the goodwill associated with CompX's marine components reporting unit was impaired. We recognized a \$10.1 million charge for the goodwill impairment, which represented all of the goodwill we had previously recognized for this reporting unit (including a nominal amount of goodwill inherent in our investment in CompX). The factors that led us to conclude that goodwill associated with CompX's marine components reporting unit was fully impaired include the continued decline in consumer spending in the marine market as well as the overall negative economic outlook, both of which resulted in near-term and longer-term reduced revenue, profit and cash flow forecasts for the marine components unit. While we continue to believe in the long term potential of the marine components reporting unit, due to the extraordinary economic downturn in the boating industry we are not currently able to foresee when the industry and our business will recover. In response to the present economic conditions, we have taken steps to reduce operating costs without inhibiting our ability to take advantage of opportunities to expand our market share. When we performed this analysis in the third quarter of 2008, we also reviewed the goodwill associated with CompX's security products and furniture components reporting units as well as the EWI reporting unit and concluded there was no impairment of the goodwill for those reporting units. Due to the continued weakening of the economy, we re-evaluated the goodwill associated with our furniture components reporting unit again in the fourth quarter of 2008 and concluded that no additional impairments were present. Our 2006 and 2007 annual impairment reviews of goodwill indicated no impairments.

Changes in the carrying amount of goodwill related to our three components products reporting units (which excludes the \$6.4 million of goodwill related to our EWI reporting unit) during the past three years are presented in the table below.

	<u>Component products operations (In millions)</u>
Balance at December 31, 2005	\$ 20.8
Goodwill acquired during the year	5.6
Changes in foreign exchange rates	<u>.2</u>
Balance at December 31, 2006	26.6
Goodwill acquired during the year	<u>21.7</u>
Balance at December 31, 2007	48.3
Goodwill impairment during the year	(10.1)
Changes in foreign exchange rates	<u>(.4)</u>
Balance at December 31, 2008	<u>\$ 37.8</u>

Note 9 - Intangible and other noncurrent assets:

	<u>December 31,</u>	
	<u>2007</u>	<u>2008</u>
	<u>(In thousands)</u>	
Promissory note receivable	\$ -	\$ 15,000
Patents and other intangible assets, net	2,569	1,991
Other	<u>5,287</u>	<u>841</u>
Total	<u>\$ 7,856</u>	<u>\$ 17,832</u>

Patents and other intangible assets, all of which relate to CompX, are stated net of accumulated amortization of \$3.1 million at December 31, 2007 and \$3.7 million at December 31, 2008.

Aggregate amortization expense of all intangible assets, including certain intangible assets which were fully amortized prior to 2008, was \$813,000 in 2006, \$1,216,000 in 2007 and \$716,000 in 2008 and is expected to be approximately \$600,000 in 2009, \$600,000 in 2010, \$400,000 in 2011, \$300,000 in 2012, and \$100,000 in 2013.

The promissory note receivable is discussed in Note 19.

Note 10 -Accrued liabilities:

	<u>December 31,</u>	
	<u>2007</u>	<u>2008</u>
	<u>(In thousands)</u>	
Employee benefits	\$ 8,896	\$ 8,158
Professional fees	4,322	3,624
Reserve for uncertain tax positions	289	212
Other	<u>12,532</u>	<u>12,481</u>
Total	<u>\$ 26,039</u>	<u>\$ 24,475</u>

Note 11 - Other noncurrent liabilities:

	December 31,	
	2007	2008
	(In thousands)	
Insurance claims and expenses	\$ 1,381	\$ 1,197
Reserve for uncertain tax positions	22,128	19,121
Other	1,617	1,505
Total	<u>\$ 25,126</u>	<u>\$ 21,823</u>

Our reserve for uncertain tax positions is discussed in Note 21.

Note 12 - Credit facility:

At December 31, 2008, CompX had a \$50 million revolving bank credit facility that matured in January 2009. At December 31, 2008, there were no outstanding draws against the credit facility and the full amount of the facility was available for borrowing. In January 2009, CompX amended the terms of the credit facility to extend the maturity date to January 15, 2012 and to reduce the size of the facility from \$50 million to \$37.5 million. The amended credit facility bears interest, at CompX's option, at the prime rate plus a margin or LIBOR plus a margin. The credit facility is collateralized by 65% of the ownership interests in CompX's first-tier non-U.S. subsidiaries. The facility contains certain covenants and restrictions customary in lending transactions of this type, which among other things, restricts CompX and its subsidiaries' ability to incur debt, incur liens, pay dividends or merge or consolidate with, or transfer all or substantially all assets to, another entity. The facility also requires maintenance of specified levels of net worth (as defined). In the event of a change of control, as defined, the lenders would have the right to accelerate the maturity of the facility.

The credit facility permits CompX to pay dividends and/or repurchase common stock in an amount equal to the sum of (i) a dividend of \$.125 per share in any calendar quarter, not to exceed \$8.0 million in any calendar year, plus (ii) \$20.0 million plus 50% of aggregate net income over the term of the credit facility. In addition to the permitted \$.125 per share amount to repurchase common stock and/or to pay dividends, at December 31, 2008, \$20.4 million was available for dividends and/or repurchases of CompX's common stock under the terms of the facility.

Note 13 - Stockholders' equity:

	Shares of common stock issued and outstanding (In thousands)
Balance at December 31, 2005	48,562
Common stock issued	<u>24</u>
Balance at December 31, 2006	48,586
Common stock issued	<u>6</u>
Balance at December 31, 2007	48,592
Common stock issued	<u>7</u>
Balance at December 31, 2008	<u>48,599</u>

Stock options - The NL Industries, Inc. 1998 Long-Term Incentive Plan provides for the discretionary grant of restricted common stock, stock options, stock appreciation rights ("SARs") and other incentive compensation to our officers and other key employees and non-employee directors, including individuals who are employed by Kronos. In addition, certain stock options granted pursuant to another plan remain outstanding at December 31, 2008, but we may not grant any additional options under that plan.

We may issue up to five million shares of our common stock pursuant to the 1998 plan, and at December 31, 2008 4.1 million shares were available for future grants. The 1998 plan currently provides for the grant of options due to its extension for an additional five years, and for options which are not qualified as incentive stock options. Generally, stock options and SARs (collectively, "options") are granted at a price equal to or greater than 100% of the market price at the date of grant, vest over a five-year period and expire ten years

from the date of grant. Restricted stock, forfeitable unless certain periods of employment are completed, is held in escrow in the name of the grantee until the restriction period expires. No SARs have been granted under the 1998 plan.

Changes in outstanding options granted under all plans are summarized in the table below.

	Shares	Exercise price per share	Amount payable upon exercise	Weighted-average exercise price
	(In thousands, except per share amounts)			
Outstanding at December 31, 2005	128	\$ 2.66-11.89	\$ 1,165	\$ 9.11
Exercised	(17)	2.66- 9.34	(88)	5.08
Cancelled	(5)	11.49-11.89	(50)	10.48
Outstanding at December 31, 2006	106	2.66-11.49	1,027	9.71
Cancelled	(9)	5.19-11.49	(67)	7.51
Outstanding at December 31, 2007	97	2.66-11.49	960	9.91
Exercised	(1)	5.63	(3)	5.63
Cancelled	(1)	11.49	(14)	11.49
Outstanding at December 31, 2008	95	\$ 2.66-\$11.49	\$ 943	\$ 9.92

At December 31, 2008 all of the outstanding options were exercisable. At December 31, 2008, the aggregate intrinsic value (defined as the excess of the market price of our common stock over the exercise price) for the outstanding options for which the exercise price was less than the market price of our common stock of \$13.40 per share was approximately \$331,000. Outstanding options at December 31, 2008 expire at various dates through 2011. Shares issued under the 1998 plan are generally newly-issued shares, however prior to September 2004 we issued shares from our treasury shares.

The intrinsic value of options exercised aggregated \$110,000, nil and under \$5,000 in 2006, 2007 and 2008, respectively, and the related income tax benefit from such exercises was approximately \$40,000, nil and minimal in 2006, 2007 and 2008, respectively.

Stock option plan of subsidiaries and affiliates - CompX maintains a stock option plan that provides for the grant of options to purchase its common stock. At December 31, 2008, options to purchase 134,000 CompX shares were outstanding with exercise prices ranging from \$12.15 to \$19.25 per share, or an aggregate amount payable upon exercise of \$2.3 million. Through December 31, 2008, Kronos has not granted any options to purchase its common stock.

Note 14 – Facility consolidation:

Prior to 2007, CompX had three facilities in northern Illinois, two Security Products facilities (located in Lake Bluff, Illinois and River Grove, Illinois) and one Marine Components facility (located in Grayslake, Illinois). In order to create opportunities to reduce operating costs and improve operating efficiencies, CompX determined that it would be more effective to consolidate these three operations into one location. In 2006, CompX acquired land adjacent to the Marine Components facility for approximately \$1.8 million in order to provide the capability to expand the facility, and during 2007 CompX incurred approximately \$9.6 million of capital expenditures in connection with the expansion.

In addition to the capital expenditures, during 2007 CompX incurred approximately \$2.7 million in expenses relating to the facility consolidation, including physical move costs, equipment installation, redundant labor and recruiting fees as well as write downs for fixed assets no longer in use, all of which are included in facility consolidation expense in the accompanying Consolidated Statement of Operations. The majority of these costs were incurred during the fourth quarter of 2007.

The fixed asset write-downs amounted to \$765,000, of which \$600,000 related to the classification of the River Grove facility as an “asset held for sale” in November 2007 as it was no longer being utilized and met all of the criteria under GAAP to be classified as an “asset held for sale.” In classifying the facility and related assets (primarily land, building, and building improvements) as held for sale, we concluded that the carrying amount of the assets exceeded the estimated fair value less costs to sell such assets. In determining the estimated fair value of such assets, we considered recent sales prices for other property near the facility (Level 2 inputs as defined by SFAS No. 157.) Accordingly, CompX recognized \$600,000 to write down the assets to their estimated net realizable value of approximately \$3.1 million at December 31, 2007. We expect to dispose of the River Grove facility during 2009. The Lake Bluff, Illinois facility was sold in 2006 for approximately \$1.3 million which approximated book value and was leased back until CompX vacated the facility in October 2007.

Note 15 - Income taxes:

	Years ended December 31,		
	2006	2007	2008
	(In millions)		
Pre-tax income (loss):			
U.S.	\$ 31.1	\$ (14.9)	\$ 53.0
Non-U.S.	7.3	7.5	(5.3)
Total	<u>\$ 38.4</u>	<u>\$ (7.4)</u>	<u>\$ 47.7</u>
Expected tax expense, at U.S. federal statutory income tax rate of 35%	\$ 13.5	\$ (2.6)	\$ 16.7
Non-U.S. tax rates	(.3)	(.2)	(.3)
Incremental U.S. tax and rate differences on equity in earnings	(4.0)	(5.0)	(3.4)
Nondeductible expenses	.3	.5	.3
U.S. state income taxes, net	.5	.5	.9
Goodwill impairment	-	-	3.5
Tax contingency reserve adjustment, net	.1	(1.3)	(2.1)
Other, net	(1.2)	(.2)	(.7)
Provision for income taxes (benefit)	<u>\$ 8.9</u>	<u>\$ (8.3)</u>	<u>\$ 14.9</u>
	Years ended December 31,		
	2006	2007	2008
	(In millions)		
Components of income tax expense (benefit):			
Currently payable (refundable):			
U.S. federal and state	\$ (1.9)	\$.1	\$ 18.6
Non-U.S.	2.4	3.6	3.7
	.5	3.7	22.3
Deferred income taxes (benefit):			
U.S. federal and state	8.9	(12.0)	(7.1)
Non-U.S.	(.5)	-	(.3)
	8.4	(12.0)	(7.4)
Total	<u>\$ 8.9</u>	<u>\$ (8.3)</u>	<u>\$ 14.9</u>
	Years ended December 31,		
	2006	2007	2008
	(In millions)		
Comprehensive provision for income taxes (benefit) allocable to:			
Net income (loss)	\$ 8.9	\$ (8.3)	\$ 14.9
Other comprehensive income:			
Marketable securities	12.4	(5.6)	(17.8)
Pension liabilities	1.4	6.8	(12.6)
OPEB Plans	-	.4	.3
Currency translation	5.2	6.0	(7.0)
Adoption of SFAS 158:			
Pension plans	(2.1)	-	-
OPEB plans	(.9)	-	-
Total	<u>\$ 24.9</u>	<u>\$ (.7)</u>	<u>\$ (22.2)</u>

The components of the net deferred tax liability at December 31, 2007 and 2008 are summarized in the following table. Our deferred income tax valuation allowance was nil during each of the past three years.

	December 31,			
	2007		2008	
	Assets	Liabilities	Assets	Liabilities
	(In millions)			
Tax effect of temporary differences related to:				
Inventories	\$ 1.0	\$ -	\$.9	\$ -
Marketable securities	-	(20.0)	-	(2.4)
Property and equipment	-	(4.7)	-	(5.5)
Accrued OPEB costs	3.9	-	3.5	-
Pension asset	-	(6.2)	-	-
Accrued pension cost	.7	-	4.2	-
Accrued environmental liabilities	16.4	-	17.7	-
Other accrued liabilities and deductible differences	2.5	-	2.6	-
Other taxable differences	-	(10.7)	-	(11.3)
Investments in subsidiaries and affiliates	-	(67.8)	-	(53.3)
Tax loss and tax credit carryforwards	.3	-	.2	-
Adjusted gross deferred tax assets (liabilities)	24.8	(109.4)	29.1	(72.5)
Netting of items by tax jurisdiction	(18.3)	18.3	(23.3)	23.3
	6.5	(91.1)	5.8	(49.2)
Less net current deferred tax asset	6.5	-	5.8	-
Net noncurrent deferred tax liability	\$ -	\$ (91.1)	\$ -	\$ (49.2)

As discussed in Note 4, we received 2.2 million shares of TIMET common stock in March 2007 when Valhi paid a special dividend. For income tax purposes, the tax basis in the shares of TIMET we received is equal to the fair value of such TIMET shares on the date we received them. However, if the fair value of all of the TIMET shares distributed by Valhi exceeds Valhi's cumulative earnings and profits as of the end of 2007, we are required to reduce the tax basis of the shares of Valhi common stock we own by an amount equal to the lesser of our tax basis in such Valhi shares or our pro-rata share of the amount by which the aggregate fair value of the TIMET shares distributed by Valhi exceeds Valhi's earnings and profits. Additionally, if our pro-rata share of the amount by which the aggregate fair value of the TIMET shares distributed by Valhi exceeds Valhi's earnings and profits is greater than the tax basis of our Valhi shares, we are required to recognize a capital gain for the difference. The fair value of the TIMET shares we received exceeds our share of Valhi's cumulative earnings and profits at the end of 2007 and exceeds our aggregate tax basis of our Valhi shares. Accordingly, the benefit associated with receiving a fair-value tax basis in our TIMET shares has been offset by the elimination of the tax basis in our Valhi shares and the capital gain we are required to recognize for the excess. The income tax generated from this capital gain is approximately \$11.2 million. For financial reporting purposes, we provide deferred income taxes for the excess of the carrying value over the tax basis of our shares of both Valhi and TIMET common stock, and as a result the \$11.2 million current income tax generated is offset by deferred income taxes we previously provided on our shares of Valhi common stock.

We, our qualifying subsidiaries and Valhi are members of Contran's consolidated U.S. federal income tax group (the "Contran Tax Group"). We make payments to Valhi for income taxes in amounts that we would have paid to the U.S. Internal Revenue Service had we not been a member of the Contran Tax Group. Approximately \$10.8 million of the \$11.2 million tax related to the TIMET distribution is payable to Valhi (the remaining \$.4 million relates to one of our subsidiaries that was not a member of the Contran Tax Group on the distribution date). Valhi is not currently required to pay this \$10.8 million tax liability to Contran, nor is Contran currently required to pay this tax liability to the applicable tax authority, because the related taxable gain is currently deferred at the Valhi and Contran levels since Valhi and NL are members of the Valhi tax group on a separate company basis and of the Contran Tax Group. This income tax liability would become payable by Valhi to Contran, and by Contran to the applicable tax authority, when the shares of Valhi common stock held by NL are sold or otherwise transferred outside the Contran Tax Group or in the event of certain restructuring transactions involving NL and Valhi.

Tax authorities are continuing to examine certain of our U.S. and foreign tax returns including those of Kronos and tax authorities have or may propose tax deficiencies, including penalties and interest. We cannot guarantee that these tax matters will be resolved in our favor due to the inherent uncertainties involved in settlement initiatives and court and tax proceedings. We believe that we have adequate accruals for additional taxes and related interest expense which could ultimately result from tax examinations. We believe the ultimate disposition of tax examinations should not have a material adverse effect on our consolidated financial position, results of operations or liquidity.

Kronos has received a notice of proposed adjustment from the Canadian tax authorities related to the years 2002 - 2004. Kronos objects to the proposed assessment and intends to formally respond to the Canadian tax authorities in March 2009. Because of the inherent uncertainties involved in the settlement of the potential exposure, if any, the final outcome is also uncertain. We believe that we have

provided adequate reserves.

The goodwill impairment charge of \$10.1 million recorded in the third quarter of 2008 (see Note 8) is non-deductible goodwill for income tax purposes. Accordingly, there is no income tax benefit associated with the goodwill for financial reporting purposes.

At December 31, 2008, CompX had \$4 million of U.S. net operating loss carryforwards expiring in 2009 through 2017. Utilization of such net operating loss carryforwards is limited to approximately \$400,000 per tax year. CompX utilized approximately \$400,000 of such carryforwards in each of 2008, 2007, and 2006. We believe it is more-likely-than-not that such carryforwards will be utilized to reduce future income tax liabilities and, accordingly, we have not provided a deferred income tax asset valuation allowance to offset the benefit of such carryforwards.

Note 16 - Employee benefit plans:

Defined contribution plans - We maintain various defined contribution pension plans worldwide. Company contributions are based on matching or other formulas. Defined contribution plan expense approximated \$2.2 million in 2006, \$2.5 million in 2007 and \$2.1 million in 2008.

Changes in accounting for defined benefit pension and postretirement benefits other than pension (OPEB) plans - In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*. SFAS No. 158 requires us to recognize an asset or liability for the over or under funded status of each of our individual defined benefit pension and postretirement benefit plans on our Consolidated Balance Sheets. This standard does not change the existing recognition and measurement requirements that determine the amount of periodic benefit cost we recognize in net income.

We adopted the asset and liability recognition and disclosure requirements of SFAS No. 158 effective December 31, 2006 on a prospective basis, in which we recognized through other comprehensive income all of our prior unrecognized gains and losses and prior service costs or credits, net of tax and minority interest, as of December 31, 2006. The effect of adopting the asset and liability recognition requirements of this standard resulted in a \$5.4 million net decrease in our accumulated other comprehensive income, consisting of a \$3.8 million loss related to our defined benefit pension plans and \$1.6 million loss related to our postretirement benefit plans. Starting January 1, 2007, we now recognize all changes in the funded status of these plans through comprehensive income, net of tax and minority interest. Any future changes will be recognized either in net income to the extent they are reflected in periodic benefit cost, or through other comprehensive income.

Prior to December 31, 2007 we used September 30 as a measurement date for our defined benefit pension plans. In accordance with the measurement date requirements of this standard, effective December 31, 2007 we transitioned to a December 31 measurement date for all of our defined benefit pension plans using a 15 month net periodic benefit cost based on the September 30, 2006 actuarial valuations. Accordingly, four-fifths of the net periodic benefit cost for such 15-month period has been included in the determination of our net income for 2007, and one-fifth of the net periodic benefit cost for such 15-month period, net of income taxes, has been allocated as a direct adjustment to our retained deficit in accordance with the transition provisions of the standard to reflect the change in measurement dates. To the extent that the net periodic benefit cost included amortization of unrecognized actuarial losses, prior service cost and net transition obligations, which were previously recognized as a component of accumulated other comprehensive income at December 31, 2006, the effect on retained deficit, net of income taxes, was offset by a change in our accumulated other comprehensive income.

Defined benefit plans - We maintain a defined benefit pension plan in the U.S. We also maintain a plan in the United Kingdom related to a former disposed business unit in the U.K. All of our defined benefit plans use a December 31 measurement date. The benefits under our defined benefit plans are based upon years of service and employee compensation. Our funding policy is to contribute annually the minimum amount required under ERISA (or equivalent foreign) regulations plus additional amounts as we deem appropriate.

We currently expect to contribute approximately \$600,000 to all of our defined benefit pension plans during 2009. Benefit payments to plan participants out of plan assets are expected to be the equivalent of (in millions):

2009	\$ 2.9
2010	2.8
2011	2.9
2012	2.9
2013	3.0
Next 5 years	15.8

The funded status of our defined benefit pension plans is presented in the table below.

	Years ended December 31,	
	2007	2008
	(In thousands)	
Change in projected benefit obligations ("PBO"):		
Balance at beginning of the year	\$ 53,351	\$ 50,922
Elimination of early measurement date	732	-
Interest cost	2,925	2,931
Participant contributions	18	10
Plan amendment	-	27
Actuarial losses (gains), net	(2,224)	125
Change in foreign currency exchange rates	180	(2,535)
Benefits paid	(4,060)	(3,516)
Benefit obligation at end of the year	<u>50,922</u>	<u>47,964</u>
Change in plan assets:		
Fair value at beginning of the year	63,199	66,706
Elimination of early measurement date	1,451	-
Actual return on plan assets	5,327	(25,593)
Employer contributions	869	560
Participant contributions	18	10
Change in foreign currency exchange rates	(98)	(2,145)
Benefits paid	(4,060)	(3,516)
Fair value of plan assets at end of year	<u>66,706</u>	<u>36,022</u>
Funded status	<u>\$ 15,784</u>	<u>\$ (11,942)</u>
Amounts recognized in the Consolidated Balance Sheets:		
Pension asset	\$ 17,623	\$ -
Accrued pension costs:		
Current	(174)	(174)
Noncurrent	(1,665)	(11,768)
	<u>\$ 15,784</u>	<u>\$ (11,942)</u>
Accumulated other comprehensive income - actuarial losses (gains), net	<u>\$ (5,103)</u>	<u>\$ 26,393</u>
Accumulated benefit obligation ("ABO")	<u>\$ 50,922</u>	<u>\$ 47,964</u>

The amounts shown in the table above for unrecognized actuarial gains and losses at December 31, 2007 and 2008 have not been recognized as components of our periodic defined benefit pension cost as of those dates. These amounts will be recognized as components of our periodic defined benefit cost in future years. In accordance with SFAS No. 158, these amounts, net of deferred income taxes, are recognized in our accumulated other comprehensive income (loss) at December 31, 2007 and 2008. We expect that \$1.2 million of the unrecognized actuarial losses will be recognized as a component of our periodic defined benefit pension cost in 2009. The table below details the changes in other comprehensive income during 2007 and 2008.

	Years Ended December 31, (In thousands)	
	2007	2008
Changes in plan assets and benefit obligations recognized in other comprehensive income:		
Net actuarial gains (loss) arising during the year	\$ 1,735	\$(31,640)
Amortization of unrecognized net actuarial gains	295	144
Change in measurement date	76	-
Total	<u>\$ 2,106</u>	<u>\$(31,496)</u>

The components of our net periodic defined benefit pension cost are presented in the table below. The amount shown below for the amortization of unrecognized actuarial losses in 2007 and 2008, net of deferred income taxes, was recognized as a component of our accumulated other comprehensive income at December 31, 2006 and 2007, respectively.

	Years ended December 31, (In thousands)		
	2006	2007	2008
Net periodic pension cost (income):			
Interest cost on PBO	\$ 2,889	\$ 2,925	\$ 2,931
Expected return on plan assets	(5,396)	(5,800)	(6,209)
Plan amendment	-	-	27
Amortization of unrecognized:			
Net actuarial losses	414	295	144
Net transition obligations	(67)	-	-
Total	<u>\$ (2,160)</u>	<u>\$ (2,580)</u>	<u>\$ (3,107)</u>

Certain information concerning our defined benefit pension plans is presented in the table below.

	December 31, (In thousands)	
	2007	2008
PBO at end of the year:		
U.S. plan	\$ 41,725	\$ 41,440
U.K. plan	9,197	6,524
Total	<u>\$ 50,922</u>	<u>\$ 47,964</u>
Fair value of plan assets at end of the year:		
U.S. plan	\$ 58,239	\$ 30,623
U.K. plan	8,467	5,399
Total	<u>\$ 66,706</u>	<u>\$ 36,022</u>
Plans for which the accumulated benefit obligation exceeds plan assets:		
PBO	9,197	47,964
ABO	9,197	47,964
Fair value of plan assets	8,467	36,022

The weighted-average rate assumptions used in determining the actuarial present value of our benefit obligations as of December 31, 2007 and 2008 are 6.0% and 6.1%, respectively. Such weighted-average rates were determined using the projected benefit obligations at each date. At December 31, 2007 and 2008, we had no active employees participating in our defined benefit pension plans. Such plans are closed to additional participants and assumptions regarding future compensation levels are not applicable; consequently, the accumulated benefit obligations for all of our defined benefit pension plans were equal to the projected benefit obligations at December 31, 2007 and 2008.

The weighted-average rate assumptions used in determining the net periodic pension cost for 2006, 2007 and 2008 are presented in the table below. Such weighted-average discount rates were determined using the projected benefit obligations as of the beginning of each year, and the weighted-average long-term return on plan assets was determined using the fair value of plan assets as of the beginning of each year.

Rate	Years ended December 31,		
	2006	2007	2008
Discount rate	5.4%	5.7%	6.0%
Long-term return on plan assets	9.6%	9.6%	9.6%

Variances from actuarially assumed rates will result in increases or decreases in accumulated pension obligations, pension expense and funding requirements in future periods.

At December 31, 2007 and 2008, substantially all of the assets attributable to U.S. plans were invested in the Combined Master Retirement Trust ("CMRT"), a collective investment trust sponsored by Contran to permit the collective investment by certain master trusts which fund certain employee benefits plans sponsored by Contran and certain of its affiliates.

The CMRT's long-term investment objective is to provide a rate of return exceeding a composite of broad market equity and fixed income indices (including the S&P 500 and certain Russell indices) utilizing both third-party investment managers as well as investments directed by Mr. Harold Simmons. Mr. Simmons is the sole trustee of the CMRT. The trustee of the CMRT, along with the CMRT's investment committee, of which Mr. Simmons is a member, actively manages the investments of the CMRT. The trustee and investment committee periodically change the asset mix of the CMRT based upon, among other things, advice they receive from third-party advisors and their expectations as to what asset mix will generate the greatest overall return. For the years ended December 31, 2006, 2007 and 2008, the assumed long-term rate of return for plan assets invested in the CMRT was 10%. In determining the appropriateness of the rate of return assumption, we considered, among other things, the historical rates of return for the CMRT, the current and projected asset mix of the CMRT and the investment objectives of the CMRT's managers. During the 20-year history of the CMRT from its inception in 1987 through December 31, 2008, the average annual rate of return has been approximately 11%.

The CMRT weighted-average asset allocation by asset category was as follows:

	December 31,	
	2007	2008
Equity securities	98%	53%
Debt securities	-	43
Cash and other	2	4
Total	100%	100%

Postretirement benefits other than pensions - In addition to providing pension benefits, we also provide certain health care and life insurance benefits for eligible retired employees. We use a December 31 measurement date for our OPEB plans. The majority of all retirees are required to contribute a portion of the cost of their benefits and certain current and future retirees are eligible for reduced health care benefits at age 65. We have no OPEB plan assets, rather, we fund postretirement benefits as they are incurred, net of any contributions by the retiree. At December 31, 2008, we currently expect to contribute approximately \$1.2 million to all OPEB plans during 2009. Benefit payments, net of estimated Medicare Part D subsidy of approximately \$190,000 per year, expected to be paid to OPEB plan participants are summarized in the table below:

2009	\$1.2 million
2010	1.2 million
2011	1.2 million
2012	1.1 million
2013	1.0 million
Next 5 years	4.3 million

The funded status of our OPEB plans is presented in the table below.

	Years ended December 31,	
	2007	2008
	(In thousands)	
Actuarial present value of accumulated OPEB obligations:		
Balance at beginning of the year	\$ 13,257	\$ 11,242
Interest cost	726	655
Actuarial gain	(837)	(665)
Plan amendment	(425)	-
Net benefits paid	(1,479)	(1,118)
Obligations at end of the year	11,242	10,114

Fair value of plan assets at end of year	<u>-</u>	<u>-</u>
Funded status	\$ <u>(11,242)</u>	\$ <u>(10,114)</u>
Accrued OPEB costs recognized in the Consolidated Balance Sheets:		
Current	\$ (1,377)	\$ (1,231)
Noncurrent	<u>(9,865)</u>	<u>(8,883)</u>
Total	\$ <u>(11,242)</u>	\$ <u>(10,114)</u>
Accumulated other comprehensive loss:		
Unrecognized net actuarial losses	\$ 1,953	\$ 1,288
Unrecognized prior service credit	<u>(883)</u>	<u>(704)</u>
Total	\$ <u>1,070</u>	\$ <u>584</u>

The amounts shown in the table above for unrecognized actuarial losses and prior service credit at December 31, 2007 and 2008 have not been recognized as components of our periodic OPEB cost as of those dates. These amounts will be recognized as components of our periodic OPEB cost in future years. In accordance with SFAS No. 158, these amounts, net of deferred income taxes, are now recognized in our accumulated other comprehensive income at December 31, 2007 and 2008. We expect to recognize approximately \$179,000 of the prior service credit as a component of our periodic OPEB cost in 2009.

The table below details the changes in other comprehensive income during 2007 and 2008.

	Years ended December 31,	
	2007	2008
	(In thousands)	
Changes in benefit obligations recognized in other comprehensive income:		
Net actuarial gain arising during the year	\$ (836)	\$ (665)
Current year plan amendments	(425)	-
Amortization of unrecognized:		
Prior service credit	112	179
Net actuarial losses	(15)	-
Total	\$ (1,164)	\$ (486)

The components of our periodic OPEB cost are presented in the table below. The amounts shown below for the amortization of unrecognized actuarial losses and prior service credit in 2007 and 2008, net of deferred income taxes, were recognized as components of our accumulated other comprehensive income at December 31, 2006 and 2007, respectively.

	Years ended December 31,		
	2006	2007	2008
	(In thousands)		
Net periodic OPEB cost:			
Interest cost	\$ 734	\$ 726	\$ 655
Amortization of prior service credit	(112)	(112)	(179)
Recognized actuarial losses	-	15	-
Total	\$ 622	\$ 629	\$ 476

A summary of our key actuarial assumptions used to determine the net benefit obligation as of December 31, 2007 and 2008 follows:

	2007	2008
Health care inflation:		
Initial rate	8.5%	8.0%
Ultimate rate	5.5%	5.5%
Year of ultimate rate achievement	2014	2014
Discount rate	6.2%	5.8%

The assumed health care cost trend rate has a significant effect on the amount we report for OPEB cost. A one-percent change in assumed health care trend rates would have the following effect:

	1% Increase	1% Decrease
	(In thousands)	
Effect on net OPEB cost during 2008	\$ 40	\$ (35)
Effect at December 31, 2008 on postretirement obligation	500	(450)

The weighted average discount rate used in determining the net periodic OPEB cost for 2008 was 6.2% (the rate was 5.8% in 2007 and 5.6% in 2006). The weighted average rate was determined using the projected benefit obligation as of the beginning of each year.

Note 17 - Related party transactions:

We may be deemed to be controlled by Harold C. Simmons. See Note 1. We and other entities that may be deemed to be controlled by or affiliated with Mr. Simmons sometimes engage in (a) intercorporate transactions such as guarantees, management and expense sharing arrangements, shared fee arrangements, joint ventures, partnerships, loans, options, advances of funds on open account, and sales, leases and exchanges of assets, including securities issued by both related and unrelated parties and (b) common investment and acquisition strategies, business combinations, reorganizations, recapitalizations, securities repurchases, and purchases and sales (and other acquisitions and dispositions) of subsidiaries, divisions or other business units, which transactions have involved both related and unrelated parties and have included transactions which resulted in the acquisition by one related party of a publicly-held minority equity interest in another related party. We periodically consider, review and evaluate, and understand that Contran and related entities consider, review and

evaluate such transactions. Depending upon the business, tax and other objectives then relevant, it is possible that we might be a party to one or more such transactions in the future.

Receivables from and payables to affiliates are summarized in the table below.

	December 31,	
	2007	2008
	(In thousands)	
Current receivables from affiliates:		
Income taxes refundable from Valhi	\$ 1,271	\$ 150
Note receivable from Valhi	-	3,000
Total	\$ 1,271	\$ 3,150
Current payables to affiliates:		
Income taxes payable to Valhi	\$ -	\$ 919
Note payable TIMET	250	1,000
Accrued interest payable to TIMET	559	528
Kronos	20	256
Tremont	320	436
Total	\$ 1,149	\$ 3,139
	December 31,	
	2007	2008
	(In thousands)	
Noncurrent payable to affiliate:		
Note payable to TIMET	\$ 49,980	\$ 42,980
Less current maturities	250	1,000
Total note payable to TIMET	\$ 49,730	\$ 41,980

In 2007, CompX purchased or cancelled a net 2.7 million shares of its Class A common stock from TIMET. CompX purchased or cancelled these shares for \$19.50 per share, or aggregate consideration of \$52.6 million, which was paid in the form of a promissory note. The price per share was determined based on CompX's open market repurchases of its Class A common stock around the time the repurchase and/or cancellation from TIMET was approved. The promissory note bears interest at LIBOR plus 1% (5.05% at December 31, 2008) and provides for quarterly principal repayments of \$250,000 commencing in September 2008, with the balance due at maturity in September 2014. The promissory note is subordinated to CompX's U.S. revolving bank credit agreement. See Note 12. CompX may make prepayments on the promissory note payable to TIMET at any time, in any amount, without penalty. During 2007 and 2008, CompX prepaid approximately \$2.6 million and \$7.0 million, respectively, on the promissory note. Interest expense on our note payable to TIMET was approximately \$6 million and \$2.2 million in 2007 and 2008, respectively. At December 31, 2007 and 2008, approximately \$50.0 million and \$43.0 million, respectively, was outstanding under the promissory note, of which \$250,000 and \$1.0 million, respectively, was classified as a current liability. The scheduled repayments of the promissory note are shown in the table below.

Years ending December 31,	Amount
	(In thousands)
2009	\$ 1,000
2010	1,000
2011	1,000
2012	1,000
2013	1,000
2014	37,980
Total	\$ 42,980

From time to time, we will have loans and advances outstanding between us and various related parties, pursuant to term and demand notes. We generally enter into these loans and advances for cash management purposes. When we loan funds to related parties, we are generally able to earn a higher rate of return on the loan than the lender would earn if the funds were invested in other instruments. While certain of such loans may be of a lesser credit quality than cash equivalent instruments otherwise available to us, we believe that we have evaluated the credit risks involved and reflected those credit risks in the terms of the applicable loans. When we

borrow from related parties, we are generally able to pay a lower rate of interest than we would pay if we borrowed from unrelated parties.

In 2008 the independent members of our Board of Directors and the independent members of the Board of Directors of Kronos and Valhi approved the terms for us to lend up to \$40 million to each of Kronos and Valhi. Our loans to Kronos and Valhi under each of the revolving notes are unsecured, bear interest at the prime rate minus 1.5% (1.75% at December 31, 2008) with all principal due on demand (and no later than December 31, 2009). The amount of our outstanding loans we have to Kronos and Valhi at any time is solely at our discretion. At December 31, 2008, we had loans of \$19.2 million outstanding under the revolving note to Kronos and \$3.0 million outstanding to Valhi. Loans to Kronos are included in our equity investment in Kronos. See Note 7. Interest earned on our notes receivable from Kronos and Valhi aggregated approximately \$115,000 in 2008.

Under the terms of various intercorporate services agreements ("ISAs") we enter into with Contran, employees of Contran will provide certain management, tax planning, financial and administrative services to the other company on a fee basis. Such charges are based upon estimates of the time devoted by the Contran employees to our affairs, and the compensation and other expenses associated with those persons. Because of the large number of companies affiliated with Contran, we believe we benefit from cost savings and economies of scale gained by not having certain management, financial and administrative staffs duplicated at each entity, thus allowing certain Contran employees to provide services to multiple companies but only be compensated by Contran. The net ISA fees charged to us by Contran, (including amounts attributable to Kronos for all periods), approved by the independent members of the applicable board of directors, aggregated approximately \$13.8 million, \$14.3 million and \$14.7 million in 2006, 2007 and 2008 respectively.

Tall Pines Insurance Company and EWI RE, Inc. provide for or broker certain insurance or reinsurance policies for Contran and certain of its subsidiaries and affiliates, including us. Tall Pines is wholly-owned by a subsidiary of Valhi, and EWI is a wholly-owned subsidiary of ours. Consistent with insurance industry practices, Tall Pines and EWI receive commissions from insurance and reinsurance underwriters and/or assess fees for the policies that they provide or broker. These amounts principally included payments for insurance and reinsurance premiums paid to third parties, but also included commissions paid to Tall Pines and EWI. Tall Pines purchases reinsurance for substantially all of the risks it underwrites. We expect that these relationships with Tall Pines and EWI will continue in 2009.

Contran and certain of its subsidiaries and affiliates, including us, purchase certain of their insurance policies as a group, with the costs of the jointly-owned policies being apportioned among the participating companies. With respect to certain of such policies, it is possible that unusually large losses incurred by one or more insured party during a given policy period could leave the other participating companies without adequate coverage under that policy for the balance of the policy period. As a result, Contran and certain of its subsidiaries and affiliates, including us, have entered into a loss sharing agreement under which any uninsured loss is shared by those entities who have submitted claims under the relevant policy. We believe the benefits in the form of reduced premiums and broader coverage associated with the group coverage for such policies justifies the risk associated with the potential for any uninsured loss.

Note 18 – Other operating income (expense):

Insurance recoveries in 2006, 2007 and 2008 relate to amounts we received from certain of our former insurance carriers, and relate principally to the recovery of prior lead pigment and asbestos litigation defense costs incurred by us. We have agreements with two former insurance carriers pursuant to which the carriers reimburse us for a portion of our lead pigment litigation defense costs, and one such carrier reimburses us for a portion of our asbestos litigation defense costs. The insurance recoveries we recognized in each year include amounts we received from these carriers. We are not able to determine how much we will ultimately recover from these carriers for the defense costs we incurred because of certain issues that arise regarding which defense costs qualify for reimbursement. Insurance recoveries in 2006 also include amounts we received for prior legal defense and indemnity coverage for certain of our environmental expenditures. We do not expect to receive any further material insurance settlements relating to environmental remediation matters.

While we continue to seek additional insurance recoveries for lead pigment and asbestos litigation matters, we do not know the extent to which we will be successful in obtaining additional reimbursement for either defense costs or indemnity. We have not considered any additional potential insurance recoveries in determining accruals for lead pigment or asbestos litigation matters. Any additional insurance recoveries would be recognized when the receipt is probable and the amount is determinable.

The litigation settlement gain is discussed in Note 19.

Note 19 - Commitments and contingencies:

Lead pigment litigation

Our former operations included the manufacture of lead pigments for use in paint and lead-based paint. We, other former manufacturers of lead pigments for use in paint and lead-based paint (together, the "former pigment manufacturers"), and the Lead Industries Association ("LIA"), which discontinued business operations in 2002, have been named as defendants in various legal proceedings seeking damages for personal injury, property damage and governmental expenditures allegedly caused by the use of lead-based paints. Certain of these actions have been filed by or on behalf of states, counties, cities or their public housing authorities and school districts, and certain others have been asserted as class actions. These lawsuits seek recovery under a variety of theories, including public and private nuisance, negligent product design, negligent failure to warn, strict liability, breach of warranty, conspiracy/concert of action, aiding and abetting, enterprise liability, market share or risk contribution liability, intentional tort, fraud and misrepresentation, violations of state consumer protection statutes, supplier negligence and similar claims.

The plaintiffs in these actions generally seek to impose on the defendants responsibility for lead paint abatement and health

concerns associated with the use of lead-based paints, including damages for personal injury, contribution and/or indemnification for medical expenses, medical monitoring expenses and costs for educational programs. To the extent the plaintiffs seek compensatory or punitive damages in these actions, such damages are generally unspecified. In some cases, the damages are unspecified pursuant to the requirements of applicable state law. A number of cases are inactive or have been dismissed or withdrawn. Most of the remaining cases are in various pre-trial stages. Some are on appeal following dismissal or summary judgment rulings in favor of either the defendants or the plaintiffs. In addition, various other cases are pending (in which we are not a defendant) seeking recovery for injury allegedly caused by lead pigment and lead-based paint. Although we are not a defendant in these cases, the outcome of these cases may have an impact on cases that might be filed against us in the future.

We believe that these actions are without merit, and we intend to continue to deny all allegations of wrongdoing and liability and to defend against all actions vigorously. We do not believe it is probable that we have incurred any liability with respect to all of the lead pigment litigation cases to which we are a party, and liability to us that may result, if any, in this regard cannot be reasonably estimated, because:

- we have never settled any of these cases,
- no final, non-appealable adverse verdicts have ever been entered against us, and
- we have never ultimately been found liable with respect to any such litigation matters.

Accordingly, we have not accrued any amounts for any of the pending lead pigment and lead-based paint litigation cases. New cases may continue to be filed against us. We cannot assure you that we will not incur liability in the future in respect of any of the pending or possible litigation in view of the inherent uncertainties involved in court and jury rulings. The resolution of any of these cases could result in recognition of a loss contingency accrual that could have a material adverse impact on our net income for the interim or annual period during which such liability is recognized and a material adverse impact on our consolidated financial condition and liquidity.

Environmental matters and litigation

Our operations are governed by various environmental laws and regulations. Certain of our businesses are and have been engaged in the handling, manufacture or use of substances or compounds that may be considered toxic or hazardous within the meaning of applicable environmental laws and regulations. As with other companies engaged in similar businesses, certain of our past and current operations and products have the potential to cause environmental or other damage. We have implemented and continue to implement various policies and programs in an effort to minimize these risks. Our policy is to maintain compliance with applicable environmental laws and regulations at all of our plants and to strive to improve environmental performance. From time to time, we may be subject to environmental regulatory enforcement under U.S. and foreign statutes, the resolution of which typically involves the establishment of compliance programs. It is possible that future developments, such as stricter requirements of environmental laws and enforcement policies, could adversely affect our production, handling, use, storage, transportation, sale or disposal of such substances. We believe that all of our facilities are in substantial compliance with applicable environmental laws.

Certain properties and facilities used in our former operations, including divested primary and secondary lead smelters and former mining locations, are the subject of civil litigation, administrative proceedings or investigations arising under federal and state environmental laws. Additionally, in connection with past operating practices, we are currently involved as a defendant, potentially responsible party ("PRP") or both, pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act ("CERCLA"), and similar state laws in various governmental and private actions associated with waste disposal sites, mining locations, and facilities we or our predecessors currently or previously owned, operated or were used by us or our subsidiaries, or their predecessors, certain of which are on the United States Environmental Protection Agency's ("EPA") Superfund National Priorities List or similar state lists. These proceedings seek cleanup costs, damages for personal injury or property damage and/or damages for injury to natural resources. Certain of these proceedings involve claims for substantial amounts. Although we may be jointly and severally liable for these costs, in most cases we are only one of a number of PRPs who may also be jointly and severally liable. In addition, we are a party to a number of personal injury lawsuits filed in various jurisdictions alleging claims related to environmental conditions alleged to have resulted from our operations.

Environmental obligations are difficult to assess and estimate for numerous reasons including the:

- complexity and differing interpretations of governmental regulations,
- number of PRPs and their ability or willingness to fund such allocation of costs,
- financial capabilities of the PRPs and the allocation of costs among them,
- solvency of other PRPs,
- multiplicity of possible solutions, and
- number of years of investigatory, remedial and monitoring activity required.

In addition, the imposition of more stringent standards or requirements under environmental laws or regulations, new developments or changes regarding site cleanup costs or allocation of costs among PRPs, solvency of other PRPs, the results of future testing and analysis undertaken with respect to certain sites or a determination that we are potentially responsible for the release of hazardous substances at other sites, could cause our expenditures to exceed our current estimates. Because we may be jointly and severally liable for the total remediation cost at certain sites, the amount for which we are ultimately liable may exceed our accruals due to, among other things, the reallocation of costs among PRPs or the insolvency of one or more PRPs. We cannot assure you that actual costs will not exceed accrued amounts or the upper end of the range for sites for which estimates have been made, and we cannot assure you that costs will not be incurred for sites where no estimates presently can be made. Further, additional environmental matters may arise in the future. If we were to incur any future liability, this could have a material adverse effect on our consolidated financial statements, results of operations and liquidity.

We record liabilities related to environmental remediation obligations when estimated future expenditures are probable and reasonably estimable. We adjust our environmental accruals as further information becomes available to us or as circumstances change. We generally do not discount estimated future expenditures to their present value due to the uncertainty of the timing of the pay out. We recognize recoveries of remediation costs from other parties, if any, as assets when their receipt is deemed probable. At December 31, 2008, we have not recognized any receivables for recoveries.

We do not know and cannot estimate the exact time frame over which we will make payments for our accrued environmental costs. The timing of payments depends upon a number of factors including the timing of the actual remediation process; which in turn depends on factors outside of our control. At each balance sheet date, we estimate the amount of our accrued environmental costs which we expect to pay within the next twelve months, and we classify this estimate as a current liability. We classify the remaining accrued environmental costs as a noncurrent liability.

The table below presents a summary of the activity in our accrued environmental costs during the past three years. The amount charged to expense is included in corporate expense on our consolidated statements of income.

	Years ended December 31,		
	2006	2007	2008
	(In thousands)		
Balance at the beginning of the year	\$ 54,947	\$ 50,713	\$ 50,330
Additions charged to expense, net	3,958	4,368	6,779
Payments, net	(8,192)	(4,751)	(7,055)
Balance at the end of the year	\$ 50,713	\$ 50,330	\$ 50,054
Amounts recognized in the balance sheet:			
Current liability	\$ 9,778	\$ 11,863	\$ 9,834
Noncurrent liability	40,935	38,467	40,220
Total	\$ 50,713	\$ 50,330	\$ 50,054

On a quarterly basis, we evaluate the potential range of our liability at sites where we have been named as a PRP or defendant, including sites for which our wholly-owned environmental management subsidiary, NL Environmental Management Services, Inc. ("EMS") has contractually assumed our obligations. At December 31, 2008, we had accrued approximately \$50 million for those environmental matters which we believe are reasonably estimable. We believe that it is not possible to estimate the range of costs for certain sites. The upper end of the range of reasonably possible costs to us for sites for which we believe it is possible to estimate costs is approximately \$76 million, including the amount currently accrued. We have not discounted these estimates to present value.

At December 31, 2008, there were approximately 20 sites for which we are not currently able to estimate a range of costs. For these sites, generally the investigation is in the early stages, and we are unable to determine whether or not we actually had any association with the site, the nature of our responsibility, if any, for the contamination at the site and the extent of contamination at the site. The timing and availability of information on these sites is dependent on events outside of our control, such as when the party alleging liability provides information to us. At certain of these previously inactive sites, we have received general and special notices of liability from the EPA alleging that we, along with other PRPs, are liable for past and future costs of remediating environmental contamination allegedly caused by former operations conducted at the sites. These notifications may assert that we, along with other PRPs, are liable for past clean-up costs that could be material to us if we are ultimately found liable.

In 2005, certain real property we owned that is subject to environmental remediation was taken from us in a condemnation proceeding by a governmental authority in New Jersey. The condemnation proceeds, the adequacy of which we disputed, were placed into escrow with a court in New Jersey. Because such funds were in escrow with the court and were beyond our control, we never gave recognition to such condemnation proceeds for financial reporting purposes. In April 2008, we reached a tentative settlement agreement with such governmental authority and a real estate developer, among others, pursuant to which, among other things, we would receive certain agreed-upon amounts in satisfaction of our claim to just compensation for the taking of our property in the condemnation proceeding and we would be indemnified against certain environmental liabilities related to such property. The tentative settlement agreement was subject to certain conditions which ultimately were not met, and on May 2, 2008 we terminated such agreement. In late June 2008 the settlement agreement was reinstated, and the initial closing under the reinstated settlement agreement occurred in October 2008. At the October 2008 initial closing, we received aggregate proceeds of \$54.6 million, comprising \$39.6 million in cash plus a promissory note in the amount of \$15.0 million, in exchange for the release of our equitable lien on a portion of the property. The agreement calls for two subsequent closings that are scheduled to take place in April 2009 and October 2010, respectively, and that are subject to, among other things, our receipt of certain additional payments. In exchange for the additional payments we would receive at the two subsequent closings, we would release our equitable lien on the remaining two portions of the property. The settlement agreement provides for the dismissal of the pending condemnation proceeding with prejudice. Our carrying value of this property was approximately \$6.5 million at the time of the October 2008 agreement.

The \$15.0 million promissory note bears interest at LIBOR plus 2.75%, with interest payable monthly. All principal is due no later than October 2011. The promissory note is collateralized by the real estate developer's ground lease on the property, and all

improvements to the property performed by the developer. Both the promissory note and our lien on the property are subordinated to certain senior indebtedness of the developer. In the event that the developer has not repaid the promissory note at its stated maturity, we have the right to demand repayment of up to \$15.0 million due under the promissory note from one of the developer's equity partners, and such right is not subordinated to the developer's senior indebtedness.

For financial reporting purposes, we have accounted for the aggregate consideration received at the October 2008 closing of the reinstated settlement agreement by the full accrual method of accounting for real estate sales (since the settlement agreement arose out of a dispute concerning the adequacy of the condemnation proceeds for our former real property in New Jersey). Under this method, we recognized a pre-tax gain related to the October 2008 closing based on the difference between the aggregate \$54.6 million consideration received and the carrying value of the portion of the property for which we have released our equitable lien (\$5.8 million). Accordingly, we recognized a pre-tax gain in the fourth quarter of 2008 of approximately \$48.8 million. Similarly, the cash consideration we received at the initial closing is reflected, and the proceeds from collecting the principal on the \$15.0 million promissory note will be reflected, as an investing activity in our Consolidated Statement of Cash Flows.

In addition to the consideration that we received at the October 2008 closing, as part of the June 2008 agreement, we became entitled to receive the interest that had accrued on the escrow funds, and in May 2008 we received approximately \$4.3 million of such interest, which we recognized as interest income during the second quarter of 2008.

Insurance coverage claims

We are involved in certain legal proceedings with a number of our former insurance carriers regarding the nature and extent of the carriers' obligations to us under insurance policies with respect to certain lead pigment and asbestos lawsuits. The issue of whether insurance coverage for defense costs or indemnity or both will be found to exist for our lead pigment and asbestos litigation depends upon a variety of factors, and we cannot assure you that such insurance coverage will be available. We have not considered any potential insurance recoveries for lead pigment or asbestos litigation matters in determining related accruals. We recognize insurance recoveries in income only when receipt of the recovery is probable and we are able to reasonably estimate the amount of the recovery.

We have agreements with two former insurance carriers pursuant to which the carriers reimburse us for a portion of our lead pigment litigation defense costs, and one such carrier reimburses us for a portion of our asbestos litigation defense costs. We are not able to determine how much we will ultimately recover from these carriers for defense costs incurred by us, because of certain issues that arise regarding which defense costs qualify for reimbursement. While we continue to seek additional insurance recoveries, we do not know if we will be successful in obtaining reimbursement for either defense costs or indemnity. We have not considered any additional potential insurance recoveries in determining accruals for lead pigment or asbestos litigation matters.

In October 2005 we were served with a complaint in *OneBeacon American Insurance Company v. NL Industries, Inc., et al.* (Supreme Court of the State of New York, County of New York, Index No. 603429-05). The plaintiff, a former insurance carrier, seeks a declaratory judgment of its obligations to us under insurance policies issued to us by the plaintiff's predecessor with respect to certain lead pigment lawsuits filed against us. In March 2006, the trial court denied our motion to dismiss. In April 2006, we filed a notice of appeal of the trial court's ruling, and in September 2007, the Supreme Court – Appellate Division (First Department) reversed and ordered that the OneBeacon complaint be dismissed. The Appellate Division did not dismiss the counterclaims and cross claims.

In February 2006, we were served with a complaint in *Certain Underwriters at Lloyds, London v. Millennium Holdings LLC et al.* (Supreme Court of the State of New York, County of New York, Index No. 06/60026). The plaintiff, a former insurance carrier of ours, seeks a declaratory judgment of its obligations to us under insurance policies issued to us by the plaintiff with respect to certain lead pigment lawsuits.

In December 2008, we reached partial settlements with the plaintiffs in the two cases discussed above, pursuant to which the two former insurance carriers agreed to pay us an aggregate of approximately \$7.2 million in settlement of certain counter-claims related to past lead pigment and asbestos defense costs. We received these funds from the carriers in January 2009. In connection with these partial settlements, we agreed to dismiss the case captioned *NL Industries, Inc. v. OneBeacon America Insurance Company, et al.* (District Court for Dallas County, Texas, Case No. 05-11347), and in January 2009 we filed a notice of non-suit without prejudice in that matter. The remaining claims in New York state cases are proceeding in the trial court.

Other litigation

In June 2005, we received notices from the three minority shareholders of EMS indicating they were each exercising their right, which became exercisable on June 1, 2005, to require EMS to purchase their preferred shares in EMS as of June 30, 2005 for a formula-determined amount as provided in EMS' certificate of incorporation. In accordance with the certificate of incorporation, we made a determination in good faith of the amount payable to the three former minority shareholders to purchase their shares of EMS stock, which amount may be subject to review by a third party. In June 2005, we set aside funds as payment for the shares of EMS, but as of December 31, 2008 the former minority shareholders have not tendered their shares. Therefore, the liability owed to these former minority shareholders has not been extinguished for financial reporting purposes as of December 31, 2008 and remains recognized as a current liability in our Consolidated Financial Statements. We have similarly classified the funds which have been set aside in restricted cash and cash equivalents.

In May 2007, we filed a complaint in Texas state court (*Contran Corporation, et al. v. Terry S. Casey, et al., Case No. 07-04855, 192nd Judicial District Court, Dallas County, Texas*) in which we alleged negligence, conversion, and breach of contract against a former service provider of ours who was also a former minority shareholder of EMS. In February 2008, two other former minority shareholders of

EMS filed counterclaims, a third-party petition and petition in intervention, seeking damages related to their former ownership in EMS. Our original claims were removed to arbitration, and the case is now captioned *Industrial Recovery Capital Holdings Co. et al. v. Harold C. Simmons et al.*, Case No. 08-02589, District Court, Dallas County, Texas. The defendants are us, Contran, Valhi and certain of our and EMS's current or former officers or directors. The plaintiffs claim that, in preparing the valuation of the former minority shareholders' preferred shares for purchase by EMS, defendants have committed fraud, breach of fiduciary duty, civil conspiracy, breach of contract and tortious interference with economic relations. We believe that these claims are without merit and have denied all liability therefor. We and EMS have also filed counterclaims against the former minority shareholders relating to the formation and management of EMS. Trial is scheduled for July 2009.

We have been named as a defendant in various lawsuits in several jurisdictions, alleging personal injuries as a result of occupational exposure primarily to products manufactured by our former operations containing asbestos, silica and/or mixed dust. Approximately 465 of these types of cases remain pending, involving a total of approximately 5,400 plaintiffs. In addition, the claims of approximately 4,400 former plaintiffs have been administratively dismissed or placed on the inactive docket in Ohio state courts. We do not expect these claims will be re-opened unless the plaintiffs meet the courts' medical criteria for asbestos-related claims. We have not accrued any amounts for this litigation because of the uncertainty of liability and inability to reasonably estimate the liability, if any. To date, we have not been adjudicated liable in any of these matters. Based on information available to us, including:

- facts concerning historical operations,
- the rate of new claims,
- the number of claims from which we have been dismissed, and
- our prior experience in the defense of these matters

we believe that the range of reasonably possible outcomes of these matters will be consistent with our historical costs (which are not material). Furthermore, we do not expect any reasonably possible outcome would involve amounts material to our consolidated financial position, results of operations or liquidity. We have sought and will continue to vigorously seek, dismissal and/or a finding of no liability from each claim. In addition, from time to time, we have received notices regarding asbestos or silica claims purporting to be brought against former subsidiaries, including notices provided to insurers with which we have entered into settlements extinguishing certain insurance policies. These insurers may seek indemnification from us.

In February 2009, a complaint was filed with the U.S. International Trade Commission ("ITC") by Humanscale Corporation requesting that the ITC commence an investigation pursuant to Section 337 of the Tariff Act of 1930 to determine allegations concerning the unlawful importation of certain adjustable keyboard related products into the U.S. by CompX's Canadian subsidiary, Waterloo Furniture Components Limited. The products are alleged to infringe certain claims under a U.S. patent held by Humanscale. The complaint seeks as relief the barring of future imports of the products into the U.S. until the expiration of the related patent in 2011. We intend to deny the infringement before the ITC and seek to dismiss the complaint. In addition, in February 2009 a complaint for patent infringement was filed in the United States District Court, Eastern District of Virginia, by Humanscale against CompX and Waterloo Furniture Components Limited. CompX denies the allegations of patent infringement noted in this complaint.

In addition to the litigation described above, we and our affiliates are also involved in various other environmental, contractual, product liability, patent (or intellectual property), employment and other claims and disputes incidental to present and former businesses. In certain cases, we have insurance coverage for these items, although we do not expect additional material insurance coverage for environmental claims.

We currently believe that the disposition of all of these various other claims and disputes, individually or in the aggregate, should not have a material adverse effect on our consolidated financial position, results of operations or liquidity beyond the accruals already provided.

Concentrations of credit risk

Component products are sold primarily in North America to original equipment manufacturers. The ten largest customers accounted for approximately 38% of sales in 2006, 31% in 2007 and 35% in 2008. No customer accounted for sales of 10% or more in 2006, 2007 or 2008.

At December 31, 2008, consolidated cash, cash equivalents and restricted cash includes \$11.9 million invested in U.S. Treasury securities purchased under short-term agreements to resell (2007 - \$31.9 million), all of which is held in trust by a single U.S. bank.

Other

Rent expense, principally for CompX operating facilities and equipment was \$787,000 in 2006, \$429,000 in 2007 and \$648,000 in 2008. At December 31, 2008, future minimum rentals under noncancellable operating leases are approximately:

<u>Years ending December 31,</u>	<u>Amount</u> <u>(In</u> <u>thousands)</u>
2009	\$ 587
2010	341
2011	330

2012

201

Total

\$ 1,459

CompX has firm purchase commitments for capital projects in process and for raw material and other purchase commitments outstanding at December 31, 2008. The purchase obligations consist of all open purchase orders and contractual obligations, primarily commitments to purchase raw materials. All purchase commitments at December 31, 2008 are expected to be fulfilled in 2009.

Income taxes

We and Valhi have agreed to a policy providing for the allocation of tax liabilities and tax payments as described in Note 1. Under applicable law, we, as well as every other member of the Contran Tax Group, are each jointly and severally liable for the aggregate federal income tax liability of Contran and the other companies included in the Contran Tax Group for all periods in which we are included in the Contran Tax Group. Valhi has agreed, however, to indemnify us for any liability for income taxes of the Contran Tax Group in excess of our tax liability previously computed and paid by NL in accordance with the tax allocation policy. In this regard, in the event that all or a portion of the \$10.8 million income tax liability discussed in Note 15 related to the shares of TIMET transferred by Valhi to us in 2007 becomes payable by Contran to the applicable tax authority, we and every other member of the Contran Tax Group would be jointly and severally liable for such income tax liabilities in the event Contran did not pay such tax to the applicable tax authority. However, in this event, we would also have the benefit of Valhi's indemnification, as described above.

Note 20 - Financial instruments:

We adopted SFAS No. 157 effective January 1, 2008 for financial assets and liabilities measured on a recurring basis. SFAS No. 157 applies to all financial assets and financial liabilities that are being measured and reported on a fair value basis. SFAS No. 157 establishes a framework for measuring fair value and expands disclosure about fair value measurements. The statement requires fair value measurements to be classified and disclosed in one of three categories, see Notes 1 and 21.

There was no impact for the adoption of SFAS No. 157 to the Consolidated Financial Statements. The following table summarizes the valuation of our investments and financial instruments by the above SFAS No. 157 categories as of December 31, 2008.

	Fair Value Measurements at December 31, 2008		
	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)
		(in millions)	
Marketable securities:			
Current	\$ 5.5	\$ -	\$ 5.5
Noncurrent	64.0	64.0	-

See Note 4 for information on how we determine fair value of our marketable securities.

Certain of our sales generated by CompX's non-U.S. operations are denominated in U.S. dollars. CompX periodically uses currency forward contracts to manage a portion of currency exchange rate market risk associated with receivables, or similar exchange rate risk associated with future sales, denominated in a currency other than the holder's functional currency. CompX has not entered into these contracts for trading or speculative purposes in the past, nor do they anticipate entering into such contracts for trading or speculative purposes in the future. Most of the currency forward contracts CompX enters into meet the criteria for hedge accounting under GAAP and are designated as cash flow hedges. For these currency forward contracts, gains and losses representing the effective portion of the hedges are deferred as a component of accumulated other comprehensive income, and are subsequently recognized in earnings at the time the hedged item affects earnings. Occasionally, CompX enters into currency forward contracts which do not meet the criteria for hedge accounting. CompX marks-to-market the estimated fair value of such contracts at each balance sheet date based on quoted market prices for such forward contracts, with any resulting gain or loss recognized in income currently as part of net currency transactions. The quoted market prices for such forward contracts are a Level 1 input as defined by SFAS No. 157, Fair Value Measurements. See Note 21. To manage such currency exchange rate risk, at December 31, 2008, CompX held a series of contracts to exchange an aggregate U.S. \$7.5 million for an equivalent value of Canadian dollars at exchange rates ranging from Cdn. \$1.25 to \$1.26 per U.S. dollar. These contracts qualified for hedge accounting and mature through June 2009. The exchange rate was \$1.22 per U.S. dollar at December 31, 2008. The estimated fair value of the contracts was not material at December 31, 2008. We had no currency forward contracts outstanding at December 31, 2007.

The following table presents the financial instruments that are not carried at fair value but which require fair value disclosure as December 31, 2007 and 2008:

December 31, 2007		December 31, 2008	
Carrying	Fair	Carrying	Fair

	Amount	Value	Amount	Value
	(in millions)			
Cash and cash equivalents, current restricted cash equivalents and current marketable securities	\$ 51.9	\$ 51.9	\$ 29.4	\$ 29.4
Promissory note receivable	-	-	\$ 15.0	\$ 15.0
Note payable to affiliate	\$ 50.0	\$ 50.0	\$ 43.0	\$ 43.0
Minority interest in CompX common stock	\$ 14.4	\$ 25.2	\$ 11.9	\$ 8.5
Common stockholders' equity	\$ 246.8	\$ 555.4	\$ 188.9	\$ 651.2

The fair value of our current marketable equity securities, restricted marketable debt securities, minority interest in CompX and our common stockholder's equity are based upon quoted market prices at each balance sheet date, which represent Level 1 inputs as defined by SFAS No. 157. The fair value of our promissory note receivable and our variable interest rate debt is deemed to approximate book value. Due to their near-term maturities, the carrying amounts of accounts receivable and accounts payable are considered equivalent to fair value.

Note 21 – Recent accounting pronouncements:

Fair Value Measurements – In September 2006, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 157, *Fair Value Measurements*, which became effective for us on January 1, 2008. SFAS No. 157 generally provides a consistent, single fair value definition and measurement techniques for GAAP pronouncements. SFAS No. 157 also establishes a fair value hierarchy for different measurement techniques based on the objective nature of the inputs in various valuation methods. In February 2008, the FASB issued FSP No. FAS 157-2, *Effective Date of FASB Statement No. 157* which delays the provisions of SFAS No. 157 until January 1, 2009 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). Beginning with our first quarter 2008 filing, all of our fair value measurements are in compliance with SFAS No. 157, except for such nonfinancial assets and liabilities for which we will be required to be in compliance with SFAS No. 157 prospectively beginning in the first quarter of 2009. In addition, in accordance with the new standard we have expanded our disclosures regarding the valuation methods and level of inputs we utilize beginning with our first quarter 2008 filing, except for such nonfinancial assets and liabilities, which will require disclosure in the first quarter of 2009. The adoption of this standard did not have a material effect on our Consolidated Financial Statements.

Fair Value Option – In the first quarter of 2007 the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. SFAS 159 permits companies to choose, at specified election dates, to measure eligible items at fair value, with unrealized gains and losses included in the determination of net income. The decision to elect the fair value option is generally applied on an instrument-by-instrument basis, is irrevocable unless a new election date occurs, and is applied to the entire instrument and not to only specified risks or cash flows or a portion of the instrument. Items eligible for the fair value option include recognized financial assets and liabilities, other than an investment in a consolidated subsidiary, defined benefit pension plans, OPEB plans, leases and financial instruments classified in equity. An investment accounted for by the equity method is an eligible item. The specified election dates include the date the company first recognizes the eligible item, the date the company enters into an eligible commitment, the date an investment first becomes eligible to be accounted for by the equity method and the date SFAS No. 159 first becomes effective for the company. SFAS No. 159 became effective for us on January 1, 2008. We did not elect to measure any eligible items at fair value in accordance with this new standard either at the date we adopted the new standard or subsequently during 2008; therefore the adoption of this standard did not have a material effect on our Consolidated Financial Statements.

Noncontrolling Interest – In December 2007 the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an Amendment of ARB No. 51*. SFAS No. 160 establishes a single method of accounting for changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation. On a prospective basis any changes in ownership will be accounted for as equity transactions with no gain or loss recognized on the transactions unless there is a change in control; under existing GAAP such changes in ownership generally result either in the recognition of additional goodwill (for an increase in ownership) or a gain or loss included in the determination of net income (for a decrease in ownership). The statement standardizes the presentation of noncontrolling interest as a component of equity on the balance sheet and on a net income basis in the statement of operations. This Statement also requires expanded disclosures in the consolidated financial statements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners of a subsidiary. Those expanded disclosures include a reconciliation of the beginning and ending balances of the equity attributable to the parent and the noncontrolling owners and a schedule showing the effects of changes in a parent's ownership interest in a subsidiary on the equity attributable to the parent. This statement will be effective for us on a prospective basis in the first quarter of 2009. We will be required to reclassify our balance sheet and statement of operations to conform to the new presentation requirements and to include the expanded disclosures at that time. Because the new method of accounting for changes in ownership applies on a prospective basis, we are unable to predict the impact of the statement on our Consolidated Financial Statements. However, to the extent that we have subsidiaries that are not wholly owned at the date of adoption, any subsequent increase in ownership of such subsidiaries for an amount of consideration that exceeds the then-carrying value of the noncontrolling interest related to the increased ownership would result in a reduction in the amount of equity attributable to our shareholders.

Business Combinations – In December 2007 the FASB issued SFAS No. 141 (revised 2007), *Business Combinations*, which applies to us prospectively for business combinations that close in 2009 and beyond. The statement expands the definition of a business combination to include more transactions including some asset purchases and requires an acquirer to recognize assets acquired, liabilities

assumed and any noncontrolling interest in the acquiree at the acquisition date at fair value as of that date with limited exceptions. The statement also requires that acquisition costs be expensed as incurred and restructuring costs that are not a liability of the acquiree at the date of the acquisition be recognized in accordance with SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities*. Due to the unpredictable nature of business combinations and the prospective application of this statement we are unable to predict the impact of the statement on our Consolidated Financial Statements.

Uncertain Tax Positions - In the second quarter of 2006 the FASB issued FIN 48, *Accounting for Uncertain Tax Positions*, which we adopted on January 1, 2007. FIN 48 clarifies when and how much of a benefit we can recognize in our consolidated financial statements for certain positions taken in our income tax returns under SFAS No. 109, *Accounting for Income Taxes*, and enhances the disclosure requirements for our income tax policies and reserves. Among other things, FIN 48 prohibits us from recognizing the benefits of a tax position unless we believe it is more-likely-than-not our position will prevail with the applicable tax authorities and limits the amount of the benefit to the largest amount for which we believe the likelihood of realization is greater than 50%. FIN 48 also requires companies to accrue penalties and interest on the difference between tax positions taken on their tax returns and the amount of benefit recognized for financial reporting purposes under the new standard. We are required to classify any future reserves for uncertain tax positions in a separate current or noncurrent liability, depending on the nature of the tax position.

Upon adoption of FIN 48 on January 1, 2007, we decreased our existing reserve for uncertain tax positions, which we previously classified as part of our deferred income taxes, from \$24.3 million to \$23.9 million and accounted for such \$4 million decrease as an increase in retained earnings in accordance with the transition provisions of the standard. Kronos also adopted FIN 48 as of January 1, 2007. The amount of our pro-rata share of the impact to Kronos from adopting FIN 48, net of our applicable deferred income taxes, resulted in a \$.5 million decrease in our retained earnings.

The following table shows the changes in the amount of our uncertain tax positions (exclusive of the effect of interest and penalties) during 2007 and 2008:

	December 31,	
	2007	2008
	(In millions)	
Unrecognized liabilities:		
Balance at the beginning of the period	\$ 23.1	\$ 21.1
Tax positions taken in prior periods:		
Gross increases	-	-
Gross decreases	-	(.3)
Settlements with taxing authorities-cash paid	(.3)	-
Lapse of applicable statute of limitations	(1.7)	(2.0)
Balance at the end of the period	<u>\$ 21.1</u>	<u>\$ 18.8</u>

If our uncertain tax positions were recognized, a benefit of \$19.0 million and \$16.8 million would affect our effective income tax rate from continuing operations in 2007 and 2008, respectively. We currently estimate that our unrecognized tax benefits will decrease by approximately \$1.9 million during the next twelve months due to the resolution of certain examination and filing procedures related to one or more of our subsidiaries and to the expiration of certain statutes of limitations.

We accrue interest and penalties on our uncertain tax positions as a component of our provision for income taxes. The amount of interest and penalties we accrued during 2007 and 2008 was not material, and at December 31, 2007 and December 31, 2008 we had \$1.3 million and \$.5 million, respectively accrued for interest and an immaterial amount accrued for penalties for our uncertain tax positions.

We file income tax returns in various U.S. federal, state and local jurisdictions. We also file income tax returns in various foreign jurisdictions, principally in Canada and Taiwan. Our domestic income tax returns prior to 2005 are generally considered closed to examination by applicable tax authorities. Our foreign income tax returns are generally considered closed to examination for years prior to 2003 for Taiwan and 2004 for Canada.

Derivative Disclosures - In March 2008 the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities, an Amendment of FASB Statement No. 133*. SFAS No. 161 changes the disclosure requirements for derivative instruments and hedging activities to provide enhanced disclosures about how and why we use derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133 and how derivative instruments and related hedged items affect our financial position and performance and cash flows. This statement will become effective for us in the first quarter of 2009. We periodically use currency forward contracts to manage a portion of our foreign currency exchange rate market risk associated with trade receivables or future sales. Because our prior disclosures regarding these forward contracts have substantially met all of the applicable disclosure requirements of the new standard, we do not believe the enhanced disclosure requirements of this new standard will have a significant effect on our Consolidated Financial Statements.

Benefit Plan Asset Disclosures - During the fourth quarter of 2008, the FASB issued FSP SFAS 132 (R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets*, which amends SFAS No. 87, 88 and 106 to require expanded disclosures about employers' pension plan assets. FSP 132 (R)-1 will be effective for us beginning with our 2009 annual report, and we will provide the expanded disclosures about our pension plan assets at that time.

Note 22 - Quarterly results of operations (unaudited):

	Quarter ended			
	March 31	June 30	Sept. 30	Dec. 31
	(In millions, except per share data)			
Year ended December 31, 2007				
Net sales	\$ 43.6	\$ 45.2	\$ 46.4	\$ 42.5
Gross margin (a)	12.1	11.9	11.9	9.3
Net income (loss)(b)	5.8	(1.5)	(16.0)	10.0
Diluted earnings (loss) per common share	\$.12	\$ (.03)	\$ (.33)	\$.21
Year ended December 31, 2008				
Net sales	\$ 40.5	\$ 43.7	\$ 43.9	\$ 37.4
Gross margin	9.4	11.0	11.2	8.2
Net income (loss) (c)	(.3)	4.0	(6.8)	36.3
Diluted earnings (loss) per common share	\$ (.01)	\$.08	\$ (.14)	\$.75

The sum of the quarterly per share amounts may not equal the annual per share amounts due to relative changes in the weighted average number of shares used in the per share computations.

(a) Income from operations for the quarters ended September 30, 2007 and December 31, 2007 was impacted by \$808,000 and \$1.9 million, respectively, of costs related to the consolidation of three of CompX's northern Illinois facilities into one new facility including a \$600,000 charge to write-down a vacated facility to its estimated net realizable value. See Note 14. We have reclassified certain third quarter 2007 amounts to conform to the year-end presentation.

(b) Net income in the fourth quarter of 2007 includes:

- \$14.7 million gain from our sale of 800,000 shares of TIMET common stock to Valhi. See Note 4.
- \$2.7 million expense related to the consolidation of three of CompX's northern Illinois facilities into one new facility including a \$600,000 charge to write-down a vacated facility to its estimated net realizable value, see Note 14; and
- \$32.5 million charge included in our equity in earnings of Kronos in the third quarter for a change in the German tax rates.

(c) We recognized the following amounts during 2008:

- \$10.1 million goodwill impairment charge in the third quarter of 2008, see Note 8; and
- \$48.8 million pre-tax gain in the fourth quarter for a litigation settlement, see Note 19.

NL INDUSTRIES, INC. AND SUBSIDIARIES

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT

Condensed Balance Sheets

(In thousands)

	December 31,	
	2007	2008
Current assets:		
Cash and cash equivalents	\$ 4,542	\$ 1,075
Restricted cash equivalents	143	2,452
Restricted marketable debt securities	5,301	5,371
Accounts and notes receivable	208	7,343
Receivable from subsidiaries and affiliates	1,758	6,308
Prepaid expenses	39	35
Deferred income taxes	4,009	3,611
Total current assets	<u>16,000</u>	<u>26,195</u>
Other assets:		
Marketable securities	79,500	46,317
Investment in subsidiaries	122,524	97,419
Investment in Kronos Worldwide, Inc.	147,119	133,745
Pension asset	17,623	-
Other	1,560	15,490
Property and equipment, net	875	647
Total other assets	<u>369,201</u>	<u>293,618</u>
Total assets	<u>\$ 385,201</u>	<u>\$ 319,813</u>
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,152	\$ 6,755
Payable to subsidiaries and affiliates	2,607	22,185
Accrued environmental costs	8,521	7,253
Total current liabilities	<u>17,280</u>	<u>36,193</u>
Noncurrent liabilities:		
Deferred income tax	73,754	39,240
Accrued environmental costs	11,049	13,542
Accrued pension cost	1,665	11,767
Accrued postretirement benefits cost	9,865	8,883
Other	25,126	21,824
Total noncurrent liabilities	<u>121,459</u>	<u>95,256</u>
Stockholders' equity	<u>246,462</u>	<u>188,364</u>
Total liabilities and stockholders' equity	<u>\$ 385,201</u>	<u>\$ 319,813</u>

The accompanying Notes are an integral part of the financial statements.

NL INDUSTRIES, INC. AND SUBSIDIARIES

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT (CONTINUED)

Condensed Statements of Operations

(In thousands)

	Years ended December 31,		
	2006	2007	2008
Revenues and other income (expense):			
Equity in income (losses) of subsidiaries and affiliates	\$ 37,972	\$ (18,401)	\$ (3,706)
Litigation settlement gain	-	-	52,266
Interest and dividends	1,976	1,482	6,266
Securities transactions, net	-	22,741	-
Insurance recoveries	7,656	5,659	9,610
Other income (expense), net	85	(215)	65
Total revenues and other income	47,689	11,266	64,501
Costs and expenses:			
Corporate expense	22,797	28,842	23,516
Interest	7	1	-
Total costs and expenses	22,804	28,843	23,516
Income (loss) before income taxes	24,885	(17,577)	40,985
Income tax expense (benefit)	(1,225)	(15,846)	7,801
Net income (loss)	\$ 26,110	\$ (1,731)	\$ 33,184

The accompanying Notes are an integral part of the financial statements.

NL INDUSTRIES, INC. AND SUBSIDIARIES

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT (CONTINUED)

Condensed Statements of Cash Flows

(In thousands)

	Years ended December 31,		
	2006	2007	2008
Cash flows from operating activities:			
Net income (loss)	\$ 26,110	\$ (1,731)	\$ 33,184
Distributions from Kronos	17,516	17,516	17,532
Distributions from CompX	5,351	8,376	5,378
Deferred income taxes	7,009	(5,871)	(4,250)
Equity in earnings of subsidiaries and investments	(37,972)	18,401	3,706
Securities transactions	-	(22,741)	-
Litigation settlement gain	-	-	(52,266)
Other, net	(3,097)	(1,578)	(2,429)
Net change in assets and liabilities	(4,843)	(15,795)	(9,700)
Net cash provided by (used in) operating activities	10,074	(3,423)	(8,845)
Cash flows from investing activities:			
Capital expenditures	-	(175)	(45)
Loans to affiliates, net	-	-	(22,210)
Proceeds from real estate-related litigation settlement	-	-	39,550
Change in restricted cash equivalents and marketable debt securities, net	(10)	(7)	(2,379)
Purchase of CompX common stock	(2,318)	-	(1,081)
Proceeds from disposal of marketable securities	-	26,800	-
Other	(57)	-	(794)
Net cash provided by (used in) investing activities	(2,385)	26,618	13,041
Cash flows from financing activities:			
Loans from affiliates, net	7,380	(5,380)	16,630
Dividends paid	(24,284)	(24,295)	(24,299)
Common stock issued	88	-	6
Net cash used in financing activities	(16,816)	(29,675)	(7,663)
Net change during the year from operating investing and financing activities	(9,127)	(6,480)	(3,467)
Balance at beginning of year	20,149	11,022	4,542
Balance at end of year	\$ 11,022	\$ 4,542	\$ 1,075

The accompanying Notes are an integral part of the financial statements.

NL INDUSTRIES, INC. AND SUBSIDIARIES

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT (CONTINUED)

Notes to Condensed Financial Information

December 31, 2008

Note 1 - Basis of presentation:

The Consolidated Financial Statements of NL Industries, Inc. and the related Notes to Consolidated Financial Statements are incorporated herein by reference. The accompanying financial statements reflect NL Industries, Inc.'s investment in Kronos Worldwide, Inc., CompX International Inc. and NL's other subsidiaries on the equity method of accounting.

Note 2 - Investment in and advances to subsidiaries:

	December 31,	
	2007	2008
	(In thousands)	
Current:		
Receivable from:		
Valhi - income taxes	\$ 1,271	\$ 150
CompX - income taxes	282	-
EMS - income taxes	71	-
Valhi	-	3,000
EMS	-	3,158
Other	134	-
Total	<u>\$ 1,758</u>	<u>\$ 6,308</u>
Payable to:		
EWI - promissory note	\$ 2,000	\$ 2,000
EMS - promissory note	-	16,630
CompX - income taxes	223	1,472
Valhi - income taxes	-	919
EWI - income taxes	44	16
EMS - income taxes	-	456
Tremont	320	436
Kronos	20	256
Total	<u>\$ 2,607</u>	<u>\$ 22,185</u>

		December 31,	
		2007	2008
		(In thousands)	
Investment in:			
CompX		\$ 97,266	\$ 86,372
Other subsidiaries		25,258	11,047
Total		<u>\$ 122,524</u>	<u>\$ 97,419</u>

		Years ended December 31,		
		2006	2007	2008
		(In thousands)		
Equity in earnings (losses) of subsidiaries and affiliates:				
Kronos		\$ 29,345	\$ (23,901)	\$ 3,229
CompX		8,188	6,356	(3,257)
Other subsidiaries		439	(856)	(3,678)
Total		<u>\$ 37,972</u>	<u>\$ (18,401)</u>	<u>\$ (3,706)</u>

We have a demand revolving promissory note between us and EWI Re, Inc., that provides for borrowings of up to \$3 million. Our loans from EWI are unsecured and bear interest at a rate equal to the three month United States LIBOR rate plus 1.75% per year with all principal due on demand (and no later than December 31, 2009).

We also have a demand revolving promissory note with EMS, for borrowings up to \$21 million. Our loans from EMS are unsecured and bear interest at a rate equal to the three month United States LIBOR rate plus one 1.75% per year with all principal due on demand (and no later than December 31, 2009).

EXHIBIT 21.1

SUBSIDIARIES OF THE REGISTRANT

NAME OF CORPORATION	Jurisdiction of incorporation or organization	% of Voting Securities Held at December 31, 2008 (1)
CompX International Inc. (2)	Delaware	87
Kronos Worldwide, Inc. (3)	Delaware	36
EWI RE, Inc.	New York	100
NLO, Inc.	Ohio	100
NL Environmental Management Services, Inc.	New Jersey	100
EMS Financial, Inc.	Delaware	100
United Lead Company	New Jersey	100

- (1) Held by the Registrant or the indicated subsidiary of the Registrant
- (2) Subsidiaries of CompX International Inc. are incorporated by reference to Exhibit 21.1 of CompX's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 1-13905)
- (3) Subsidiaries of Kronos Worldwide, Inc. are incorporated by reference to Exhibit 21.1 of Kronos' Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 1-31763)

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-29287 and 333-65817) of NL Industries, Inc. of our report dated March 11, 2009 relating to the consolidated financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

Dallas, Texas
March 11, 2009

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-29287 and 333-65817) of NL Industries, Inc. of our report dated March 11, 2009 relating to the consolidated financial statements, financial statement schedule and the effectiveness of internal control over financial reporting of Kronos Worldwide, Inc., which is incorporated by reference in this Form 10-K.

PricewaterhouseCoopers LLP

Dallas, Texas
March 11, 2009

EXHIBIT 31.1

CERTIFICATION

I, Harold C. Simmons certify that:

- 1) I have reviewed this annual report on Form 10-K of NL Industries, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2009

/s/ Harold C. Simmons
Harold C. Simmons

EXHIBIT 31.2

CERTIFICATION

I, Gregory M. Swalwell certify that:

- 1) I have reviewed this annual report on Form 10-K of NL Industries, Inc.;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2009

/s/ Gregory M. Swalwell
Gregory M. Swalwell

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of NL Industries, Inc. (the Company) on Form 10-K for the year ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Harold C. Simmons, Chief Executive Officer of the Company, and I, Gregory M. Swalwell, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Harold C. Simmons
Harold C. Simmons

/s/ Gregory M. Swalwell
Gregory M. Swalwell

March 11, 2009

Note: The certification the registrant furnishes in this exhibit is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Registration Statements or other documents filed with the Securities and Exchange Commission shall not incorporate this exhibit by reference, except as otherwise expressly stated in such filing.



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 - Your View
 - Make Reuters My Homepage
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 - CareerBuilder
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Full Description

NL Industries, Inc. (NL) (NYSE Arca)

FREE \$50K
PRACTICE ACCOUNT



Can online credit card debt relief help you?



Turned down for an auto loan? There are options



How do you handle an IRS collection notice?

Analyst Recommendations

Research Another Stock: Enter a symbol! Symbol Look-up

Independent Research | Broker Research

NL Industries, Inc. (NL) is primarily a holding company. The Company operates in the component products industry through its majority owned subsidiary, CompX International Inc. (CompX). NL operates in the chemicals industry through its non-controlling interest in Kronos Worldwide, Inc. (Kronos). NL is a majority owned by Valhi, Inc. (Valhi). As of December 31, 2008, Valhi owned approximately 83% interest in the Company. CompX is a manufacturer of security products, precision ball bearing slides and ergonomic computer support systems used in the office furniture, transportation, postal, tool storage, appliance and a variety of other industries. Kronos is a global producer and marketer of titanium dioxide pigments (TiO2) pigments, which are used for imparting whiteness, brightness and opacity to a diverse range of customer applications and end use markets, including coatings, plastics, paper and other industrial and consumer quality-of-life products.

Component Products-CompX International Inc.

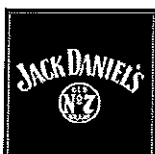
CompX, manufactures components that are sold to a variety of industries including office furniture, recreational transportation (including performance boats), mailboxes, tool boxes, appliances, banking equipment, vending equipment, computers and related equipment. Approximately 33% of CompX's total sales during the year ended December 31, 2008, are to the office furniture manufacturing industry.

CompX's Security Products business, with a manufacturing facility in South Carolina and a facility in Illinois shared with the Marine Components business, manufactures locking mechanisms and other security products for sale to the postal, transportation, office furniture, banking, vending, and other industries.

CompX's security products are used in a variety of applications including Ignition systems, mailboxes, vending and gaming machines, parking meters, electrical circuit panels, storage compartments, office furniture and medical cabinet security. These products include, disc tumbler locks, which provide moderate security; pin tumbler locking mechanisms, which are used in applications requiring higher levels of security, including CompX's KeSet high security system, which allows the user to change the keying on a single lock 64 times without removing the lock from its enclosure, and eLock electronic locks, which provide stand-alone security and audit trail capability for drug storage and other valuables through the use of a proximity card, magnetic stripe, or keypad credentials.

CompX's Furniture Components business, with facilities in Canada, Michigan and Taiwan, manufactures a complete line of precision ball bearing slides and ergonomic computer support systems for use in applications, such as computer-related equipment, appliances, tool storage cabinets, imaging equipment, file cabinets, desk drawers, automated teller machines and other applications. These products include, the Integrated Slide Lock, which allows a file cabinet manufacturer to reduce the possibility of multiple drawers being opened at the same time; the adjustable Ball Lock, which reduces the risk of heavily-filled drawers, such as auto mechanic tool boxes, from opening while in movement; the Self-Closing Slide, which is designed to assist in closing a drawer and is used in applications, such as bottom-mount freezers; articulating computer keyboard support arms (designed to attach to desks in the workplace and home office environments to alleviate possible user strains and stress and maximize usable workspace), along with the LeverLock keyboard arm, which is designed to make ergonomic adjustments to the keyboard arm easier; central processing unit (CPU) storage devices, which minimize adverse effects of dust and moisture, and complementary accessories, such as ergonomic wrist rest aids, mouse pad supports and flat screen computer monitor support arms.

CompX's Marine Components business, with a facility in Wisconsin and a facility in Illinois shared with the Security Products business, manufactures and distributes marine instruments, hardware and accessories for performance boats. CompX's specialty marine component products include, original equipment and aftermarket stainless steel exhaust headers, exhaust pipes, mufflers and other exhaust components; high performance gauges, such as global positioning system (GPS) speedometers and tachometers; controls, throttles, steering wheels and other billet



accessories, and dash panels, light emitting diode (LED) lighting, rigging and other

accessories. CompX operated six manufacturing facilities as of December 31, 2008, including one facility in Grayslake, Illinois that houses operations relating to Security Products and Marine Components.

Chemicals-Kronos Worldwide, Inc.

Kronos, along with its distributors and agents, sells and provides technical services for its products to over 4,000 customers in approximately 100 countries with the majority of sales in Europe and North America. Kronos ships TiO2 to customers in either a powder or slurry form via rail, truck or ocean carrier. Sales of TiO2 were about 90% of Kronos' net sales during 2008. Kronos owns and operates an ilmenite mine in Norway. Kronos also sells ilmenite ore to third-parties. Kronos manufactures and sells iron-based chemicals that are co-products and processed co-products of TiO2 pigment production. Kronos manufactures and sells titanium oxychloride and titanyl sulfate, which are side-stream products from the production of TiO2.

Kronos produces over 40 different TiO2 grades under the Kronos trademark, which provide a variety of performance properties to meet customers' specific requirements. Kronos' major customers include domestic and international paint, plastics and paper manufacturers. Kronos produces TiO2 in two crystalline forms: rutile and anatase. Rutile TiO2 is manufactured using both a chloride production process and a sulfate production process, whereas anatase TiO2 is only produced using a sulfate production process. Kronos produced 614,000 metric tons of TiO2 during 2008.

The Company competes with E.I. du Pont de Nemours & Co.; National Titanium Dioxide Company Ltd, Tronox Incorporated, Huntsman, and Ishihara Sangyo Kaisha, Ltd.

FIND OUT MORE ABOUT NL INDUSTRIES, INC.

[Ratio Comparison](#)
[Officers & Directors](#)
[Key Developments](#)

NYSE and AMEX quotes delayed by at least 20 minutes. Nasdaq delayed by at least 15 minutes. For a complete list of exchanges and delays, please click here.

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D&B Business Information Report

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Report Printed: NOV 12 2009

BUSINESS SUMMARY

MOWECO INC.
1002 Grey Fawn Dr
Omaha, NE 68154

This is a **single** location.

D-U-N-S Number: 01-943-6717

Telephone: UNKNOWN

D&B Rating: **DS**

Employs: UNDETERMINED

SIC: 9999

Line of business: Undetermined

SUMMARY ANALYSIS

D&B Rating:DS

The DS rating indicates that the information available does not permit D&B to classify the company within our rating key. For more information, see the D&B Rating Key.
A Summary Analysis is not available at this time.

INVESTIGATIVE SERVICES

***** Update available on request *****

This information is being provided to you immediately in the interest of speed. This report may not reflect the current status of this business. D&B can investigate this business and update the information based on the results of that investigation.

By ordering a standard investigation the same day you order this report, an updated report will be provided to you at no extra cost.

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HISTORY

The following information was reported **09/26/2009**:

BUSINESS REGISTRATION

CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF NOV 04 2009:

Registered Name: MOWECO INC.

Business type: CORPORATION
Corporation type: NOT AVAILABLE
Date incorporated: SEP 29 1960
State of incorporation: NEBRASKA
Filing date: SEP 29 1960
Registration ID: 0098329
Status: ACTIVE

Where filed: SECRETARY OF STATE/CORPORATIONS DIVISION, LINCOLN, NE

Registered agent: MARY E. VANDENACK, SUITE 100;5332 SOUTH 138TH STREET, OMAHA, NE, 681370000

Principals: MORGAN F HOLMES, TREASURER, 1002 GREY FAWN DRIVE, OMAHA, NE, 681540000
JOHN R HOLMES, DIRECTOR, 1319 NORTH AZTEC, FLAGSTAFF, AZ, 860010000
MORGAN F HOLMES, PRESIDENT, 1002 GREY FAWN DRIVE, OMAHA, NE, 681540000
MARY E VANDENACK, SECRETARY, STE 100, 5332 S 138TH ST, OMAHA, NE, 681370000
MORGAN F HOLMES, DIRECTOR, 1002 GREY FAWN DRIVE, OMAHA, NE, 681540000

OPERATIONS

09/26/2009

Description: Duns Support Record.

Employees: UNDETERMINED.

Facilities: Occupies premises in building.

SIC & NAICS**SIC:**

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific to a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

99992222 Duns Support Record, nonclassifiable establishment

NAICS:

999990 Unclassified Establishments

PAYMENT SUMMARY

D&B has not received a sufficient sample of payment experiences to establish a PAYDEX score.

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	Total Rcv'd (#)	Total Dollar Amts (\$)	Largest High Credit (\$)	Within Terms (%)	Days Slow <31 31-60 61-90 90> (%)
--	-----------------------	------------------------------	--------------------------------	------------------------	---

Top industries:

Other payment categories:

Cash experiences	1	50	50		
Payment record unknown	0	0	0		
Unfavorable comments	0	0	0		

Placed for collections:

With D&B	0	0			
Other	0	N/A			
Total In D&B's file	1	50	50		

The highest **Now Owes** on file is \$0

The highest **Past Due** on file is \$0

D&B receives over 600 million payment experiences each year. We enter these new and updated experiences into D&B Reports as this information is received.

PAYMENT DETAILS

Detailed Payment History

Date Reported (mm/yy)	Paying Record	High Credit (\$)	Now Owes (\$)	Past Due (\$)	Selling Terms	Last Sale Within (months)
11/08	(001) Cash own option.	50			Cash account	6-12 mos

Payments Detail Key: red = 30 or more days beyond terms

Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

BANKING & FINANCE

D&B has researched this company and found no information available at this time.

PUBLIC FILINGS

A check of D&B's public records database indicates that no filings were found for MOWECO INC. at 1002 Grey Fawn Dr, Omaha NE.

D&B's extensive database of public record information is updated daily to ensure timely reporting of changes and additions. It includes business-related suits, liens, judgments, bankruptcies, UCC financing statements and business registrations from every state and the District of Columbia, as well as select filing types from Puerto Rico and the U.S. Virgin Islands.

D&B collects public records through a combination of court reporters, third parties and direct electronic links with federal and local authorities. Its database of U.S. business-related filings is now the largest of its kind.

D&B Business Information Report

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ATTN: r7library

Report Printed: NOV 12 2009
In Date

BUSINESS SUMMARY

RESCUE MISSION, INC
OPEN DOOR MISSION
2828 N 23rd St E
Omaha, NE 68110

This is a **headquarters** location.
Branch(es) or division(s) exist.

D-U-N-S Number: 08-021-3432

Mailing address: PO Box 8340
Omaha, NE 68108

D&B Rating: **ER4**
Number of employees: ER4 is **50 to 99** employees.

Web site: www.opendoormission.org

D&B PAYDEX®:

Telephone: 402 422-1111

D&B PAYDEX: 79
When weighted by dollar amount, payments to
suppliers average 2 days beyond terms.

Fax: 402 346-0561

Chief executive: CANDICE GREGORY, PRES-CEO

Based on up to 24 months of trade.

Year started: 1955

Employs: 65 (10 here)

Sales F: \$4,586,891

Net worth F: \$2,268,423

History: CLEAR

SIC: 8322
8661

Line of business: Individual/family services, religious
organization

SUMMARY ANALYSIS

D&B Rating: **ER4**

Number of employees: ER4 indicates **50 to 99** employees.

The Rating was changed on January 7, 2009 to reflect a change in the company's total number of employees. Certain lines of business, primarily banks, insurance companies and government entities, do not lend themselves to classification under the D&B Rating system. Instead, we assign these types of businesses an Employee Range symbol based on the number of people employed. No other significance should be attached to this symbol. The ERN should not be interpreted negatively. It simply means we do not have information indicating how many people are employed at this firm. For more information, see the D&B Rating Key.

Below is an overview of the company's rating history since 01/31/91:

D&B Rating	Date Applied
ER4	01/07/09
ER5	03/28/03

ER4	01/29/02
ER5	02/08/95
ER6	01/31/91

The Summary Analysis section reflects information in D&B's file as of November 9, 2009.

CUSTOMER SERVICE

If you have questions about this report, please call our Customer Resource Center at 1.800.234.3867 from anywhere within the U.S. If you are outside the U.S. contact your local D&B office.

*** Additional Decision Support Available ***

Additional D&B products, monitoring services and specialized investigations are available to help you evaluate this company or its industry. Call Dun & Bradstreet's Customer Resource Center at 1.800.234.3867 from anywhere within the U.S. or visit our website at www.dnb.com.

HISTORY

The following information was reported **08/13/2009**:

Officer(s): CANDICE GREGORY, PRES-CEO
RICHARD DEN-HERDER, CFO

DIRECTOR(S): THE OFFICER(S)

Stock ownership not available.

Business started 1955 by interested local citizens.

CANDICE GREGORY. Active here.

RICHARD DEN-HERDER. Work history unknown.

Business address has changed from 3030 N 21st St E, Omaha, NE, 68110 to 2828 N 23rd St E, Omaha, NE, 68110.

CORPORATE FAMILY

Click below to buy a Business Information Report on that family member.
For an expanded, more current corporate family view, use D&B's Global Family Linkage product.

Branches (US):

Rescue Mission, Inc

Omaha, NE

DUNS # 13-132-8580

BUSINESS REGISTRATION

CORPORATE AND BUSINESS REGISTRATIONS REPORTED BY THE SECRETARY OF STATE OR OTHER OFFICIAL SOURCE AS OF NOV 04 2009:

Registered Name: RESCUE MISSION, INC.

Business type: CORPORATION

Corporation type: NON-PROFIT

Date incorporated: MAR 03 1955

State of Incorporation: NEBRASKA

Filing date: MAR 03 1955
Registration ID: 0234613
Status: ACTIVE

Where filed: SECRETARY OF STATE/CORPORATIONS DIVISION, LINCOLN, NE

Registered agent: STEVEN E. GUNDERSON, 9140 W. DODGE RD. #414, OMAHA, NE, 681140000

Principals: PAT MCKERNAN, DIRECTOR, 1239 BELLAIRE BLVD., BELLEVUE, NE, 680050000
 DEBBIE BLANK, DIRECTOR, 1716 S. 139TH ST., OMAHA, NE, 681440000
 MORGAN HOLMES, TREASURER, 1002 GREYFAWN DR., OMAHA, NE, 681540000
 MARCIA SPEKER, SECRETARY, 11949 Q ST, OMAHA, NE, 681370000
 BILL SPEIGHT, DIRECTOR, 14415 S 23RD STREET, OMAHA, NE, 681230000
 MARCIA SPIEKER, DIRECTOR, 562 S 122ND STREET, OMAHA, NE, 681540000
 PERRY POYNER, DIRECTOR, 1517 N 51ST STREET, OMAHA, NE, 681040000
 B A (BARNEY) OLSON JR, DIRECTOR, 11512 S 132ND STREET, OMAHA, NE, 681380000
 KELLY LONEMAN, DIRECTOR, 5106 LOCKWOOD LN, OMAHA, NE, 681520000
 G F CALLIER, DIRECTOR, 17911 PETERSON RD, PLATTSMOUTH, NE, 680480000
 DOROTHY BARMORE, DIRECTOR, 1314 S 97TH ST, OMAHA, NE, 681240000
 CANDACE GREGORY, PRESIDENT, 1923 S 4TH STREET, OMAHA, NE, 681080000
 RICHARD KERNS, DIRECTOR, 12506 EAGLE RUN DRIVE, OMAHA, NE, 681640000
 STEVE GUNDERSON, DIRECTOR, 9140 W DODGE RD, OMAHA, NE, 681140000
 JIM GABRIELSON, DIRECTOR, 1612 S 155TH ST, OMAHA, NE, 681440000
 ROBERT SWEENEY, DIRECTOR, 6782 STATE HWY 133, BLAIR, NE, 680080000
 MORGAN HOLMES, DIRECTOR, 1002 GREY FAWN DR, OMAHA, NE, 681540000

OPERATIONS

08/13/2009

Description: Operates a gospel mission providing food, lodging and assistance for the needy and unfortunate and also conducts religious work, counseling and rehabilitation.

Revenues derived from donations. Sells to general public. Territory : Local.

Nonseasonal.

Employees: 65 which includes officer(s) and 12 part-time. 10 employed here.

Facilities: Owns premises in a one story concrete block building.

Branches: Similar operations are maintained at 3030 N 2st St E, Omaha and 2706 N 21st St E Omaha, NE.

SIC & NAICS**SIC:**

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific to a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

83220603 Multi-service center
 86610121 Miscellaneous denomination church

NAICS:

624190 Other Individual and Family Services
 813110 Religious Organizations

D&B PAYDEX

The D&B PAYDEX is a unique, dollar weighted indicator of payment performance based on up to 39 payment experiences as reported to D&B by trade references.

3-Month D&B PAYDEX: 79

When weighted by dollar amount, payments to suppliers average 2 days beyond terms.

Based on trade collected over last 3 months.

D&B PAYDEX: 79

When weighted by dollar amount, payments to suppliers average 2 days beyond terms.

Based on up to 24 months of trade.

When dollar amounts are not considered, then approximately 83% of the company's payments are within terms.

PAYMENT SUMMARY

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	Total Rcv'd (#)	Total Dollar Amts (\$)	Largest High Credit (\$)	Within Terms (%)	Days Slow <31 31-60 61-90 90> (%)			
Top industries:								
Short-trm busn credit	6	37,150	25,000	100	-	-	-	-
Nonclassified	4	12,650	7,500	100	-	-	-	-
Misc business credit	2	2,000	1,000	100	-	-	-	-
State commercial bank	1	10,000	10,000	100	-	-	-	-
Whol general grocery	1	5,000	5,000	100	-	-	-	-
Ret mail-order house	1	2,500	2,500	100	-	-	-	-
Misc equipment rental	1	2,500	2,500	100	-	-	-	-
Personal credit	1	2,500	2,500	100	-	-	-	-
Mfg manifold forms	1	2,500	2,500	100	-	-	-	-
Truck rental/leasing	1	1,000	1,000	50	50	-	-	-
OTHER INDUSTRIES	9	2,250	1,000	28	48	22	-	2
Other payment categories:								
Cash experiences	9	2,300	1,000					
Payment record unknown	2	1,100	1,000					
Unfavorable comments	0	0	0					
Placed for collections:								
With D&B	0	0						
Other	0	N/A						
Total in D&B's file	39	83,450	25,000					

The highest **Now Owes** on file is \$25,000

The highest **Past Due** on file is \$1,000

The aggregate dollar amount of the 39 payment experiences in D&B's file equals 21.8% of this company's average monthly sales. In Dun & Bradstreet's opinion, payment experiences exceeding 10% of a company's average monthly sales can be considered representative of payment performance.

PAYMENT DETAILS

Detailed Payment History

Date Reported (mm/yy)	Paying Record	High Credit (\$)	Now Owes (\$)	Past Due (\$)	Selling Terms	Last Sale Within (months)
10/09	Ppt	50	0	0		6-12 mos
	Ppt-Slow 30	1,000	250	0		1 mo
	Ppt-Slow 30	100	0	0		1 mo
	(004)	100	0	0		1 mo
09/09	Ppt	25,000	25,000	0		1 mo
	Ppt	10,000	2,500	0		1 mo
	Ppt	10,000	10,000	0		1 mo
	Ppt	7,500	0	0		6-12 mos
	Ppt	5,000	1,000	0		1 mo
	Ppt	5,000	0	0		4-5 mos
	Ppt	2,500	1,000	0		1 mo
	Ppt	1,000	500	0		1 mo
	Ppt	1,000	0	0	N30	1 mo
	Ppt	1,000	1,000	0		1 mo
	Ppt	0	0	0		1 mo
	Ppt	0	0	0	N30	6-12 mos
	Ppt-Slow 30	1,000	0	0		2-3 mos
	Ppt-Slow 30	50	0	0		6-12 mos
	(019)				Sales COD	1 mo
	(020)				Sales COD	1 mo
	(021)	1,000	0	0		1 mo
	(022)	500	500		Cash account	
	(023)	500	500		Cash account	
	(024)	50			Cash account	6-12 mos
	Cash own option.					
	(025)	50			Cash account	2-3 mos
	Cash own option.					
08/09	Ppt	2,500	500		Lease Agreeemnt	
	Slow 15-60	1,000	1,000	1,000		1 mo
	Slow 120+	50	50	50		
07/09	Ppt	2,500	0	0		6-12 mos
04/09	Slow 30	50	0	0	N30	6-12 mos
01/09	(031)	1,000			Cash account	1 mo
	(032)	100			Cash account	4-5 mos
	(033)	100			Cash account	4-5 mos
10/08	Ppt	50	0	0		1 mo
09/08	Ppt	100	0	0		6-12 mos
	Ppt	0	0			6-12 mos
05/08	Ppt	100	0	0	N30	6-12 mos
04/08	Ppt	1,000	100	0		1 mo
11/07	Ppt	2,500	2,500		N30	1 mo

Payments Detail Key: red = 30 or more days beyond terms

Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

FINANCE

08/13/2009

Two-year statement comparative:

	Fiscal Mar 31 2001	Fiscal Mar 31 2002
Current Assets	962,423	636,242
Current Liabs	529,928	249,946
Current Ratio	1.82	2.55
Working Capital	432,495	386,296
Other Assets	2,379,208	2,417,155
Net Worth	2,811,703	2,268,423
Sales	5,045,947	4,586,891
Long Term Liab	0	535,028
Net Profit (Loss)	(61,051)	(483,280)

Annual sales \$4,586,891. (net loss) \$(483,280).

Submitted MAR 28 2003 by Ron Boettcher, controller. Prepared from statement(s) by Accountant: Dutton & Assoc.

ACCOUNTANT'S OPINION

A review of the accountant's opinion indicates the financial statements meet generally accepted accounting principles and that the audit contains no qualifications.

----- STATEMENT ITEM EXPLANATIONS -----

The complete balance sheet was reviewed in its entirety and the above highlights were extracted for publication.

It is noted there are no intangibles.

The statement includes no deferred credits.

Contingencies

None.

Non-current assets consist of fixtures & equipment.

Long term liabilities consist of notes payable.

CURRENT ASSETS

Consist of cash & it's equivalents & accounts receivable.

CURRENT LIABILITIES

Consist of notes payable to bank & accruals.

LIQUIDITY

Liquid assets provide full coverage of current liabilities.

The name and address of this business have been confirmed by D&B using available sources.

KEY BUSINESS RATIOS

Statement date: MAR 31 2002

Based on this number of establishments: 25

Firm		Industry Median	
Return of Sales:	UN	Return of Sales:	1.0
Current Ratio:	2.5	Current Ratio:	1.8
Assets / Sales:	UN	Assets / Sales:	86.3
Total Liability / Net Worth:	UN	Total Liability / Net Worth:	54.8

UN = Unavailable

PUBLIC FILINGS

The following Public Filing data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

UCC FILINGS

Type: Original
Sec. party: WELLS FARGO BANK, N.A., LINCOLNSHIRE, IL
Debtor: RESCUE MISSION, INC.
Filing number: 9909588289-4
Filed with: SECRETARY OF STATE/UCC DIVISION, LINCOLN, NE

Date filed: 02/26/2009
Latest Info Received: 03/05/2009

Type: Original
Sec. party: GREAT WESTERN BANK, OMAHA, NE
Debtor: LYDIA HOUSE and OTHERS
Filing number: 9802129886-9
Filed with: SECRETARY OF STATE/UCC DIVISION, LINCOLN, NE

Date filed: 10/03/2002
Latest Info Received: 12/16/2002

Type: Continuation
Sec. party: GREAT WESTERN BANK, OMAHA, NE
Debtor: LYDIA HOUSE and OTHERS
Filing number: 9807341057-0
Filed with: SECRETARY OF STATE/UCC DIVISION, LINCOLN, NE

Date filed: 04/17/2007
Latest Info Received: 04/19/2007
Original UCC filed date: 10/03/2002
Original filing no.: 9802129886-9

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed.

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D&B Business Information Report

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Report Printed: NOV 30 2009
In Date

BUSINESS SUMMARY

NL INDUSTRIES, INC.
(SUBSIDIARY OF VALHI, INC., DALLAS, TX)
5430 Lbj Fwy Ste 1700
Dallas, TX 75240

This is a **headquarters (subsidiary)** location.
Branch(es) or division(s) exist.

D-U-N-S Number: 00-131-7577

Web site: www.nl-ind.com

D&B Rating: --

Telephone: 972 233-1700

D&B PAYDEX®:

Chief executive: HAROLD C SIMMONS, CHB-CEO

D&B PAYDEX: 80

When weighted by dollar amount, payments to suppliers average generally within terms.

Stock symbol: NL

Based on up to 24 months of trade.

Year started: 1891

Employs: 1,029 (UNDETERMINED here)

Financial statement date: SEP 30 2009

Sales F: \$165,502,000

Net worth: \$188,364,000

History: CLEAR

Financial condition: GOOD

SIC: 3699
3572

Line of business: Manufacture and sale of precision ball bearing slides, security products and ergonomic computer support systems

SPECIAL EVENTS

11/05/2009

EARNINGS UPDATE: According to published reports, comparative operating results for the 9 months ended September 30, 2009: Sales of \$87,100,000, Net Income of (\$11,100,000); compared to Sales of \$128,100,000, Net Income of (\$3,600,000) for the comparable period in the prior year.

05/11/2009

EARNINGS UPDATE: According to published reports, comparative operating results for the 3 months ended March 31, 2009: Sales of \$28,500,000, Net Income of (\$11,900,000); compared to Sales of \$40,500,000, Net Income of (\$100,000) for the comparable period in the prior year.

SUMMARY ANALYSIS

D&B Rating:--

The blank rating symbol should not be interpreted as indicating that credit should be denied. It simply means that the information available to D&B does not permit us to classify the company within our rating key and that further enquiry should be made before reaching a decision. Some reasons for using a "--" symbol include: deficit net worth, bankruptcy proceedings, insufficient payment information, or incomplete history information. In this case, no Rating was assigned because the parent company is rated "--". It is D&B's policy not to rate a subsidiary higher than its parent. Therefore, this company is also rated "--". For more information, see the D&B Rating Key.

Below is an overview of the company's rating history since 01/06/95:

D&B Rating	Date Applied
--	01/06/95

The Summary Analysis section reflects information in D&B's file as of November 30, 2009.

CUSTOMER SERVICE

If you have questions about this report, please call our Customer Resource Center at 1.800.234.3867 from anywhere within the U.S. If you are outside the U.S. contact your local D&B office.

*** Additional Decision Support Available ***

Additional D&B products, monitoring services and specialized investigations are available to help you evaluate this company or its industry. Call Dun & Bradstreet's Customer Resource Center at 1.800.234.3867 from anywhere within the U.S. or visit our website at www.dnb.com.

HISTORY

The following information was reported **03/16/2009**:

Officer(s): HAROLD C SIMMONS, CHB-CEO+
ROBERT D GRAHAM, VP-GEN CNSL
TIM C HAFFER, VP-CNTLR
JOHN A ST WRBA, VP-TREAS
GREGORY M SWALWELL, VP FIN-CFO

DIRECTOR(S): The officers identified by (+) and Cecil H Moore Jr, Glenn R Simmons, Thomas P Stafford, Steven L Watson and Terry N Worrell.

Incorporated in the state of New Jersey.

Business started 1891.

The company's common stock is traded on the New York Stock Exchange under the symbol "NL". As of February 29, 2008, there were 3,650 shareholders of record. As of March 31, 2008, the sole shareholders identified by the company as beneficially owning 5% or more of the total outstanding shares was Valhi, Inc (83.1%). As of the same date, officers and directors as a group beneficially owned 86.0% of the total outstanding shares.

HAROLD C SIMMONS. He has served as the company's CEO since 2003 and as Chairman of the Board, since 1987 and on the company's Board of Directors, since 1986. He has served as Chairman of the Board and CEO of Kronos Worldwide, since 2003. He also has served as Chairman of the Board of Titanium Metals Corporation, since November 2005, CEO of Titanium Metals Corporation, from November 2005 to January 2006 and Vice Chairman of the Board of Titanium Metals Corporation, from 2004 to November 2005.

ROBERT D GRAHAM. He has served as Vice President and General Counsel of the company and Kronos Worldwide since 2003. He was the Executive Vice President of Titanium Metals Corporation since 2006. He was the Vice President of Titanium Metals Corporation from 2004 to 2006 and the Vice President of Valhi and Contran Corporation since 2002.

TIM C HAFER. He has served as Vice President and Controller of the company and Kronos Worldwide since 2006. He served as Director of Finance and control of the company and Kronos Worldwide from 2003 to 2006. For 2003 and prior years, he served as an Assistant Controller of Valhi and Contran Corporation.

JOHN A ST WRBA. He has served as Vice President and Treasurer of the company, since 2003, Valhi since 2005 and Titanium Metals Corporation and Contran Corporation, since 2004. He has also served as Vice President of Kronos Worldwide, since 2004 and Treasurer of Kronos Worldwide, since 2003.

GREGORY M SWALWELL. He has served as CFO of the company and Kronos Worldwide, since 2004, Vice President of Finance of the company and Kronos Worldwide, since 2003. He has served as the Vice President of Titanium Metals Corporation, since 2004 and Vice President and Controller of Valhi and Contran Corporation, since 1998.

CECIL H MOORE JR. Director since 2003. He is currently a Private Investor and retired from KPMG LLP, in 2000.

GLENN R SIMMONS. Director since 1986. He has been Vice Chairman of the Board of Valhi and Contran Corporation, since prior to 2001.

THOMAS P STAFFORD. Director since 2000. He was selected as an Astronaut in 1962, piloted Gemini VI in 1965 and commanded Gemini IX in 1966.

STEVEN L WATSON. Director since 2000. He has served as Vice Chairman of the Board of Kronos Worldwide, since 2004.

TERRY N WORRELL. Director since 2003. He has been a Private Investor with Worrell Investments, Inc., a real estate investment company, since 1989.

CORPORATE FAMILY

Click below to buy a Business Information Report on that family member.
For an expanded, more current corporate family view, use D&B's Global Family Linkage product.

Domestic Ultimate:

Simmons Harold C Family Trust	Dallas, TX	DUNS # <u>03-971-5560</u>
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Parent:

Valhi, Inc.	Dallas, TX	DUNS # <u>00-696-7822</u>
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Subsidiaries (US):

CompX International Inc.	Dallas, TX	DUNS # <u>80-763-9901</u>
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Subsidiaries (International):

Barold de Venezuela SA	CARACAS, VENEZUELA	DUNS # <u>88-513-5848</u>
------------------------	--------------------	---------------------------

Branches (US):

NI Industries, Inc.	New York, NY	DUNS # <u>61-735-8270</u>
NI Industries, Inc.	Newcomb, NY	DUNS # <u>02-495-5622</u>
NI Industries, Inc.	Charleston, WV	DUNS # <u>00-501-0103</u>

Affiliates (US): (Affiliated companies share the same parent company as this business.)

Amalgamated Research Inc.	Twin Falls, ID	DUNS # <u>96-751-7145</u>
Andrews County Holding Inc	Dallas, TX	DUNS # <u>83-699-2529</u>
Kronos Worldwide, Inc.	Dallas, TX	DUNS # <u>60-712-1258</u>
Tremont Group, Inc	Denver, CO	DUNS # <u>11-946-9166</u>
Valcor Inc	Dallas, TX	DUNS # <u>80-947-4448</u>
Waste Control Specialists LLC	Andrews, TX	DUNS # <u>92-688-4032</u>

OPERATIONS

03/16/2009

Description: Subsidiary of VALHI, INC., DALLAS, TX started 1932 which operates as a diversified manufacturer and operator of hotels. Parent company owns 63% of capital stock. Intercompany relations: (between NL Industries Inc, Valhi Inc and the indirect top parent company, Contran Corporation), include, intercorporate transactions, joint ventures, partnerships, loans, advances of funds on open account; securities repurchases and purchases and sales of business units.

As noted, this company is a subsidiary of Valhi Inc, DUNS number 00-696-7822, and reference is made to that report for background information on the parent company and its management.

Operates as a holding company and through its subsidiaries engages in the manufacture and sale of precision ball bearing slides, security products and ergonomic computer support systems used in office furniture, computer-related and other applications.

Terms are Net 30 days. Sells to original equipment manufacturers and distributors. Territory : International.

Buys the primary raw materials are chlorine, coke and titanium-containing feedstock. Nonseasonal.

Employees: 1,029 which includes officer(s). UNDETERMINED employed here.

Facilities: Occupies premises in a building.

Location: Suburban business section on main highway.

Subsidiaries: This business has multiple subsidiaries, detailed subsidiary information is available in D&B's linkage or family tree products.

SIC & NAICS

SIC:

Based on information in our file, D&B has assigned this company an extended 8-digit SIC. D&B's use of 8-digit SICs enables us to be more specific to a company's operations than if we use the standard 4-digit code.

The 4-digit SIC numbers link to the description on the Occupational Safety & Health Administration (OSHA) Web site. Links open in a new browser window.

36990500 Security devices
35720000 Computer storage devices

NAICS:

335999 All Other Miscellaneous Electrical Equipment and Component Manufacturing
334112 Computer Storage Device Manufacturing

D&B PAYDEX

The D&B PAYDEX is a unique, dollar weighted indicator of payment performance based on up to 17 payment experiences as reported to D&B by trade references.

3-Month D&B PAYDEX: 80

When weighted by dollar amount, payments to suppliers average within terms.

Based on trade collected over last 3 months.

D&B PAYDEX: 80

When weighted by dollar amount, payments to suppliers average generally within terms.

Based on up to 24 months of trade.

When dollar amounts are not considered, then approximately 96% of the company's payments are within terms.

PAYMENT SUMMARY

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	Total Rcv'd (#)	Total Dollar Amts (\$)	Largest High Credit (\$)	Within Terms (%)	Days Slow <31 31-60 61-90 90> (%)			
Top industries:								
Public finance	2	12,500	10,000	100	-	-	-	-
Misc general gov't	2	800	750	100	-	-	-	-
Short-trm busn credit	1	25,000	25,000	100	-	-	-	-
Radiotelephone commun	1	250	250	100	-	-	-	-
Nonclassified	1	100	100	100	-	-	-	-
Computer maintenance	1	100	100	50	50	-	-	-
Whol electrical equip	1	0	0	-	-	-	-	-
Whol industrial suppl	1	0	0	-	-	-	-	-
Telephone communictns	1	0	0	-	-	-	-	-
Other payment categories:								
Cash experiences	6	350	100					
Payment record unknown	0	0	0					
Unfavorable comments	0	0	0					
Placed for collections:								
With D&B	0	0						
Other	0	N/A						
Total in D&B's file	17	39,100	25,000					

The highest **Now Owes** on file is \$100

The highest **Past Due** on file is \$0

D&B receives over 600 million payment experiences each year. We enter these new and updated experiences into D&B Reports as this information is received.

PAYMENT DETAILS

Detailed Payment History

Date Reported (mm/yy)	Paying Record	High Credit (\$)	Now Owes (\$)	Past Due (\$)	Selling Terms	Last Sale Within (months)
10/09	Ppt	50				6-12 mos
	Ppt-Slow 30	100	50	0		1 mo
09/09	Ppt	25,000	0	0		1 mo
	(004)	50			Cash account	1 mo
08/09	Ppt	100	100	0		6-12 mos
06/09	Ppt	10,000				1 mo
	(007)				Cash account	6-12 mos
	(008)	750				1 mo
	Satisfactory.					
03/09	Ppt	2,500				1 mo

	(010)	100	100		Cash account	1 mo
	(011)	100	100		Cash account	1 mo
	(012)	50			Cash account	6-12 mos
02/09	(013)	50			Cash account	1 mo
01/08	Ppt	250	0	0		1 mo
	Ppt	0	0	0		1 mo
	Ppt	0	0	0		1 mo
10/07	Ppt	0	0	0	N30	6-12 mos

Payments Detail Key: red = 30 or more days beyond terms

Each experience shown is from a separate supplier. Updated trade experiences replace those previously reported.

STATEMENT UPDATE

11/04/2009

Interim Consolidated statement dated SEP 30 2009:

Assets		Liabilities	
Cash	19,625,000	Accts Pay	6,058,000
Accts Rec	14,986,000	Accruals	33,217,000
Inventory	17,276,000	Taxes	1,131,000
Mktble Securities	5,296,000		
Restricted Cash & Cash Equivalents	7,119,000		
Deferred Income Taxes	5,806,000		
Prepaid	1,254,000		
Curr Assets	\$71,362,000	Curr Liabs	\$40,406,000
Flxt & Equip	65,516,000	Note Payable To Affiliate	42,230,000
Goodwill	44,311,000	Deferred Income Taxes	52,821,000
Investments-Other	197,533,000	L.T. Liab-Other	78,154,000
Other Assets	17,979,000	COMMON STOCK	6,076,000
		ADDIT. PD.-IN CAP	318,904,000
		ACCUM OTHER COMPREHENSIVE	(153,142,000)
		LOSS	
		NONCONTROLLING INT IN	11,252,000
		SUBSIDIARY	
Total Assets	\$396,701,000	Total	\$396,701,000

From JAN 01 2009 to SEP 30 2009 sales \$87,126,000; cost of goods sold \$69,141,000. Gross profit \$17,985,000; operating expenses \$19,040,000. Operating Income \$(1,055,000); other income \$17,507,000; other expenses \$30,491,000; net income before taxes \$(14,039,000); Federal income tax \$(2,958,000); (net loss) \$11,081,000.

Statement obtained from Securities And Exchange Commission. Prepared from books without audit.

Accounts receivable shown net less \$534,000 allowance. Fixed assets shown net less \$106,531,000 depreciation.

Explanations

The net worth of this company includes intangibles; Other Long Term Liabilities consist of Total accruals and Other.

FINANCE

03/16/2009

Three-year statement comparative:

	Fiscal Consolidated Dec 31 2006	Fiscal Consolidated Dec 31 2007	Interim Consolidated Mar 31 2008
Current Assets	121,065,000	107,701,000	101,866,000
Current Liabs	46,595,000	47,956,000	45,931,000
Current Ratio	2.6	2.25	2.22
Working Capital	74,470,000	59,745,000	55,935,000
Other Assets	408,279,000	417,060,000	435,396,000
Net Worth	248,512,000	246,462,000	255,200,000
Sales	190,123,000	177,683,000	
Long Term Liab	234,237,000	230,343,000	236,131,000
Net Profit (Loss)	26,110,000	(1,731,000)	

Fiscal Consolidated statement dated DEC 31 2008:

Assets

Cash	16,450,000
Accts Rec	25,513,000
Inventory	22,661,000
Mktble Securities	5,534,000
Restricted Cash	7,457,000
Receivable From Affiliates	3,150,000
Deferred Income Taxes	5,766,000
Prepaid	1,435,000

Curr Assets

\$87,966,000

Fixt & Equip	68,282,000
Goodwill	44,194,000
Investments-Other	197,745,000
Assets Held For Sale	3,517,000
Other Assets	17,832,000

Total Assets

\$419,536,000

Liabilities

Accts Pay	6,802,000
Payable To Affiliates	3,139,000
Accruals	34,309,000
Taxes	1,167,000

Curr Liabs

\$45,417,000

Notes Payable To Affiliate	41,980,000
Total Accruals	110,086,000
L.T. Liab-Other	33,689,000
COMMON STOCK	6,074,000
ADDIT. PD.-IN CAP	330,879,000
ACCUM OTHER COMPREHENSIVE INCOME	(165,498,000)
RETAINED EARNINGS	16,909,000

Total

\$419,536,000

From JAN 01 2008 to DEC 31 2008 annual sales \$165,502,000; cost of goods sold \$125,749,000. Gross profit \$39,753,000; operating expenses \$24,818,000. Operating income \$14,935,000; other income \$70,716,000; other expenses \$37,617,000; net income before taxes \$48,034,000; Federal income tax \$14,850,000. Net income \$33,184,000.

Statement obtained from Securities And Exchange Commission. Prepared from statement(s) by Accountant: PricewaterhouseCoopers, LLP, Dallas, Texas.

ACCOUNTANT'S OPINION

A review of the accountant's opinion indicated that the financial statement meets generally accepted accounting principles and the audit contains no qualifications.

Accounts receivable shown net less \$711,000 allowance. Fixed assets shown net less \$96,625,000 depreciation.

Explanations

The net worth of this company includes intangibles; Other Long Term Liabilities consist of Other & Minority Interest.

On March 16, 2009 the financial information was updated.

KEY BUSINESS RATIOS

Statement date: DEC 31 2008
Based on this number of establishments: 12

Firm		Industry Median	
Return of Sales:	20.1	Return of Sales:	6.7
Current Ratio:	1.9	Current Ratio:	2.7
Assets / Sales:	253.5	Assets / Sales:	107.9
Total Liability / Net Worth:	122.7	Total Liability / Net Worth:	47.7

PUBLIC FILINGS

The following Public Filing data is for Information purposes only and is not the official record. Certified copies can only be obtained from the official source.

JUDGMENTS

Judgment award: \$49,484
Status: Unsatisfied
DOCKET/WARRANT: 001419461
Judgment type: Judgment
Against: N L INDUSTRIES INC
In favor of: NYC DEPARTMENT OF FINANCE
Where filed: NEW YORK COUNTY SUPREME COURT, NEW YORK, NY

Date status attained: 06/04/2001
Date entered: 06/04/2001
Latest Info Received: 06/15/2001

Judgment award: \$49,484
Status: Unsatisfied
DOCKET/WARRANT: 001430087
Judgment type: Judgment
Against: N L INDUSTRIES INC
In favor of: NYC DEPARTMENT OF FINANCE
Where filed: NEW YORK COUNTY SUPREME COURT, NEW YORK, NY

Date status attained: 06/04/2001
Date entered: 06/04/2001
Latest Info Received: 10/14/2004

The public record items contained in this report may have been paid, terminated, vacated or released prior to the date this report was printed.

GOVERNMENT ACTIVITY

Activity summary

Borrower (Dir/Guar):	NO
Administrative debt:	NO
Contractor:	NO
Grantee:	NO
Party excluded from federal program(s):	NO

Possible candidate for socio-economic program consideration

Labor surplus area:	YES (2009)
Small Business:	N/A
8(A) firm:	N/A

THE WHITE LEAD INDUSTRY IN OMAHA, NEBRASKA

By Mark D. Budka

Following the Civil War, the opportunity to make money drew many men to the newly established cities of the Trans-Mississippi. Between 1870 and 1900 railroads, meat packers, flour millers, iron and steel companies, and

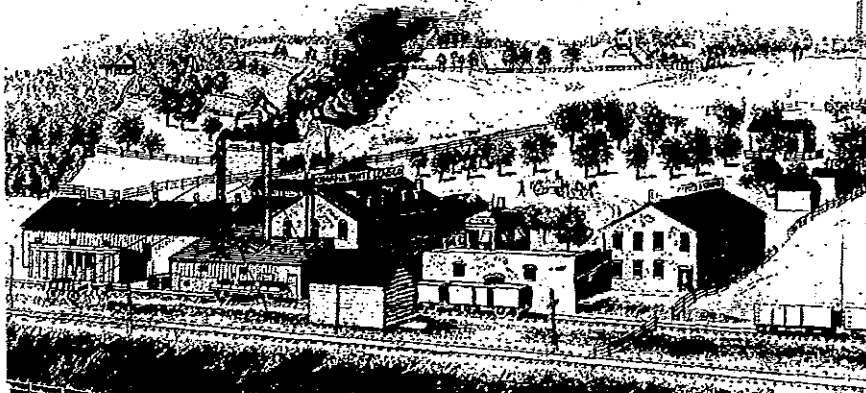
Mark D. Budka, a student at the University of Nebraska, served as an intern with the Nebraska State Historical Society.

smelters and refiners moved into these cities to exploit the vast agricultural and mineral wealth of the West. Those who settled in Omaha hoped to make that city the industrial center of the region. Such companies as the Union Pacific Railroad, the Cudahy Packing Company, Omaha Milling Company, Paxton and Vierling Iron Works, and the Omaha Smelting and Refining Company resulted from this period of growth.

However, Omaha suffered stiff competition from Kansas City, St. Joseph, Sioux City, and smaller Missouri River communities.¹

The ready availability of refined pig lead from the Omaha smelter inspired five of Omaha's entrepreneurs to found the Omaha White Lead Company in 1877. Its purpose was to produce white lead (lead carbonate) paint bases and red lead (red oxide of lead) and litharge

Omaha White Lead Company. This factory burned in 1890. A. T. Andreas, History of Nebraska, 750.



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(a yellowish-red oxide of lead) protective coatings to sell in the rapidly developing urban-industrial Northeast. The early Romans used litharge as a coating in the channels of their aqueducts. Lead was the standard base in paints and other coatings used to protect structures from wear and weather. Omaha White Lead, and its successor, the Carter White Lead Company, manufactured white lead products from 1877 to 1936.²

In 1877 a rich vein of silver-lead ore was found in Colorado's Cripple Creek basin. This rich strike made the city of Leadville, Colorado, a legend. The smelting companies in Denver, St. Louis, and Omaha quickly invested in these deposits. Profits were immediate and high. The refining of silver-lead and pig lead by these companies yielded a supply of mintable silver and industrial lead that encouraged expansion within the non-ferrous metallurgical industry.³

On December 29, 1877, Charles W. Mead and Charles B. Rustin, both directors of the Omaha Smelting and Refining Company, Levi Carter, a former overland freight shipper and Union Pacific contractor, and two other Omaha businessmen signed the articles of incorporation for a new business in the city of Omaha. The supply of pig lead available from the Omaha smelter suggested the feasibility of operating a white lead plant in Omaha. Omaha's position as a smelting and railroad center promised easy access both to the raw materials and to a market for white lead products. The new company was named the Omaha White Lead Company and its capital stock set at \$60,000 with a funded debt of \$40,000.⁴

By mid-1878 land had been purchased in southwest Omaha and a plant built where Twentieth Street crossed the main line of the Union Pacific Railroad.⁵ The South Twentieth Street plant of the Omaha White Lead Company was in operation by August of 1878. It consisted of fifteen buildings built on a one-acre tract of



Levi Carter. Courtesy of Historical Society of Douglas County.

land with adjoining Union Pacific Railroad sidings. The main plant was a cluster of five buildings, including a two-story brick mill and a large one-story wood frame corroding room directly connected to the east side of the mill. To the west of the main plant were two frame warehouses and a paint cannery.⁶

In its first year of operation, the Omaha White Lead Company produced 1,000 tons of dry lead, employing twenty laborers in the plant, which operated twenty-four hours a day, seven days a week. Sales for that year amounted to \$150,000. By 1880, sales had reached \$250,000 and thirty laborers were employed. William A. Paxton, a notable Omaha industrialist, was elected president of Omaha White Lead during this period and Nathaniel Shelton, one of the company's founders, became secretary-treasurer.⁷

The 1880s proved troublesome to the nation's and Omaha's lead indus-

tries. Strikes at the Omaha smelter during 1880 and 1882 threatened the local supply of pig lead. The price of lead and white lead products dropped over the nine-year period from 1876 to 1885 due to the large supply of pig lead nationally. In 1884 the continued fall of lead prices prompted eastern smelters to sell their stockpiles of pig lead, thus forcing prices down further.⁸

The fall in lead prices and the corresponding drop in the price of white lead during the late 1870s and early 1880s prompted different responses among white lead manufacturers. The Adams White Lead Company of Baltimore failed. Several New York and St. Louis white lead interests founded a syndicate in 1884, which would eventually become the "White Lead Trust" under the name "National Lead Company." In Omaha Levi Carter, a member of the Omaha White Lead Company board of directors, tried to reorganize the company financially and economize its production methods.⁹

In 1878 Omaha White Lead had purchased from the Adams Company user rights to the "Dutch process," which utilized the heat generated by the interaction of acetic acid and the fermentation of tan bark to oxidize pig lead into lead carbonate or white lead.

In 1885, following the closing of the Adams plant, Carter became the owner of the Adams 1874 patent. Unlike the "Dutch" process, which corroded large plates of pig lead over a three-month period, this process could corrode atomized lead pellets in a matter of days [See page 95]. Lead pigs would be melted in a large furnace, then the molten lead would be granulated by a jet of high pressure steam as it dropped into a corroding cylinder. Acetic acid and carbon dioxide would be added to the cylinder to oxidize the lead. After its corrosion into lead carbonate, the white lead would be washed in water and ground into a fine powder for mixing with linseed oil as a white paint base. Carter intended to improve this corrosion process and incorporate it

White Lead Industry

into his newly reorganized business, the Carter White Lead Company.¹⁰

Omaha White Lead was bought by Levi Carter in 1885. The plant was closed and renovations were begun. The original corroding room was enlarged, and corroding cylinders replaced the stacks of corroding pots used in the "Dutch" process. A machine shop, a room for the granulating ovens, and several warehouses were added to the original plant. Thirty laborers were laid off during the renovation. When the plant reopened in August of 1886, twenty new jobs were added to the original thirty.¹¹ Prices in the lead and white lead markets leveled out during the late 1880s, and the demand for white lead products remained stable. By 1889 Carter White Lead was producing 9,000 tons of white lead annually. Payrolls amounted to \$58,000 a year.¹²

By 1890 Levi Carter had expanded his sales to cover the entire nation. Carter White Lead was by then the largest independent producer of white lead products. This frustrated the members of the New York-St. Louis white lead "trust." The syndicate, a conglomeration of lead interests that owned lead mines, smelters, and white lead plants, faced strong competition from the Omaha company. Carter, having altered the Adams process into a two-step procedure that took eight to twelve days, could produce white lead products in one-tenth the time required by the "Dutch" process used by the syndicate. The syndicate wished to purchase the rights to what was then labeled the "Carter" process, but Carter would not sell. Carter was successful because his process was faster. It was possible to buy pig lead from the Omaha smelter at the beginning of one week and by the end of the second have a finished product on retailers' shelves. The "Dutch" process did not offer this turnover rate, as it could be four months before the purchased pig lead was made into paint.¹³

On the night of June 14, 1890, a fire broke out in the South Twentieth



Edward J. Cornish. (NSHS-P853)

Street plant. Within a few hours, the entire one-acre plant was destroyed. Upon touring the site, Carter announced he would immediately rebuild the plant and continue to operate. Hoping to take advantage of this misfortune, the syndicate sent a representative to Carter, offering him \$500,000 for his process, less the \$80,000 he could receive from the insurance policies covering the plant. A stipulation of the offer was that Carter retire from the business and dissolve Carter White Lead. Carter refused. His decision to rebuild was three-fold: strong anti-trust factions within the Omaha business sector supported the cause of free enterprise within the city, a ready labor force was available, and most impor-

tantly, he could make more money in the long term by rebuilding than by selling out.¹⁴

In 1890 the East Omaha Land Company and its railroad subsidiary, the Omaha Bridge and Terminal, began selling industrial tracts northeast of downtown Omaha. East Omaha, located on a bend in the Missouri River, was separated from Omaha proper by Cut-Off Lake, later to be named after Levi Carter. This oxbow had been created by a shift in the river channel, leaving a portion of Iowa on the Nebraska side. East Omaha occupies the land between the eastern edge of Cut-Off Lake and the Missouri River. It was here that Levi Carter relocated the Carter White Lead plant in 1890.¹⁵

Plans for the new plant were drawn up by J. P. Gardner of Omaha. The contractor was A. W. Phelps and Sons, also of Omaha. The new plant was located between northeast Twenty-first Street and Omaha Bridge and Terminal siding Number Five at their intersection with Locust Street. Twenty-one buildings were called for, mainly of fireproof brick construction. The two-story office building stood on the north end of the plant. The plant itself consisted of eight interconnected buildings dominated by the four-story mill and drying building located at the northwest corner of the complex. To the south was the immense three-story corroding house. This building covered an area of 15,000 square feet and housed 139 corroding cylinders on two levels. Each of these cylinders were three feet in diameter, six feet long, and made of white pine. The plant's capacity was set at 10,000 tons of white lead yearly. Total cost of construction was \$200,000.¹⁶

Sales yielded a profit of \$52,587.09 in 1891, the first full year of production at the new plant. Fifty men were employed by the company around the clock on two shifts, seven days a week. The following year, Carter's profits doubled, nearly covering the cost of the new plant's construction. The 1890s appeared to promise good business for

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the white lead industry.¹⁷

In 1893 sixty-seven percent of Carter White Lead's products were shipped east of the Mississippi River. This record prompted Levi Carter to amend the company's Articles of Incorporation in May of that year to include the building of another plant in West Pullman, Illinois, on Chicago's South Side. Despite a major market panic that year, the business depression that followed, falling profits, and the diminishing value of white lead against the price of pig lead, plans to build the West Pullman plant went ahead as scheduled. Although profits remained low over the next four years, compared to the 1892 high of \$117,969.57, land and building materials were purchased in West Pullman and Chicago and by 1896, the new plant was completed.¹⁸

Throughout the rest of the 1890s and into the new century, the total market value of white lead products would increase as would Carter's sales. However, the price of pig lead would sharply increase, preventing a high profit margin. This again prompted the white lead syndicate to offer Carter a purchase proposal. National Lead Company of New Jersey, the combined conglomerate of formerly independent New York and St. Louis lead interests, offered Carter \$1,000,000 for the entire capital stock and physical plant of Carter White Lead. Carter, upon considering the offer, refused to sell for less than \$1,500,000.00. H. C. Haskins, who represented National Lead, considered this too high. Despite the increase in the price of pig lead in 1902, sales had again put Carter's profit margin over the \$100,000.00 mark during that year. Although National Lead would continue into 1903 to push for a buyout, Levi Carter wished to remain independent of the syndicate.¹⁹

Between 1896, when the West Pullman plant was opened, and the death of Levi Carter in November of 1903, the operations of the East Omaha plant were suspended twice. The first plant closing occurred in April of 1899. Heavy spring rains throughout the Missouri

River Valley caused widespread flooding. On April 24 flood waters inundated North and East Omaha. The grade and tracks of the Omaha Bridge and Terminal Railroad were undermined and washed out at several points, prohibiting the shipment of pig lead from the smelter. Locust Street was flooded, stopping street car and vehicular traffic to the East Omaha factories. Although the East Omaha plant itself was not flooded, the inability of the workers to get to the factory and that of the railroad to supply it prompted management to close the plant until the flood subsided.²⁰

Following the May 1899 resumption of work at the plant, management again closed it in 1900. The continued devaluation of white lead during the 1890s prompted management to economize in production and labor in order to maintain its profit margin. The total annual capabilities of both the East Omaha and West Pullman plants were 30,000 tons of white lead, with East Omaha capable of 10,000 tons per year and West Pullman capable of 20,000. Actual production during the period amounted to only one-third of this capacity. The West Pullman plant could easily absorb East Omaha's proportion of manufacturing. And it was now possible for the company to cheaply ship Chicago-made white lead products to the East Omaha plant warehouse for storage and sale. The location of the West Pullman plant was located on the Chicago-Blue Island branch of the Illinois Central Railroad. In December of 1899 the Illinois Central completed its Chicago-Council Bluffs, Iowa mainline. In order to cross the Missouri River into Omaha, the Illinois Central leased the Omaha Bridge and Terminal Railway on which the East Omaha plant was located. This allowed Carter White Lead to ship its Chicago products to Omaha at the established minimum rate between the two cities, eliminating the costly and time-consuming transfers of other Chicago-Omaha carriers. Both of these measures allowed the company to con-

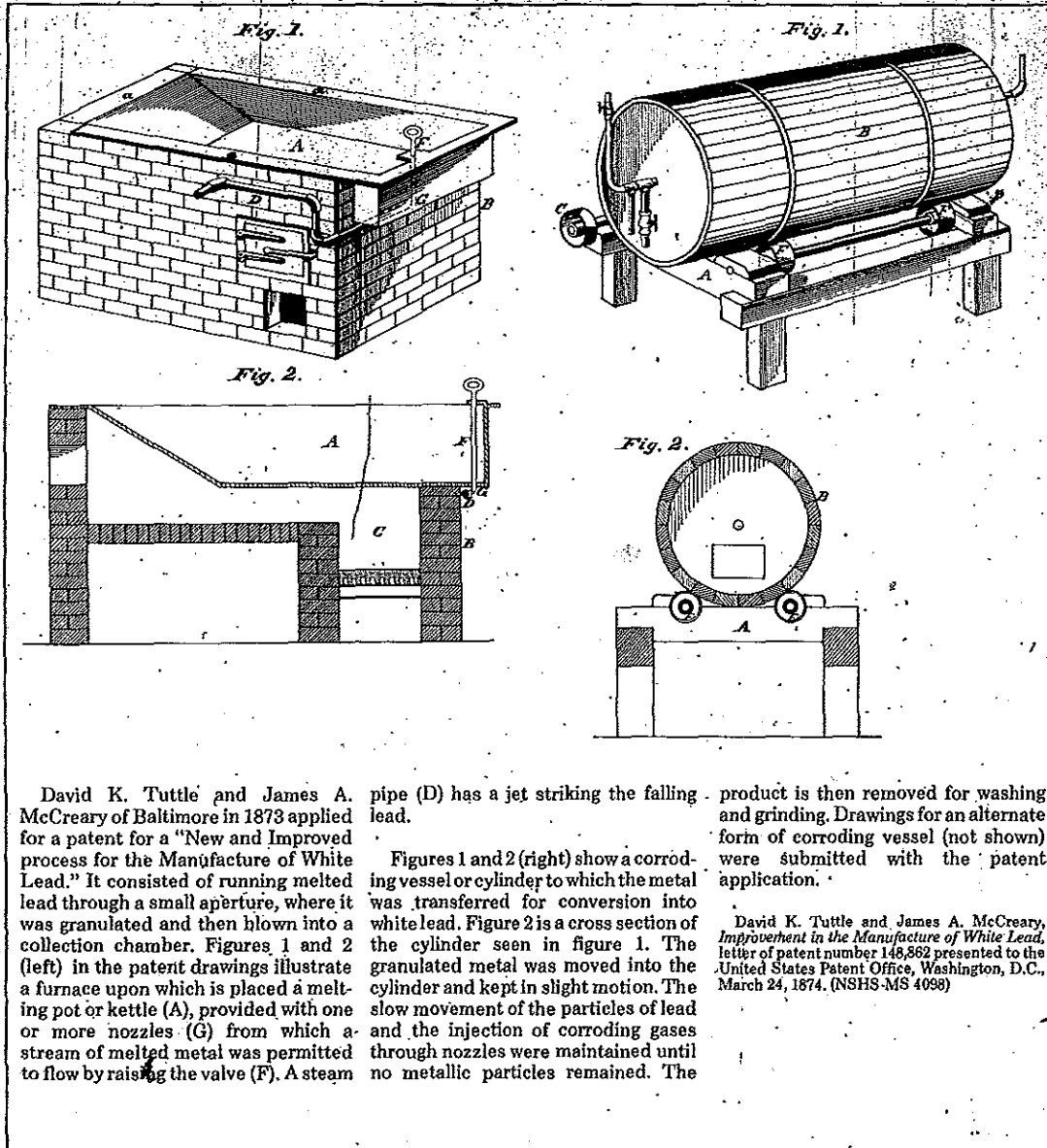
solidate its manufacturing at Chicago, close the East Omaha plant, and cut its operating expenses.²¹

With the suspension of production at East Omaha, the labor force was laid off with the exception of the engineering crew, the warehouse staff, the sales staff, and upper management. The economy achieved is best illustrated by contemporary payrolls of the Chicago plant. The total payroll, excluding sales and management, for August 11, 1900, amounted to \$444.10 for fifty blue-collar employees. As the East Omaha plant also employed fifty laborers, the payroll can be assumed to be similar. By laying off all the laborers in the corrod and grinding departments at East Omaha, it was possible to cut blue-collar wages to approximately \$47.80 a week. This figure would include the wages of two engineers on two shifts daily to maintain the plant and one warehouseman keeping records of East Omaha sales and shipments from Chicago.²²

Following Carter's death on November 7, 1903, the Carter White Lead board of directors elected Edward J. Cornish to the presidency. Cornish had been the Carter family's attorney and close friend. Cornish's reputation as a former member of the corporate law firm of Barker and Cornish left him in good standing with the stockholders of the company. Cornish set about to expand Carter White Lead's production and to ensure his own position within the industry. He proceeded to reopen the East Omaha plant and gain a foothold in the Canadian white lead market.²³

By January of 1905, the East Omaha plant was again in full operation, and land had been purchased in Montreal to build another 20,000 ton plant. This new plant was built to the specifications of the West Pullman works and was operating at the end of that year. It was the first and only white lead corrod in Canada. Cornish contracted with the Canadian Smelting Works of Trail, British Columbia, and the Canadian Pacific Railroad to supply

White Lead Industry



David K. Tuttle and James A. McCreary of Baltimore in 1873 applied for a patent for a "New and Improved process for the Manufacture of White Lead." It consisted of running melted lead through a small aperture, where it was granulated and then blown into a collection chamber. Figures 1 and 2 (left) in the patent drawings illustrate a furnace upon which is placed a melting pot or kettle (A), provided with one or more nozzles (G) from which a stream of melted metal was permitted to flow by raising the valve (F). A steam

pipe (D) has a jet striking the falling lead.

Figures 1 and 2 (right) show a corrod- ing vessel or cylinder to which the metal was transferred for conversion into white lead. Figure 2 is a cross section of the cylinder seen in figure 1. The granulated metal was moved into the cylinder and kept in slight motion. The slow movement of the particles of lead and the injection of corroding gases through nozzles were maintained until no metallic particles remained. The

product is then removed for washing and grinding. Drawings for an alternate form of corrod- ing vessel (not shown) were submitted with the patent application.

David K. Tuttle and James A. McCreary, *Improvement in the Manufacture of White Lead*, letter of patent number 148,562 presented to the United States Patent Office, Washington, D.C., March 24, 1874. (NSHS-MS 4098)

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Letterhead of Carter White Lead Company. The Omaha plant is shown at top right. (NSHS-MS4098)

him with pig lead. Canadian Smelting was apparently the only smelter in Canada and was then under government control. With three plants operating by 1906, Carter White Lead could meet nearly one-half of North America's demand for white lead products.²⁴

It is interesting to note that during the two-year period E. J. Cornish presided over the Carter White Lead Company, he invested heavily in the National Lead Company with money he received from Carter White Lead and Levi Carter's widow, Selina Carter. According to the financial records of Carter White Lead, E. J. Cornish purchased no less than \$41,050.00 in National Lead stock. Numerous letters between Cornish and the New York offices of National Lead suggest that relations between the two companies were cordial. National Lead, having for years tried to eliminate Carter White Lead, probably welcomed Cornish's interest and encouraged his investments.²⁵

In February of 1906 Edward J. Cornish reached an agreement with the National Lead board of directors. Carter White Lead was brought under the control of National Lead as a subsidiary, while the officers of the Carter Company maintained their offices in

exchange for Carter White Lead's entire capital stock and the rights to the "Carter" process. Cornish became a member of the National Lead board and played a significant role in its development as its president from 1916 until his death in May of 1938.²⁶

With the merger of Carter White Lead and the National Lead Company, Omaha's days as a white lead manufacturer were numbered. Throughout 1906 and into 1907, the Carter White Lead board kept the East Omaha plant in operation. However in 1907, the companies representing the paint interests of National Lead decided to amalgamate their products under one name: Dutch Boy. From 1907 on, Carter White Lead produced Carter Lead Based Paints only out of their Chicago plant and sold them through Dutch Boy distributors. The Carter White Lead board continued to meet in Omaha every year as required by Nebraska law, but its significance as a Nebraska company died with the closing of the East Omaha plant in 1907.²⁷

In 1910 National Lead appraised the value of the East Omaha plant at \$203,592 for insurance purposes. Apparently the buildings were kept up between 1910 and 1920. In 1926 Carter White Lead sold off its East Omaha properties. A special meeting of the

Carter White Lead board of directors was called for February 24, 1926, for this purpose. The plant was sold for \$7,000 to the Platte Valley Cement Tile Manufacturing Company the following month. The buildings were gradually torn down during the 1930s and 1940s.²⁸

In its twenty-nine years as an independent, Carter White Lead strongly controlled a national industry. Omaha's central location nationally, its significance as a major transportation hub, and the proximity of its connecting railroad lines to lead resources and to white lead markets lent to the company's success. In holding the patents to an innovative and expedient method of lead corrosion, coupled with Levi Carter's conservative business practices, Carter White Lead was allowed to hold its independent status against the National Lead monopoly and name its own price for consolidation.

The dissolution of the Carter White Lead Company as an Omaha industry in 1907 lay not in the financial hard times of the 1890s or the Panic of 1907 but in the shrewd ambitions of Levi Carter's business lawyer and executor, E. J. Cornish. The powers Carter White Lead held over the syndicate bought Cornish his long-standing place as president of National Lead after Car-

White Lead Industry

ter's death in 1903. The 1907 closing of the East Omaha plant was a result of its obsolescence and small productive capacity. This was in comparison to Carter's newer plants in Chicago and Montreal and later plants owned by National Lead itself.

Carter White Lead Company, founded under the auspices of Nebraska law in 1886, remained a separate subsidiary of National Lead until 1936. Its demise in 1936 was merely a matter of corporate consolidation into the parent company. Today, only the name of the 1874 process improved by Levi Carter in 1885 remains. Concern over the toxicity of white lead resulted in the development of titanium dioxide paints following World War I and by 1940, white lead was not in common use. Lead paints are still used as a protective coating for ship hulls and other restricted industrial uses. The Carter process used today in manufacturing lead paint, although technologically improved, still bears the name of the man who owned its original patent for nearly a quarter of a century, Levi Carter of Omaha, Nebraska.²⁹

NOTES

¹Lawrence H. Larsen and Barbara J. Cottrell, *The Gate City* (Boulder, Colorado: Pruett Publishing Company, 1982), 81-88; Edward Sterba, *Buildings of the 80s in Omaha* (Omaha, Nebraska: Standard Blue, 1976), 80-81, 92-93.

²Articles of Incorporation of the Carter White Lead Company, Feb. 26, 1878; Levi Carter to H. C. Haskins, Feb. 22, 1899, MS4098, Records of the Carter White Lead Company, State Archives, Nebraska State Historical Society, Lincoln (hereafter cited as Carter White Lead Collection). M. R. Moore, B. C. Campbell and A. Goldberg, "Lead," chap. in *The Chemical Environment*, vol. 6 of *The Environment and Man Series*, ed. John Lenihan and William W. Fletcher (New York: Academic Press, 1977), 67.

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OMAHA: THE GATE CITY
and
DOUGLAS COUNTY
NEBRASKA

A Record of Settlement, Organization, Progress and
Achievement

ARTHUR C. WAKELEY
Supervising Editor

ILLUSTRATED

VOLUME I

CHICAGO:
THE S. J. CLARKE PUBLISHING COMPANY
1917

DOUGLAS COUNTY
HISTORICAL SOCIETY

section of Forty-first and Farnam streets north and west to J. N. H. Patrick's place, a little over a mile in length.

On July 3, 1891, the Interstate Bridge & Street Railway Company began running electric cars on its line from the intersection of Locust Street and Sherman Avenue to East Omaha. Its line was about $2\frac{1}{4}$ miles long and arrangements were made with the Omaha Street Railway Company for the transfer of passengers to and from the Sherman Avenue line of the latter company.

Some few changes in ownership and management were made during the next ten years. In the fall of 1901 the Omaha & Council Bluffs Street Railway Company took the preliminary steps for the consolidation of all the street railway lines into one system. The deal was consummated the following spring, whereby all the lines in the city became the property of the Omaha & Council Bluffs Company, and the line from Omaha to Council Bluffs, with the bridge, is operated by the same company under a lease. The company thus operates 162 miles of track, has about 175 cars in daily service on ordinary days, employs 1,500 people in the car service, the power house at the corner of Fifth and Jones streets and the shops at the corner of Twenty-sixth and Lake. The officers of the company on April 1, 1916, were: Gurdon W. Wattles, president; Frank Hamilton, vice president; W. A. Smith, second vice president and general manager; R. A. Luessler, assistant general manager; W. G. Nicholson, secretary and auditor; and A. S. Widenor, treasurer.

OMAHA GAS COMPANY

On January 15, 1868, two petitions came before the city council, each asking for a franchise to supply the people of Omaha with illuminating gas. One of these petitions was presented by George B. Graff and others, representing the Omaha Gas Company, and the other was presented by Dr. Enos Lowe, who, with his associates, desired to establish The Omaha Gas Manufacturing Company. Both petitions were referred to a special committee, which afterward returned a favorable report, with the result that an ordinance was passed authorizing both companies to engage in the manufacture of gas. The Graff company never did anything toward establishing gas works, but Doctor Lowe's company perfected its organization and soon commenced active operations. On February 19, 1868, two lots were leased by the city to the company for a term of thirty years, at a rental of \$5 per year, and the city was given the privilege of buying the works at an appraised value at the expiration of fifteen years.

Progress was somewhat slow at first, the company reporting in November, 1869, only 198 consumers of gas. A year later there were about one hundred street lamps in the city. Then the business began to grow more rapidly. The two lots leased from the city became too small for the company's purposes and the block bounded by Eleventh, Twelfth, Jones and Leavenworth streets was occupied, the company's buildings covering three-fourths of the block. In the early '90s the company purchased three acres at the intersection of Twentieth and Center streets and removed the manufacturing plant to that site. At that time the company was working with a capital stock of \$500,000, had eighty-five miles of mains, and a storage capacity in its three retorts of 900,000 cubic feet. At the beginning of the year 1916 that capacity had been doubled, the capital

OMAHA AND

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stock of the company increased to \$1,000,000, and large sums of money had been spent in extending the mains and improving the quality of the service to consumers.

Although many former consumers of gas have installed electricity for lighting purposes, there are still a large number of Omaha people who depend upon gas to illuminate their homes, and a still larger number who use gas for cooking. The company also furnishes gas for 1,250 street lights. The officers of the company on April 1, 1916, were as follows: F. T. Hamilton, president; George W. Clabaugh, vice president and secretary; I. W. Morris, treasurer; L. W. Weymuller, assistant treasurer; W. H. Taylor, manager. The company employs about three hundred people.

OMAHA ELECTRIC LIGHT & POWER COMPANY

The first company to introduce electric light into the State of Nebraska was the Northwestern Electric Light Company, which was organized in 1883, with Henry T. Clarke, president; Nathan Merriam, secretary; John T. Clarke, treasurer and manager. The first power house was in what was known as the Strang Building, at the corner of Tenth and Farnam streets, but after a few months the plant was removed to the Woodman Linseed Oil Mills. On November 16, 1886, the Omaha Illuminating Company was incorporated by Pierce C. Himebaugh, C. C. Warren, H. T. Clarke, Frank Warren and Ralph Breckenridge, with a capital stock of \$20,000 and leased for ten years all the rights and interests of the Northwestern Electric Light Company.

Meantime the Sperry Electric Light Company had been organized in 1883, soon after the Northwestern, with a capital stock of \$56,000, of which \$15,000 was represented by the patents of the Sperry Company and the exclusive privilege of using the same in Nebraska. It was the plan of this company to furnish electricity by the storage system. A brick building was erected on Dodge Street, between Eleventh and Twelfth, but the storage method was soon discovered to be unreliable. The project was then abandoned and a consolidation was effected with the Omaha Thomson-Houston Electric Light Company, which was just then starting in business in the city. Among the stockholders of the Sperry Company were: George C. and George W. Ames, Dr. V. H. Coffman, A. J. Simpson, John A. McShane, J. H. Dumont, George Armstrong, Guy Barton and W. A. L. Gibbon.

The Thomson-Houston Electric Light Company numbered among its stockholders J. C. Reagan, J. W. Paddock, George Canfield, J. E. Riley, M. A. McMenamy, Alfred Shroeder, George W. Duncan and C. G. Reagan. It was organized on September 26, 1885, and was soon afterward reorganized as the New Omaha Thomson-Houston Electric Light Company, with S. L. Wiley as president and general manager, and H. E. Chubbuck, secretary, treasurer and superintendent. The new company had a capital stock of \$600,000. It built a substantial brick power house, three stories high, 118 by 135 feet, at the foot of Jones Street and within a year had about seventy miles of line in operation. For a time it furnished current to the Northwestern Company, then to its successor, the Omaha Illuminating Company, and finally absorbed the interests of both these concerns.

OMAHA AND DOUGLAS COUNTY

ning into millions of dollars. In May, 1916, there were 1,550 men employed in the shops and fifty more in the store department adjoining. One feature of these great shops is the "tie doctoring department," in which more than half a million railroad ties were chemically treated in 1915 for the purpose of increasing their durability. The payroll of the Union Pacific employees living in Omaha (shop men and all others) in 1915 was \$4,346,328, about three-fourths of which went to the people employed in the shops.

THE SMELTER

The Omaha Smelting Company was organized on October 15, 1870, by C. H. Downs, William H. Pier, John A. Horbach and W. W. Lowe, with a capital stock of \$60,000, all of which was expended within the next two years in the construction of buildings and the purchase of machinery. A. L. King, Leopold and Charles Balbach, C. W. Mead, E. W. Nash and C. B. Rustin came into the company during this period and Charles Balbach was made superintendent. In August, 1882, the Grant Smelting Company, of Denver, Colo., was consolidated with the Omaha company and the corporate name was then changed to the Omaha & Grant Smelting Company. Through the consolidation and reorganization, the capital stock was increased to \$2,500,000 and ten years later the volume of business ran over twenty-one millions of dollars. For a number of years the two plants of the company, one at Omaha and the other at Denver, employed 1,000 men and the company had the reputation of being the largest of its kind in the world. The Omaha Smelting Works cover about twenty-five acres of ground and the large smoke-stack, which rises to a height of 312 feet, is said to be the highest self-supporting metal stack known. The works are now operated by the American Smelting and Refining Company, with Walter T. Page as manager. The value of refined metals and by-products for the year 1915 was \$39,113,510.

WHITE LEAD WORKS

Early in August, 1878, the Omaha White Lead Company began the manufacture of that product in Omaha. This was the first white lead works west of Chicago and St. Louis. The original company was composed of Levi Carter, Chris Hartman, William A. Paxton, C. W. Mead, D. O. Clark, Nathan Shelton, S. E. Locke and W. B. Royal. When first incorporated the capital stock was \$60,000. C. W. Mead was chosen president; Nathan Shelton, secretary, and S. E. Locke, manager. In 1881 the capital stock was increased to \$90,000 and the capacity of the works was increased from 1,000 to 1,500 tons annually. Toward the close of the year 1885 the low price of white lead caused the works to be shut down. In January, 1886, the buildings, etc., were purchased by Levi Carter, who organized the Carter White Lead Company, with a capital stock of \$150,000. Of the new company Levi Carter was president; H. W. Yates, vice president; S. B. Hayden, secretary. It was Mr. Carter's idea that by enlarging the plant and producing larger quantities of white lead, the cost of production could be correspondingly decreased and the works operated at a profit. In 1889 the capital stock was therefore increased to \$500,000 and improvements costing \$60,000 were made, which increased the capacity to over four thousand tons annually.

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At that time Mr. Yates sold his interest to his partners. On June 14, 1890, the works were completely destroyed by fire, but new buildings were immediately erected at a cost of \$200,000, with a capacity of 10,000 tons per year. Two years later the output amounted in value to \$1,000,000. After a successful business for several years the works were absorbed by the White Lead Trust and closed and had not been reopened in September, 1916.

MISCELLANEOUS

Omaha has two factories for the production of ice making machinery, one of which was established in 1915. These two plants ship their machines to all parts of the world and during the year 1915 reported sales of \$404,500.

On January 1, 1891, the firm of Billow & Doup began the manufacture of mattresses and pillows in a small store room on the corner of Fourteenth Street and Capitol Avenue. A fire two years later caused a removal to No. 1301 Nicholas Street. In 1896 L. G. Doup purchased his partner's interest and became sole proprietor. In 1905 Mr. Doup erected a three-story fire proof building and in 1915 a large four-story structure was added, making a total floor space of nearly ninety thousand square feet. This concern used in 1915 over a million and a half pounds of cotton lintel and more feathers than any similar factory west of Chicago. A furniture department has been added, which turns out chairs, tables, settees, davenports, etc., but the mattress feature is still the leading one of the factory, 200 mattresses being turned out daily.

There are two macaroni factories that ship goods to all parts of the East and South. One of these—the Skinner Manufacturing Company—has the reputation of being the largest factory of the kind in the world. Of this company Paul F. Skinner is president; John W. Welch, vice president; Robert Gilmore, secretary. The value of the product of the two factories in 1915 was nearly three-quarters of a million dollars.

Two large ice and cold storage companies—the People's and the Omaha—have a combined capacity of about three hundred tons of pure manufactured ice every twenty-four hours. Each company has two plants. The cold storage plant of the People's Company is at No. 1224 Chicago Street and the ice factory is on the corner of Nineteenth and Williams streets. The old plant of the Omaha Ice and Cold Storage Company at Fifth and Jones streets had a capacity of 20,000 tons of ice annually, and a new plant recently erected at the intersection of Twenty-third and Boyd streets has a capacity of 30,000 tons.

The Bemis Omaha Bag Company began business in the spring of 1887, with a capital stock of \$750,000, as manufacturers of burlaps and cotton bags and dealers in grain bags, twine and cordage. A large five-story brick building was erected on Eleventh Street at the north end of the viaduct and the company soon had a business of more than half a million dollars annually. With the organization of the grain exchange and the increasing importance of Omaha as a grain market, this volume of business gradually grew until in 1915 it amounted to over two millions of dollars.

As a butter producing city, Omaha claims to stand at the head of the procession. Five large creameries turned out in 1915 real creamery butter worth more

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Monday, Mar. 09, 1936

Business & Finance: Split and Up

On Feb. 25 the stock of National Lead Co. closed on the New York Stock Exchange at \$221 a share. On Feb. 26 it closed at \$248.50 and on Feb. 27 at \$288, making a gain of \$67 in two days' trading. The outburst was caused by a 10-to-1 stock split, National Lead offering ten shares of a new \$10 par common for each share of the \$100 common now held. From an arithmetical standpoint, a stock split 10-for-1 should emerge with the new shares selling at one-tenth the price of the old. The market, however, reacted enthusiastically to a split-up which reminded traders of 1929'S happiest days. National Lead also announced 1935 earnings of \$5,261,000, best since 1929, and lead prices were rising in a busy market for the metal.

The Lead spurt was equally remarkable in that only 800 shares changed hands on Feb. 26 and only 625 on Feb. 27, Lead stockholders preferring to keep their stock rather than take their profit. The shares have long been a widows-&-orphans' favorite, a gilt-edge security that has paid at least its regular \$5 common dividend throughou Depression. Only 300,831 shares of common are outstanding and 25 individual holders have blocks of 1,000 shares or more, with these relatively large holdings amounting to about 47,000 shares. Another 58,000 shares ar held by individual owners with less than 100 shares each, and about 110,000 shares belong to investment trusts and other non-individual owners. Nearly half the 9,433 stockholders are women, who own 31 % of the stock.

Formed in 1891 as a merger of several lead fabricators and smelters, and acquiring many a competitor in the course of its long and lucrative life, National Lead is probably responsible for at least half the U. S. output of painters' materials. Best known product is Dutch Boy white lead — paint base made of lead carbonate and lin see: oil. Add more linseed oil, turpentine and drier, and the paint is ready to apply. Add various tinting materials and the white paint assumes any desired color. National Lead aLso makes red lead, used most conspicuously as an anti-rust coating for structural steel. It has a line of lead alloys, particularly Babbitt metal (a lead-tin alloy used in bearings), type metal and solder. It is one of the largest U. S. tin users, with an interest in Simon Patino's Boliviar tin mines and in other tin producers. National Lead has not missed a preferred dividend since 1893, a common dividend since 1905.

Chairman of National Lead is Iowa-born Edward Joel Cornish, 74, thin-haired but still square jawed. From 1882 to 1906 he practiced law in Omaha. One of his clients was Levi Carter, head of Carter White Lead Co. After Mr. Carter's death in 1903, Mr. Cornish became president of Carter Lead, sold the company to National Lead in 1906, ten years later became National's president. In 1933 he moved up to the chairmanship, was succeeded by Fred Mason Carter, who is old Levi Carter's nephew.

Modestly describing himself as "practically on a pension," Mr. Cornish said last week that he was unable to work as hard as he used to, but that his associates insisted upon continuing him in office. According to Pensioner Cornish, the stock split will give Lead many new stock holders, each of whom would be a "walking advertisement." He also said that the world was recovering from the effects of the War, that the only economic disturbance felt in a long time had been the War, so that the only lesson to be learned from that disturbance was the avoidance of future wars. Mr. Cornish spent no time worrying about New Deal policies. "They cannot," said he, "pass legislation any faster than we can adapt ourselves to it."

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Statistics:

Public Company

Incorporated: 1891 as National Lead Company

Employees: 3,600

Sales: \$893.4 million

Stock Exchanges: New York

SICs: 2816 Inorganic Pigments; 2819 Industrial Inorganic Chemicals Nec.

Company History:

NL Industries, Inc. is one of America's largest manufacturers of titanium dioxide pigments, which are used to brighten and add opacity to paints, plastics, paper, textile dyes, and ceramic glazes. The company also produces rheological additives, which control the flow and leveling properties of paints, inks, greases, sealants, adhesives, and cosmetics. Having undergone several reorganizations during its history, as technological developments dictated changes in its markets, NL Industries came under the control of entrepreneur Harold Simmons in the late 1980s.

The history of NL Industries may be traced to 1891, when 25 lead mining and smelting operations, unable to compete with larger manufacturers by themselves, teamed up to form a general holding company called the National Lead Company. The parent organization ensured that each member company's resources were efficiently employed while effectively eliminating competition between the affiliates.

National Lead was primarily a mining company consisting of several dozen lead pits. The company quickly became one of the country's largest producers of bulk refined white and red lead and lead oxides, which it sold almost exclusively to foundries and paint manufacturers. During this time, white and red leads were commonly used in paint, providing a durable and inexpensive covering considered necessary for preserving wooden structures. When mixed with linseed oil, white lead helped the paint mixture hold other pigments; red leads proved the least expensive paints and became commonly used on barns and railroad structures.

National Lead marked several years of steady growth, and, because of its size and the constant demand for lead by paint companies, it withstood the commodity gluts and financial panics that destroyed its smaller competitors. The most serious challenge to the company's survival occurred during the Great Depression of the early 1930s, when most consumers could not afford paint, and demand for lead plummeted.

During this time, National Lead prepared to diversify, using whatever capital it could spare to invest in the rights to titanium mines. Titanium was discovered to have applications as a pigment, producing brighter whites and a clearer base for other pigments than was possible with lead. Moreover, titanium dioxide had applications in the manufacture of paper, denture material, ceramics, and even whitewall tires. National Lead set up a brokerage operation for the new product, becoming the country's largest supplier of the mineral. Thus, by 1934, when the national economy began to recover, National Lead was able to withstand declines in demand for lead and was prepared to take advantage of growth in the titanium market.

By 1939, National Lead had regained earnings stability. The following year, as the country began a modest armament program to meet the growing threat from Germany, titanium paints were increasingly used in upgrading military installations. At the onset of World War II in 1941, titanium was found valuable in strengthening steel and other metal alloys, and the company's chief product came under government control. Since National Lead remained a supplier rather than a mining operation, sales stalled. Nevertheless, at the end of the war, National Lead emerged as the leading dealer in titanium ores. Industrial uses of titanium increased, particularly in equipment for drilling oil wells, die castings, and metal bearings for the railroad and other industries. During this time, National Lead also entered the consumer market for titanium paints, creating a product line under the name Dutch Boy. Dutch Boy paints competed with other brands that contained mineral products supplied by National Lead.

In 1950, in order to strengthen and protect its leading position in the titanium ores market, National Lead entered into a partnership with Allegheny Ludlum Steel. Called the Titanium Metals Corporation of America, this joint venture developed new applications for titanium alloys, produced various grades of the product, and marketed both raw titanium and zinc alloys made with the mineral.

By the 1950s, National Lead supplied roughly 40 percent of the nation's titanium. Alloys made from the metal were used in aircraft, which were produced in tremendous numbers during the Korean War. When aircraft production was scaled back in the late 1950s, sales of titanium were buoyed by demand in the production of missiles and other weapons. Acquisitions during this time included Doehler-Jarvis, a die cast company acquired in 1953, and the R-N Corporation, acquired in 1957.

National Lead decided to widen the scope of its operations to include products useful in drilling for petroleum in the 1960s. The company's line of new products included muds--the lubricants used in drilling operations--as well as the alloys, drill bits, and other assemblies used in burrowing through thousands of feet of earth in search of oil deposits. As a result, National Lead became a competitor of oilfield equipment suppliers like Schlumberger and Halliburton. Moreover, through the Titanium Metals Corporation, National Lead secured access to vast mineral reserves in the United States and Norway, and the company initiated its own mining operations. Thus, National Lead became involved in every aspect of the titanium industry: mining, refining, finishing and, in the case of Dutch Boy, retailing.

By 1964, paints, pigments, and oils comprised 38 percent of National Lead's business. Fabricated lead products, primarily used in the automotive industry, provided 23 percent of revenues, and die castings, zinc alloys, and metal forming dies accounted for 17 percent. Oil well drilling materials and bearings used by the railroad industry contributed the remainder. The company's aggressive acquisition activity helped achieve this dynamic product line, but by the late 1960s, its increased holdings prompted criticism that the company had spread itself too thin.

By this time, National Lead's subsidiaries included: Morris P. Kirk & Sons and Pioneer Aluminum, companies engaged in the production of aluminum products for the aircraft industry; Baker Castor Oil, a farming operation that raised castor oil used in paint and cosmetics; and Enenco, Inc., a partnership with the National Dairy Products Corp., that produced a line of fatty amines for gelling agents used in paints and water softeners, as well as in the textile, oil, and mining industries.

The diversification of National Lead was strategically intended to consolidate as many applications for its products as possible under one management. However, the plan led to an unmanageable diversification of its markets, as National Lead supplied products to oil companies, airplane builders, shirt makers, painters, and cosmetic companies. Investors lost their enthusiasm for National Lead as its profitability began to slide. Once considered a growth company with glowing management, National Lead was finally seen for what it was: an industrial stock.

As a result, investors lost enthusiasm for the company, and profitability began to decline. The company's chairperson, Joseph Martino, curtailed the acquisition policy, and the decentralized management structure the company had maintained since its inception was reformed. Because it derived more than 60 percent of its income from titanium operations, National Lead became NL Industries on April 15, 1971. The following year, the company reorganized its operations, creating five divisions that oversaw operations in chemicals, metals, industrial specialties, pigments, and fabricated products. The company's paint and magnesium unit, including the Dutch Boy enterprise, and its Lake View Trust Savings Bank subsidiary continued to operate independently, in preparation for a possible spin-off.

Perhaps the greatest changes in NL Industries came after 1972, when Ray C. Adam, a former Mobil Oil executive, joined the company's management team. Well versed in the oilfield equipment business, Adam was convinced that this was the one area in which NL might enjoy faster growth. He began an effort to dispose of NL's non-core operations, maintaining that the company had attempted to be in too many businesses at once and that "the only thing NL didn't make was money." Replacing Martino as CEO in 1974, Adam sold off 38 of NL's 79 subsidiaries, including Dutch Boy, the bank, and a citrus peeling operation. He also sold off the company's magnesium and lead businesses, declaring that NL should stand for "no lead."

The sales yielded more than \$400 million, and, with the proceeds, Adam invested heavily in oilfield equipment manufacturing and related services. This proved timely, as the OPEC cartel's 1973 embargo created a worldwide energy crisis that caused oil companies to renew oil exploration on a massive scale.

Central to Adam's strategy was NL's 1976 acquisition of the Rucker Company, a leading manufacturer of oil tools, drill bits, blowout preventers, hydraulic equipment, and drilling muds, for \$165 million. Adam retained NL's metals and chemical groups, which provided steady income that could be used for further investment in the petroleum equipment business.

By 1980, the petroleum services division accounted for more than 50 percent of NL Industries' sales and two-thirds of its profits. The chemicals group, which included titanium products, contributed 30 percent of sales, while the metals operation comprised 24 percent of sales. Under Adam, the company had undergone radical transformations; with 5,000 fewer employees, it was seven times more profitable.

In the mid-1980s, Adam was succeeded as CEO by Theodore Rogers, during a slump in the oil industry that severely affected NL's oilfield support business. Failing to downsize quickly, the company's oil division incurred a \$324 million operating loss, prompting a rapid undervaluation of the company. This undervaluation--along with the clean-up of NL's debt and streamlining of operations facilitated by Adam--created a tremendous opportunity for a corporate raider.

Harold C. Simmons, a relentlessly inventive takeover artist with a brilliant record of acquiring undervalued companies and turning them around, was aware of an unusual company bylaw dictating that the board not consider more than one tender offer at a time, thereby preventing the company's shares from being put into play (a policy enacted by NL to rebuke an earlier bid by Coniston Partners). Simmons purposely triggered NL's takeover defense mechanism by purchasing 20 percent of the company's shares. Rather than amending its policy to accommodate other investors who might have helped stave off the hostile takeover, NL's board launched its own stock repurchase plan and sought a court enjoinder to prevent Simmons from buying any more shares. To fund the repurchase plan, the board issued tracking stock of the NL's chemical operations which traded separately from NL's common shares.

Simmons defeated NL in court, winning the right to buy a majority of the company's shares, and, after only eight weeks, he emerged with a 51 percent share of NL, as well as a 20 percent share of NL Chemicals. Moreover, he achieved this level of control with an investment of only \$250 million, about a third as much as his original tender offer.

The investment vehicle for Simmons' investment in NL was Valhi, Inc., a conglomeration of diverse businesses, such as refined sugar, forest products, hardware products, and fast food chains, that had no obvious synergies with NL. Simmons proposed a merger of Valhi with NL, but was prevented by outside directors from acquiring the 49 percent of the company not already owned by Valhi. Simmons did finally win board approval to spin off the company's oilfield services subsidiary, Baroid Corporation, and redeem the tracking stock of NL's chemical operations. Following the spinoff and redemption, Valhi's ownership in NL was 66 percent. Valhi's control of NL gave Simmons access to about \$1 billion in loans for further acquisitions.

NL's operations were subsequently revamped by Simmons and his management team, which included his long-time associate J. Landis Martin, who became president and CEO of NL. NL was divided into two operating divisions, Kronos, which encompassed the titanium dioxide business, and Rheox, which supplied solvent- and water-based rheological additives for paints, inks, lubricants, sealants, adhesives and cosmetics.

In 1993, NL Industries remained an extremely vital player in the titanium and rheological additive markets. The company established a new titanium dioxide pigments plant at Lake Charles, Louisiana--the first such facility to be built in America since 1979. To help pay down the substantial debt incurred to build the facility, NL negotiated the sale of 50 percent of the operation to Imperial Chemical Industries, PLC (ICI) for \$200 million. Some analysts suggested that further cooperation between NL and ICI might provide new competitive opportunities for NL's titanium operations in Europe, where much of the Kronos division is headquartered.

Principal Subsidiaries: Rheox, Inc.; Abbey Chemicals, Ltd. (Scotland; 70%); Bentone-Chemie GmbH (Germany; 70%); Kronos, Inc.; Kronos International, Inc. (Germany); Kronos-Titan GmbH (Germany); Kronos Titan A/S (Norway); Kronos Canada, Inc.; Kronos World Services, S.A./N.V. (Belgium); Kronos Europe S.A./N.V. (Belgium/Netherlands); Kronos Louisiana, Inc.; Kronos UK, Ltd.; Societe Industrielle du Titan, S.A. (France; 93%); Titania A/S (Norway).

Attachment J-History and Biography

Former Carter White Lead PRP Search Report

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Chapter 11: Finding a Lawyer

The Lead Industry of the United States Under Siege

First thing we do is kill all the lawyers
Shakespeare

Technology is not only the child of science and of consumer desire, but also of other societal influences. What some of these influences are can be discerned by examination of the history of the lead industry in the United States. We will see woven together and then unraveled two main threads: white lead (paint) and lead acid batteries.

I. National Lead's Antecedents

I.A. 1630-1812: Importing Our Lead

The first approximate 250 years of lead consumption in the United States is dominated by white lead paints. Use of white lead paint got off to a slow start as it was frowned upon as vainglorious and frivolous by the early New England Puritan settlers. In 1639 Rev. Thomas Allen of Charlestown New England escaped censure for frivolity of having a painted room by pointing out it was painted before he bought it. Puritans discouraged use of painted woods (Haynes, 1954).

Despite the Puritans, demand for painted wood grew. Pigment was listed as one of the major import items in Boston. In the first half of 1770 2,224 bars, sheets, and casks of lead were sent to Boston from England for the use of local "whitesmiths" (1). A prominent importer of the finished pigment was the trading company Neave and Co. of England, represented by Samuel Neave who arrived in Philadelphia in 1732, specializing in pigments.

By 1767 England was raising taxes on a variety of products and placed an additional tariff on the port duties of white and red lead and other pigments and glasses, in addition to tea). The dependence upon England for a lead source was a significant issue during the American Revolution where church roofs, statues were melted down for bullets. Lead was also smuggled across the English Blockade from St. Eustatius by an enterprising Philadelphian, Blair McClenachan.

The end of the Revolutionary war left the United States no better off with respect to lead supply.

The newly discovered deposits in the Mississippi valley lay in the realm of the French. Lead had been produced there as early as 1690 by Native Americans performing crude smelting of lead for trade with the French (Clark, 1949). Further major deposits were found by La Motte (the Golden Vein between 1715 and 1719) and Philippe Francois Renault (Potosi, Mo. In 1720). Although the Louisiana purchase of 1804 brought these mines into the orbit of the United States, lead was still a major import product (2,500,000 pounds per year between 1801 and 1810) (Haynes, 1954).

With the onset of the War of 1812 these deposits became of heightened interest to the government. Tench Coxe reported in 1812,

Soon after the acquisition of the southern lead mines (The Louisiana Purchase included Missouri) establishments to make pigments of that material were erected in one season sufficient, with the shot factories, to employ that portion of the addition which was likely to reach Atlantic ports. Red and white lead, and patent yellow, are now made in considerable quantities.

I.B. Domestic Production of White Lead and Consolidation as the Lead Trust

Independent Manufacturers 1812-1865

The first of these pigment manufacturers appears to have been John Harrison. As a young man he had been sent from Philadelphia to England study chemistry with Dr. Priestley. While in England he



Figure 11.1. Lead from mines in Galena could be transported down the Mississippi River (initiated with red upper left red line) down to the Ohio River junction and north and east to Pittsburgh.

learned the manufacturing of sulfuric acid using lead-chambers as invented by Dr. John Roebuck in 1746. On return to the U.S. he set up a sulfuric acid manufacturing plant with Samuel Betton in 1792. By 1810 Harrison was not only using lead as a container for the sulfuric acid distillation but had branched into manufacturing of white lead, red lead, litharge, and pigments in oil. His move to pigment production was amply awarded by the rise in prices of pigments as the source of imported pigments dried up during the war. Prices rose from 9.5 to 17 ¢/lb to 21.33 to 33.33 ¢/lb. Harrison expanded pigment production to become Harrison Bros. and Co. until purchased by du Pont 1917.

A second firm opened in Philadelphia in 1811 when Smith began production of white lead. Smith sold the firm to Joseph Richardson in 1813 and the firm was eventually acquired (1819, with a yearly output of 100 tons) by the firm of M. & S. N. Lewis, a commercial descendent of the original firm of Neave which had been renamed in 1771 on the introduction of Mordecai Lewis to the firm of Neave, Harman and Lewis (Haynes, 1954). By 1829 the firm's yearly output was 600 tons, due in part, to replacement of vinegar with acetic acid.

The availability of the Mississippi lead ores inspired one Philadelphia merchant to set about importing pig lead to that city. In 1811 Joseph Herzog

sent his nephew to St. Louis to initiate the trade. Within the same year additional men proficient in the preparation of red lead were sent down the Ohio River. The goal was to supply red lead directly to Pittsburgh glass makers (Figure 11.1) One route to Pittsburgh from St. Louis was down the Mississippi and then up the Ohio. Within the year 3,300 pounds of red lead was produced and within the next year white lead was being produced for shipment to Pittsburgh.

The St. Louis produced red and white lead were in competition with other producers lying to the west of the eastern mountains. Western manufacturers of white lead (lead supplied from the Mississippi valley and transported up the Ohio River) were in a good position to compete with white lead from the east of the Allegheny mountains. In 1910 Pittsburgh already had production of 30,000 pounds of white lead produced by Bielin and Stevenson.

The War of 1812 increased domestic manufacturing by cutting off supply of imported lead and stimulating the growth of the lead industry based on Mississippi Valley ores. In 1815 white lead production moved further west along the Ohio river to Cincinnati, with the opening of the Cincinnati Manufacturing Co. This fledgling industry was further strengthened by the imposition of the first U.S. protective tariffs in April 27, 1816 (Haynes, 1954). These tariffs were imposed in response to demand by farmers. Consumers of farm products were primarily the eastern cities and it was intended that tariffs would strengthen internal production and external marketing of manufactured goods, which, in turn, would increase domestic demand for farm products. Tariffs on chemical products were 7.5%, saltpeter, 15% Prussian Blue, 1\$ per cwt for alum, and 3¢ for red and white lead. Tariffs were raised on red and white lead to 4¢/lb in response to the financial panic of 1819 on May 22, 1824. (See Table I.1 for pigment imports and Table I.2 for early production of white lead).

The tariffs stimulated a wave of new domestic production of white lead with many firms situated on the eastern manufacturing seaboard. Some producers failed (Salem Lead Manufacturing Co. initiated in 1824 and closed in 1825). Others survived into modern times. The Boston Lead Co., begun in 1819, as a manufacturer of lead pipe and sheets expanded in 1831 to include production of red and white lead and litharge, eventually taking over the competing Roxbury manufacturer Norfolk Lead Co. in 1852. In 1825, the

Brooklyn White Lead works were founded by John and Augustus Graham and co-investors Joseph Noyes and George S. Howland. Augustus Graham, in an early episode of industrial spying, took a job as a common laborer in an English white lead factory. From this he found that tan-bark, as opposed to stable litter used in the processing plant, increased white lead production. This led to 66% increase in production by 1840 (Thompson, 1895). This company was the first of those which later merged to be National Lead. Also formed in Brooklyn was the Union White Lead Company in 1830 which began production under Whitehead, Peter, and Isaac Cornell. The company was reorganized in 1841 as the Union White Lead Manufacturing Co. with Whitehead Cornell as president.

Advances in lead manufacturing came from the Great Falls Manufacturing Co. (President Col. Edward Clark) in Saugerties N.Y. (founded 1832) leading to a patent in 1939 for a quick process. This patent is related by geography to an earlier patent by Charles Ripley (also of Saugerties) for white lead production in which the corroded lead sheets were placed on a moving wire cloth which was agitated to remove the lead carbonate dust.

By 1832 there were at least 9 companies manufacturing white lead east of the Allegheny mountains and 4 west. White lead production increased in both the Mississippi Valley and eastern seaboard due to increased production of Galena lead ores. In 1837 Collier White Lead and Oil Company began operating in St. Louis. Lead shot production was the first manufacturing firm in the Carondelet neighborhood of St. Louis. By 1840 lead was being shipped down to New Orleans and back up the Atlantic seaboard for use by eastern producers perhaps spurring the foundation of the Atlantic White Lead Co. of New York, an offshoot of Pollena and Colgate, a glass manufacturer.

By 1845 western lead production reached 54,495,000 pounds at 3¢/lb. Declining prices led to the establishment of a variety of new firms. The U.S. Census in 1850 listed 51 white lead manufacturers.

1865-1884: Horizontal Consolidation of the White Lead Industry

During the Civil War the main source of domestic lead was the Galena district of NW Illinois and SW Wisconsin. These mines supplied 15,000 tons of lead in competition with imports from England and Spain of 40,000 by 1867. Increased production in this

region was spurred by a technological improvement which allowed lead carbonate “dry bone” to be recovered as opposed to tossed as a valueless by-product. Domestic production of lead is shown in Table I.3 (Thompson, 1895). Increases in lead production also included advances in smelting, including precipitation of lead bearing dust from the smelter gas. Producers, having an abundance of material, proliferated so that output exceeded demand. In addition, other products began to make inroads on the white lead market, beginning with titanium dioxide, rutile mineral. Overton, an English paint maker, applied TiO_2 as a protective coating for ship bottoms in the 1870s. Another competitor was zinc oxide, ZnO . With competition from other white pigments and overproduction of lead pigment prices dropped by the late 1870s.

Overproduction of white lead led to attempts to stabilize prices through price structuring horizontally throughout the industry into by the White Lead Association (Eastern producers) and the Consolidated Lead Company (Midwestern producers) in 1879. Failure of these two pools led to attempts in 1884 to bring both Eastern and Midwestern producers into a price control structure through the White Lead Trust. By October 1887 this effort had been superseded by the formation of the National Lead Trust established to control 70-95% of market (DuBoff, 1989). One of 8 nationwide trusts (Standard Oil, American Cotton Oil, National Linseed, Distillers Corporations, American Sugar Refining, American Cattle Trust, National Cordage Association) the Lead Trust began as a horizontally integrated organization, but moved vertically to control supplies and marketing. The trust was headed up by William P. Thompson, formerly of Standard Oil Domestic Products division. Within the year he set up an internal research and development division, consolidated purchasing, and enlarged smelting at Socorro, N. M. At the end of the year National Lead was producing 70% of red lead, 60% of lead acetate, 15% of linseed oil, and was the leading paint producer. It produced <10% sheet lead and other lead fabrication products (Chandler, 1980; Thompson, 1895). The National Lead Trust further consolidated in 1890 as the National Lead Company (in response to the Sherman Anti-Trust Law) and in this reorganization added six other operations (Bradley White Lead, Brooklyn White Lead, and Lenox Smelting Co. of Brklyn; Jewett White Lead, Ulster White and Union White Lead Co. N.Y., City).

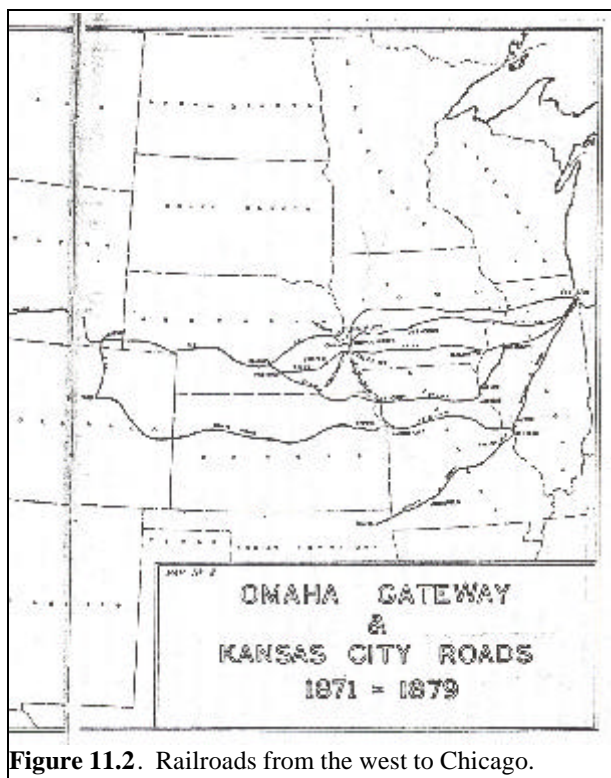


Figure 11.2. Railroads from the west to Chicago.

Chicago and Small White Lead Producers

Because Chicago was on a main transportation corridor it was uniquely suited for White Lead manufacture (Figure 11.2). Eastern bound trains from the west off-loaded at Chicago where Great Lakes Shipping and eastern train companies competed for freight (Figure 11.3). It became apparent there was a cost benefit to bringing the raw lead to Chicago because it was to be off-loaded anyway. Once in Chicago cheap labor could be used, as compared to labor further west, to produce a final product. Furthermore access to capital was easier.

During the 1880s several small firms established white lead production in Chicago. One such company was Southern White Lead located at 900 W. 18th street. This property was originally subdivided by Thomas L. Barrett in 1880 and sold to William H. Gregg in 1887 who in turn made a quit claim on the property to South White Lead Co. in 1891 (Fitch/Cook County Clerk's Office). The company did not exist long as an independent operation because it was quickly passed on to National Lead. National Lead Trust had reorganized as the National Lead Co. the year prior and was consolidating its dominance of the U.S. white lead

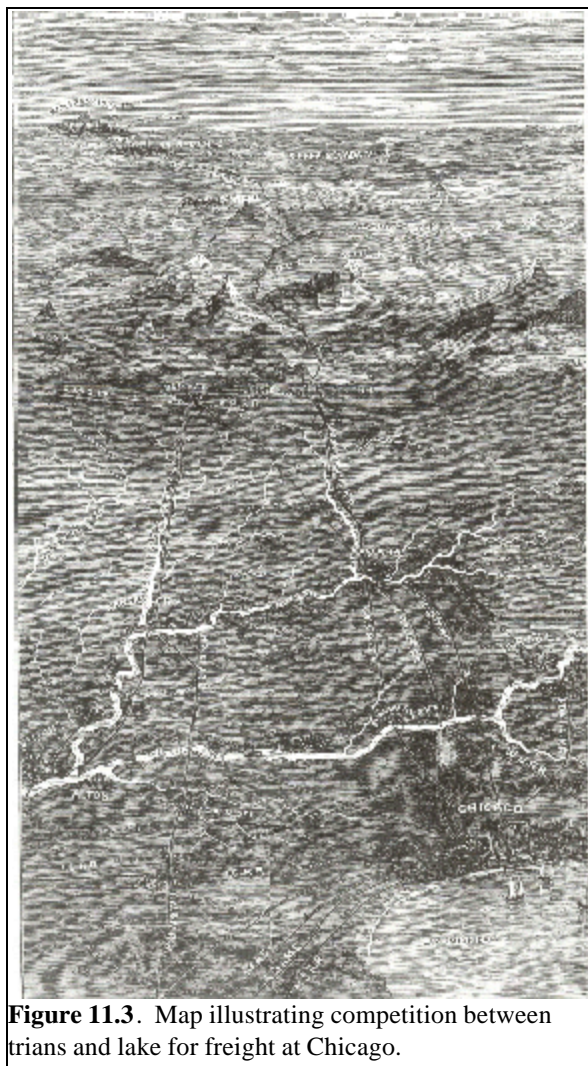


Figure 11.3. Map illustrating competition between trains and lake for freight at Chicago.

production. The real estate intermediary was Charles G. Bowen in November and December of 1891. The factory continued to operate. National Lead was noted as owner in 1907.

Bowen also arranged the sale of D. B. Shipman White Lead on S. State street to National Lead (Fitch/Cook County Clerks Office). The property was first subdivided in 1873 and passed through the Potter Palmer family. In 1888 Alfred Trude sold the property to D. B. Shipman White Lead. In Dec. of 1891, D.B. Shipman White Lead was sold to Charles Bowen who passed the property on to National Lead. This property passed from the hands of National Lead in 1918. In the boom 1990s it was converted into luxury condominiums.

Eagle-Picher had a site in Chicago by the rail-



Figure 11.7: Randolph St. in Chicago, 1899, looking East. On the right side are the premises of C. T. Reynolds & Co. The site of the lead paint business in 2002 is the Chicago Theatre (Figure 11.8).

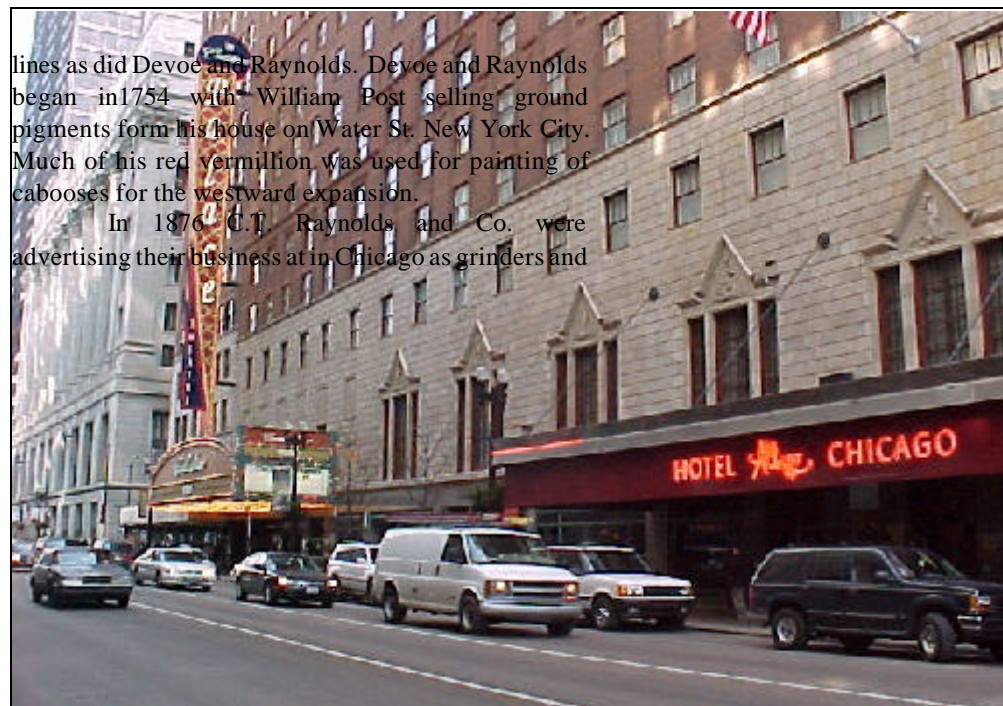


Figure 11.8. The C. T. Reynolds site in 2002. The re-use of old, potentially, contaminated sites, depends very much upon their perceived location value. In this case a highly desirable location resulted in continuous site occupation.

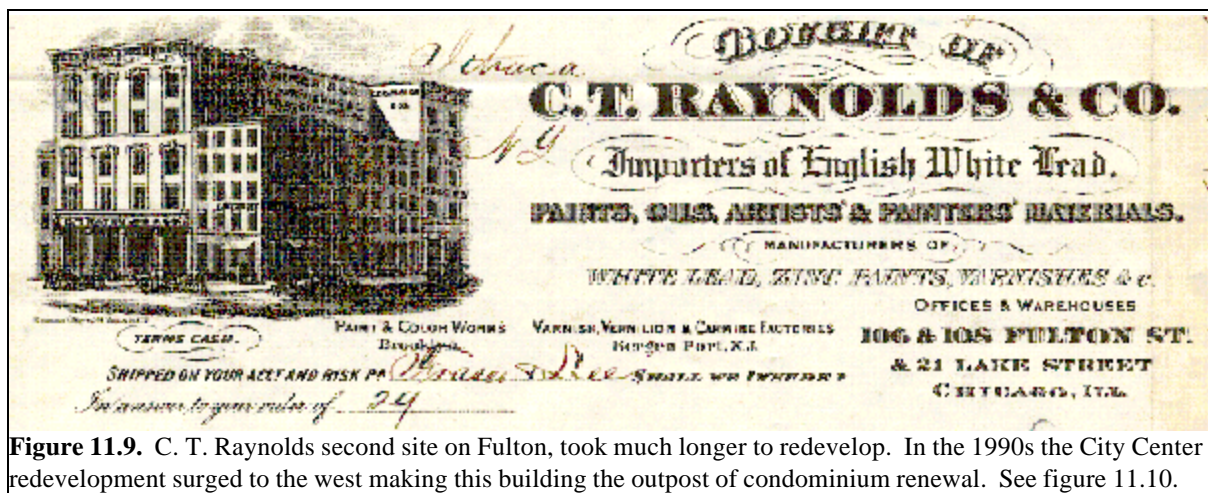


Figure 11.9. C. T. Raynolds second site on Fulton, took much longer to redevelop. In the 1990s the City Center redevelopment surged to the west making this building the outpost of condominium renewal. See figure 11.10.

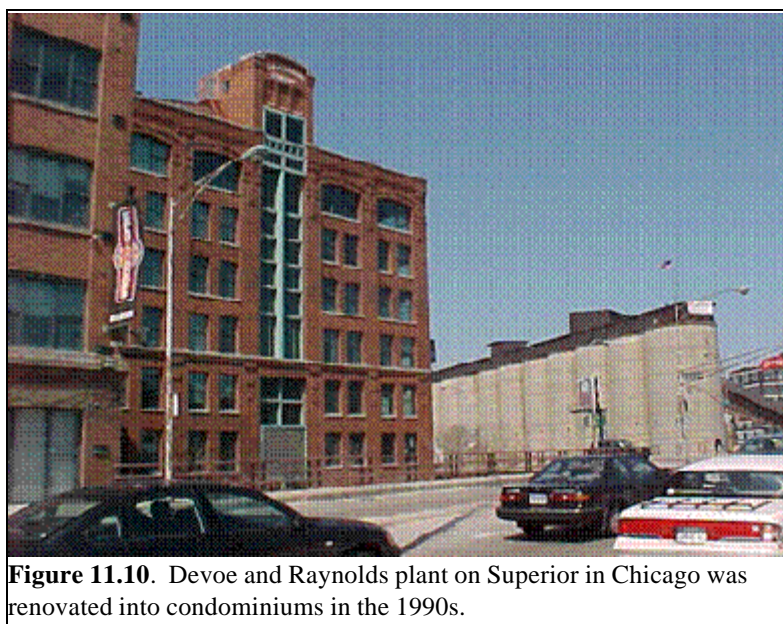


Figure 11.10. Devoe and Raynolds plant on Superior in Chicago was renovated into condominiums in the 1990s.

importers of White lead and Zinc (Figures 11.7 and 11.8). One site of their business was near the Cook County Courthouse. Raynolds eventually morphed into Devoe and Raynolds, the preferred paint of the artist Pollack. The Devoe and Raynolds plant in Chicago, located conveniently close to rail and water access was renovated into condominiums (Figures 11.9 and 11.10).

Escapees (for a while at least) from the National Lead Company

By 1890 National Lead Company included all of the leading producers except four major producers: Carter of Omaha and Chicago, Wetherill and Brother of Philadelphia, Eagle White Lead Company of Cincinnati and W. P. Fuller and Co. of San Francisco. Also not incorporated was the paint company of Sherwin-Williams, founded in 1866 by Henry Sherwin and Edward Williams.

The ***Wetherill Co. (Philadelphia)*** traces its roots to 1775 when Samuel Wetherill, apprenticed to a carpenter at 15, marrying the master's daughter set up a factory for weaving jeans, which led him to dyes and chemicals (9 South Alley (Commerce street), Philadelphia). By 1785 this company was known as Samuel Wetherill & Son, "druggists, oil, and colormen".

In 1804 the company built its first white lead plant at Broad and Chestnut Streets, Philadelphia.

During its construction the local agents of British manufacturers repeatedly warned them against this venture, saying frankly that they had orders to cut prices and drive them out of business. Shortly after the plant was completed it was destroyed by fire, and the next day an Englishman, who had openly foretold the ruin of the Wetherills' white lead enterprise, sailed for England followed by strong suspicions of incendiarism. It was four years before the plant was rebuilt and then at a new location at 12th and Cherry streets. Once it was in production, the importers made

good their threats by cutting prices and waging a

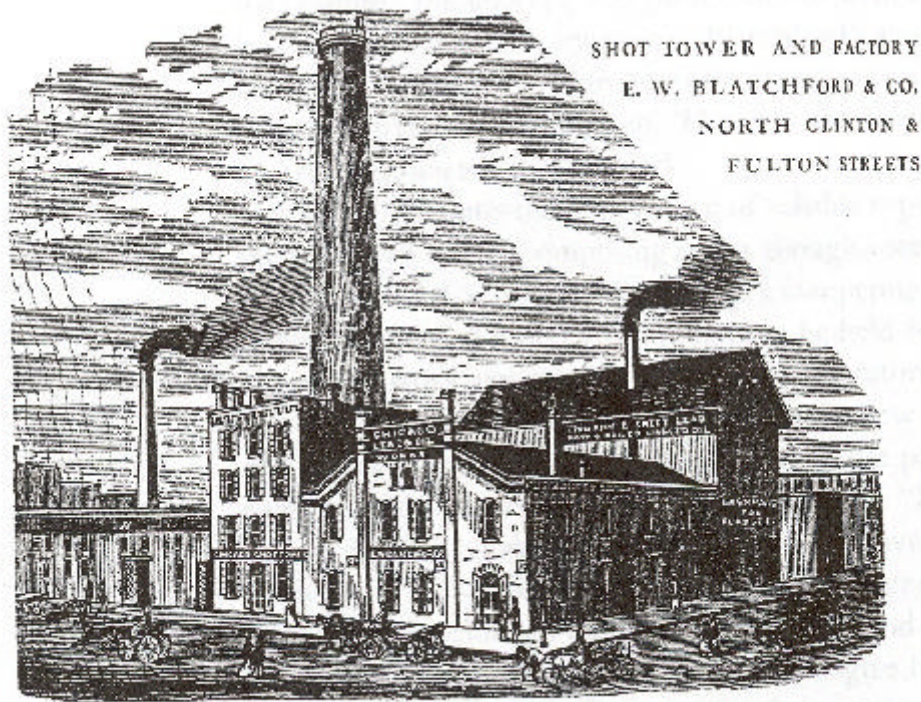


Figure 11.11. The Chicago Shot Tower of E. W. Blatchford.. The Chicago Shot tower went out of production in the early 1900s. Despite attempts to redevelop the land it lay unused until the 1990s. See Figure 11.12. As part of the development process a lien was placed on the property by various environmental consultants.

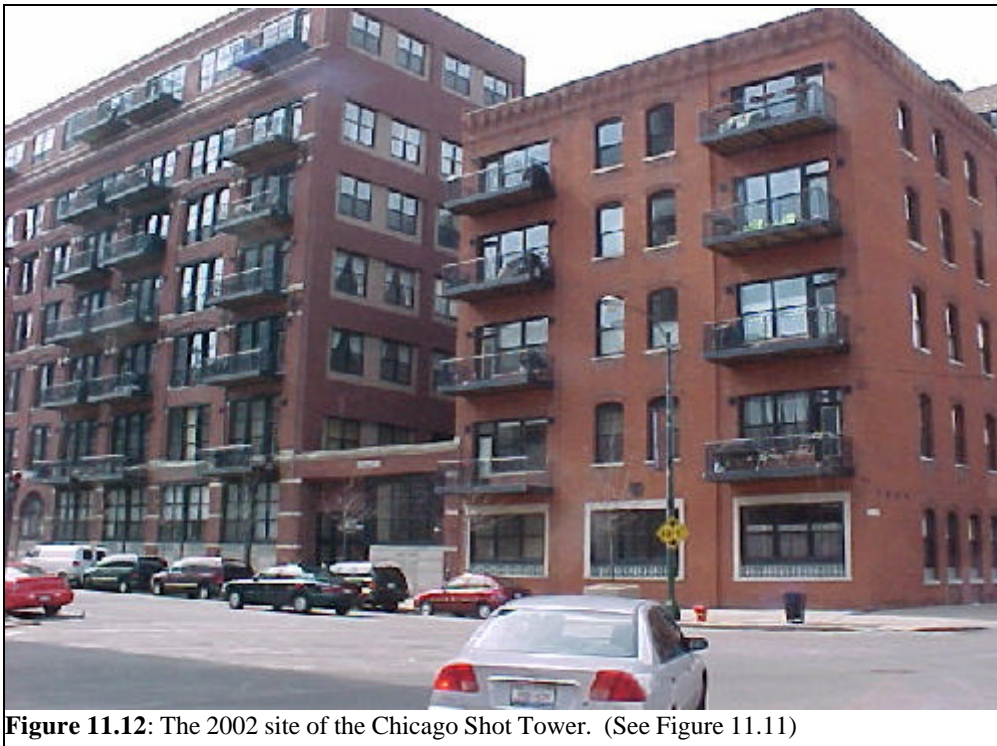


Figure 11.12: The 2002 site of the Chicago Shot Tower. (See Figure 11.11)



American product. These attacks stopped abruptly with the outbreak of the war (of 1812) which cut off all imports from Britain but also brought in domestic competition.

By 1812 Samuel Wetherills, Sr. and Jr also embarked on the production of sulfuric acid. Apparently working conditions were less than salubrious for the Wetherill & Bro. Plant at West Philadelphia was described as “a cross between the Eastern Penitentiary and the monastery of St. Bernard on the slope of the Alps.” An accidental discovery of a new process for ZnO by a workman, Mr. Burrows of Passaic Chemical Co. in 1865 was identified by Col. Wetherill and incorporated into production by the Gilbert, Wetherill, Baxter, and Co. at South Bethlehem, Penn.

Philanthropy and Lead: A Chicago Story

Eliphalet Wickes Blatchford was born in Stillwater, N.W., May 31, 1826. His father moved the family west in search of a healthy residence for his mother. Blatchford graduated from Illinois College in 1845. A brief stint as a law clerk in the east left him ill. After recovering from his illness he traveled to Chicago, St. Louis, and Galena, Illinois to look into opportunities in the lumber, lead, retail, and wholesale merchandising businesses.

His father and grandfather each advanced him \$10,000 as capital to buy into the lead pipe business with Mr. Kenneth McKenzie in St. Louis. He went east to purchase the instrument and learn its use. On arriving in St. Louis he found his potential partnership had failed so he began on his own. He obtained publicity through supplying pipe to run the telegraph wires connecting the east and St. Louis across the Mississippi River. He also stamped the bars of lead for hunters with their own name.

In 1853, Blatchford bought out J. W. Roberts Company and formed a partnership Blatchford and Collins. This company dominated many of the lead enterprises west of the Allegheny mountains. After the railroad arrived in Chicago, Blatchford moved to establish a branch there, eventually dissolving the St. Louis partnership. The Chicago company was known as E. W. Blatchford and Co. and was located at N. Clinton St. A four story building was erected in 1856 and the company did well enough that they survived the financial panic of 1857. A fire in 1859 destroyed the original building which was re-erected.

The company was also known as Chicago Lead and Oil Works. The products produced were lead pipe, sheet lead, bar lead, pig lead, shot, bullets, linseed oil, oil cake, and white lead.

Linseed oil was supplied as part of the entire white lead process. Oil cake was the byproduct of linseed oil manufacture and it was sold throughout the United States and England as stock food. It was also sold as Blatchford's Dog-Ration (Figure 11.11 and 12).

The business prospered in part because of transportation routes from principle ore of Galena. Blatchford purchased over 12,000,000 pounds of pig lead between 1860 and 1872 as part of his contract to supply the Navy with wire lead for automatic bullet

machines. During this same period Blatchford erected the Chicago Shot Tower, which was the largest structure in the city (Figure 11.12.).

The Big Shot-Tower. High above all the surrounding factories and dwellings, even above the tallest chimneys, standing like a sentinel over the fork of Chicago's river, may be seen what is popularly known as "Blatchford's Shot-Tower". This structure was erected in 1867, being of the usual rigid simplicity of its kind over 200 feet high.

After the war Blatchford diversified both his products and his interests. The introduction of the Colt automatic during the war reduced some of the demand for shot tower products and iron pipe began to replace lead for a number of applications. Blatchford expanded his business in the area of white lead, linseed oil, oil cake, and type metals for the nascent printing industry.

Blatchford worked directly with the Mergenthaler company to supply lead alloys of specific composition for each type of composing machines. Linotype used a 85:4:11 lead:tin:antimony while other type used variable proportions of antimony. Blatchford's grandson writes (Blatchford, 1962):

A story illustrates the importance of the reliable type metal. The foreman of the Brooklyn Eagle's composing room, though a steady customer of Blatchford type metal, was persuaded to buy a competing product to save money. The manager had ordered the presses to be held for an expected "scoop". When the story arrived and the linotype operators sat down at their keyboards, the machines became jammed by the new substandard metal. The result was a costly delay in all editions of the paper and the immediate replacement of the faulty metal with the reliable "Blatchford."

In the 1880s Blatchford (Figure 11.13) became more interested in civic responsibilities. He was a member of the Chicago Sanitary Commission which approved reversing the flow of the Chicago River to send the city sewage down to the Mississippi instead of into Lake Michigan. In 1887, he helped found the Newberry Library. He was also a member of the board of trustees of the Field Museum.

Three years later he sold the Chicago Shot Tower to the American Shot and Lead Company. This later company was set up in competition to National Lead and was attempting to consolidate all non-white

lead lead business.

In 1897 Blatchford helped found and open the John Crerar Library. In 1900 he joined with other firms in the United Lead Company, another attempt to compete with National Lead for non-white paint lead business.. The Shot Tower reverted to Blatchford in 1903 and then sold to United Lead Company. In 1906 the National Lead Company acquired the United Lead Company.

The property of the Shot Tower remained with heirs of Blatchford and went into receivership in the Depression. During the boom of the 1980s and 1990s the property was converted into luxury lofts (Fitch/Cook County Clerk's Office).

The *Eagle-Picher (Cincinnati)* company traces its roots to 1843 when Eagle White Lead was founded to produce paint pigments (Eagle-Picher, 2000) (Figure 11.14). The Eagle White Lead Co. remained intact from the consolidations of the white lead industry by National Lead and was alive and kicking and fighting freight costs from its western suppliers in 1911 (United States, Commerce Court, Decision no. 6, May session, 1911: The Eagle White Lead Co., et al, petitioners v. the Interstate Commerce Commission, the Cincinnati, New Orleans & Texas Pacific Railway Co., and The United States, respondents, July 20, 1911).

By 1915, this company was vertically and horizontally consolidating with producers of a competitive material, lead sulfate, known as sublimed white lead. Sublimed white lead appeared, by accident, in 1876 at a Zn smelter in Bethlehem Penn.. It was in production in Joplin Mo. by the end of year, as part of a cluster of lead related industries, including that of the Picher family of Joplin, which formed the Picher Lead Mining Co. The sublimed white lead of Joplin is reorganized as Picher Lead Company of Joplin in 1888 with this company joining forces with Eagle White lead in 1916 to become the Eagle-Picher Lead Company. The new company was capitalized for \$10,000,000 and operated the Picher plant at Joplin and a new plant at Galena, Kansas. In 1928 Eagle-Picher extended its mining operations with the subsidiary Consolidated Lead and Zinc Co. purchased for \$400,000 the holding of Domado Mining Co., (Haynes, 1954). Production of white lead at Cincinnati as well as lead oxide at Newark continued.

Diversification of the company began in 1945 when Eagle-Picher started Eagle-Picher Minerals, Inc. EPMI began production of diatomaceous earth products in Nevada marked under the Celatom

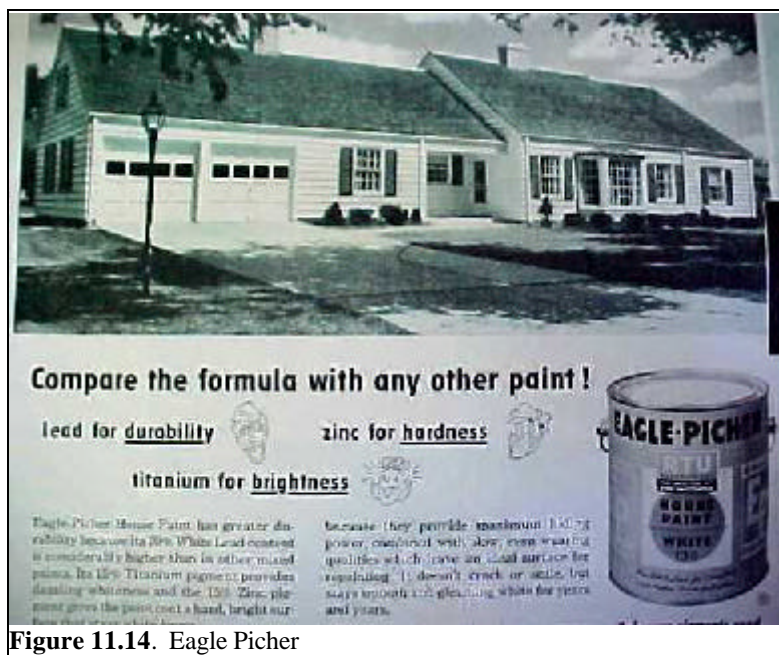


Figure 11.14. Eagle Picher

trademark. In 1966 Eagle-Picher Lead Company became Eagle-Picher Industries, Inc. to reflect its ongoing expansion into a wide and diversified group of industries: 57 plants in US, Germany, Great Britain, Spain and Mexico with 6,500 employees. Products included rechargeable, valve regulated, lead-acid batteries for use in either cyclic or stand-by power conditions. Also manufactured were lithium thionyl chloride batteries which serve as a primary power source in a variety of microprocessor applications. Some of the product names in 2000 were Carefree CF batteries, Carefree Magnum extra Capacity batteries, High efficiency batteries, Keeper II lithium batteries.

The Cincinnati Industrial Machinery subsidiary, located in Sharonville, in 2000 specialized in high-volume cleaning and finishing systems and claimed to be recognized as the world leader in the design and manufacture of two-piece can washing, coating, and drying machinery. Eagle Picher Technologies, LLC and Diehl Stiftung and Co, further diversified as a joint venture as Diehl & Eagle Picher GmbH for military batteries: nickel hydrogen space; silver zinc, nickel cadmium, sealed lead acid, lithium thionyl chloride. A further subsidiary is Eagle-Picher Environmental Science and Technology (Miami, OK.) which provides sample containers for environmental sampling of industrial, pharmaceutical, municipal, waste water, drinking water and hazardous waste samples.

Carter Lead company held out against

National Lead in the 1890s (Budka, 1992). Carter Lead had its antecedents in the Adams White Lead of Baltimore and in the Omaha White Lead Co (Figure 11.15). The Omaha White Lead Co. was formed Dec. 28, 1877 by Charles W. Mead and Charles B. Rustin, directors of the Omaha Smelting and Refining Company, and Levi Carter, a former overland freight shipper and Union Pacific contractor (Figure 11.2 ((Grodinsky, 1962))). The company had a capital stock of \$60,000 with a funded debt of \$40,000. The Adams White Lead of Baltimore was holder of the 1874 Adams patent which increased lead carbonate production by the spraying of lead pellets into the corroding chamber. The small pellet size created a large surface area for aerial attack by acetic acid and carbon dioxide, increasing the rate of production drastically. The Adams company also introduced application of

additional heat (not supplied by the composting manure or bark). Addition of heat dropped production from 8 to 3 days (Haynes, 1954). With the fall in lead pigment prices the Adams White Lead Co. of Baltimore failed and the patent was purchased by Carter in 1885. Carter bought Omaha White lead and renamed it Carter White Lead (Figure 11.16). At the time of the rise of National Lead, Carter White lead was the leader of independent producers of white lead.

A fire at the Carter Omaha plant in 1890 lead National Lead to offer Carter \$500,000 to quit the business. Carter instead rebuilt a new plant with a capacity of 10,000 tons/year. In 1893 67% of his product was shipped east of the Mississippi River. Shipping east of the Mississippi river involved transfer of merchandise from trains terminating from the west in Chicago to trains eastern train lines terminating at their most western point in Chicago (2) (Figures 11.2 (Mayer and Wade, 1969) and 11.3 (Stover, 1978))). No single railroad operated simultaneously on either side of Chicago. Trains operating to the east of Chicago had to deal with competition from Great Lake shipping during the spring and summer months. This changed their strategy in pricing and offered shippers both from the east passing through Chicago to the west (and vice versa) the ability to unload in Chicago and take advantage of seasonally lower prices. This produced a self fulfilling drive to increase traffic into Chicago (thus increasing railroads) thus increasing competition

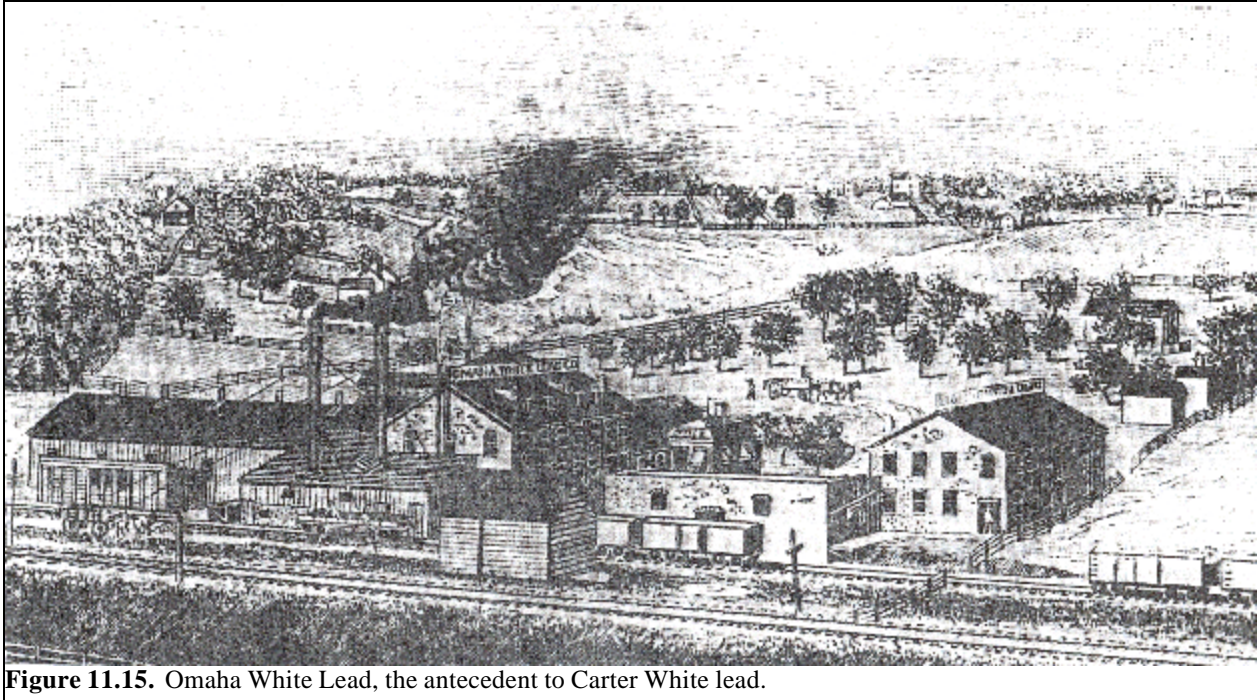


Figure 11.15. Omaha White Lead, the antecedent to Carter White lead.

(Porter, 1915; Ripley, 1912; Stover, 1961).

The price structure of western Chicago bound raw materials also favored carrying the raw material long distances. Because of the fixed costs associated with building the railroads price structures were made to, at times, reflect the least loss of money. Since the labor associated with loading and unloading remained the same, but the income was generated by the mile there was an incentive to set price structures for the longest available shipping route.

Freight structures favored shipping of raw western material to Chicago in order to fill train cars that had been filled with manufactured goods for the western market on their return trip. Also driving final manufacturing east from the source of raw material was a cheaper laborpool and fuel costs in Chicago. By 1893 Denver Pueblo and Salt Lake City smelters were shipping bullion to Missouri and Illinois for smelting .

In 1893, therefore, Carter built a new plant in West Pullman (now part of Chicago, Ill) located on the Blue Island Branch of the Illinois Central Railroad. The plant was completed in 1896. In 1899 Illinois central completed a straight through line from Omaha to West Pullman and Carter closed out Omaha production as wages in Chicago were approximately \$47.30/week.

In 1903 Carter died and long time associate E. J. Cornish was elected to the presidency of Carter Lead. Cornish expanded Carter White Lead and reopened the

East Omaha plant. By 1906 Carter White Lead could

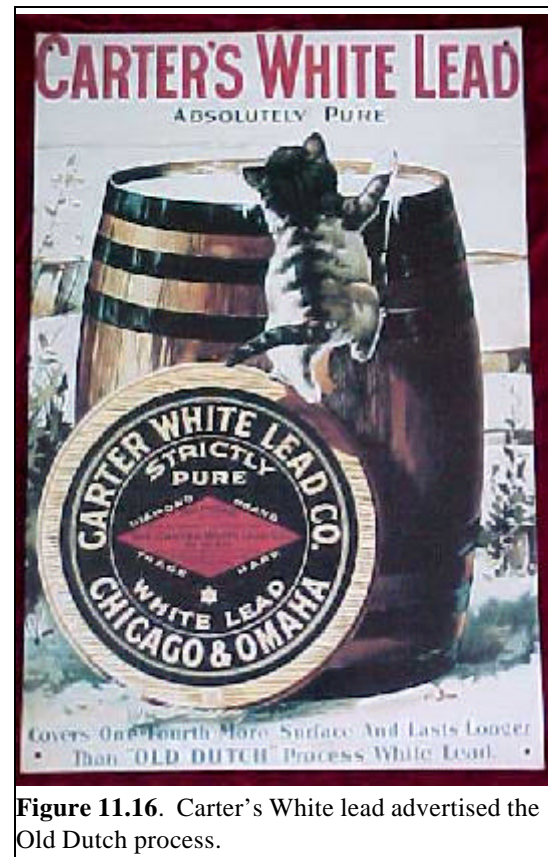


Figure 11.16. Carter's White lead advertised the Old Dutch process.

meet nearly ½ North American demand for white lead. During the two year period E. J. Cornish presided over Carter White Lead he invested heavily in the National Lead Co. with money from Carter White Lead and from Carter's widow. He purchased no less than \$41,050 in National Lead stock.

Attempts to Fully Integrate ALL ASPECTS of the Lead Industries

Other Lead Consuming Industries (1886-1903)

By the 1990s there were three major outlets for processed lead aside from shot works and lead pipes. These included the white lead pigments (outlined above), printing, and battery manufacturing. The bulk of the lead industry was being referred to as the Lead Trust and it was alleged that the Lead Trust was price setting value of lead artificially above the world market

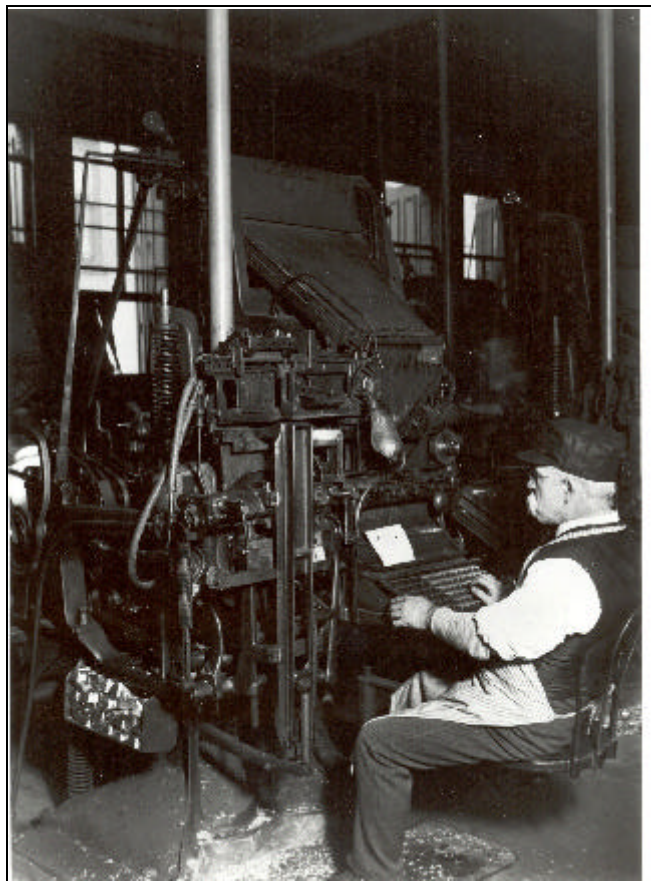


Figure 11.17. Typesetter at work. Note the lead debris at his feet.

(MacBeth, 1900).

Printing Companies

Among the printing companies was the National Typography Company organized in 1884 using Ottmar Mergenthaler's linotype patents. Linotype was an advance on monotype in that a whole line of letters could be cast in lead, tin, antimony alloy. In 1886 the Mergenthaler Printing Co. was created with a capital of \$1,000,000 to market linotype machines which were capable of producing more than 8,000 ems of solid matter per hour. Whitelaw Reid was appointed President and General Manager. Reid stepped down in 1889 to assume the position of U.S. Minister to Paris. In 1891 plans were made to reorganize the company once again as the Mergenthaler Linotype Co. of N.J. with capital of \$5,000,000 of which \$1,000,000 common stock would remain in the treasury for future use. Mergenthaler "claimed that one million of the new stock was soon sold to a syndicate, including D. O. Mills and Ogden Mills (respectively father-in-law and brother-in-law of Whitelaw Reid) for about one-third of its face value". In 1892 the National Typographic and Mergenthaler Printing companies were integrated into the Mergenthaler Linotype Co. in order to deal with issues of insufficient capital (Kahn, 2000).

Lead Acid Batteries: Beginning

The second growing market for lead was the lead acid battery. In 1859, Planté discovered the lead storage battery. By 1881, antimony was being added to the lead acid battery to stabilize the porous lead oxide films improving battery performance. The battery was being experimentally added to boats and carriages with an eye to auto-motive transport. One such entrepreneur was engineer Hiram P. Maxim (factory superintendent of American Projectile Company) who was interested in a motorized bicycle. In 1895 he approached the Pope Bicycle company (established 1878 by Col. Albert A. Pope in Hartford). Pope agreed

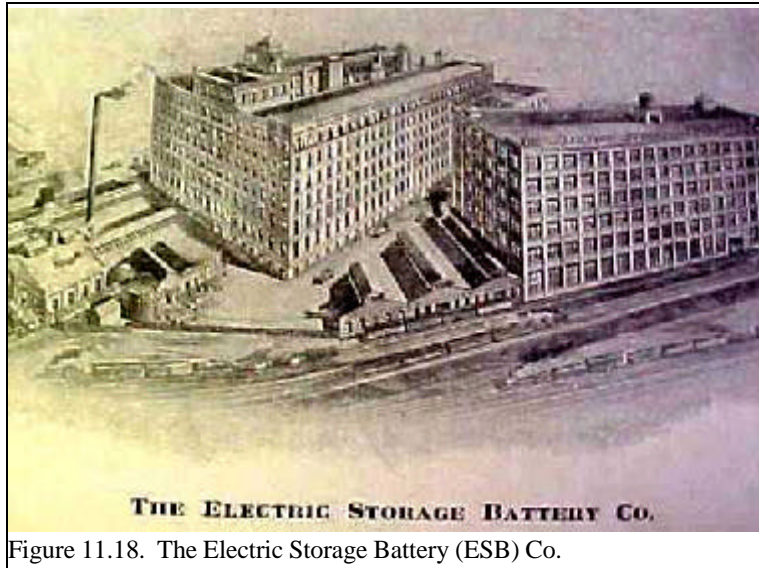


Figure 11.18. The Electric Storage Battery (ESB) Co.

to the proposition but favored use of the electric powered version of the motorless vehicle. Pope felt that the noise and dirt associated with the gasoline powered vehicle would make it a non-starter in automotive industry.

By 1896, Pope Manufacturing had to contend with rival electric car companies (Henry G. Morris and Pedro G. Salom founded the Electric Carriage and Wagon Co) and with advances in the gasoline powered car. A patent that Selden had applied for on a two stroke piston model in 1879 was finally granted in 1895. Despite these obstacles Pope mounted it's first public run of the electric carriage in Hartford in 1897.

Competition increased in the same year when Isaac L. Rice (founder of the Electric Storage Battery (Figure 11.18). in 1895 (Greenleaf, 1961) bought the Electric Carriage and Wagon Company to create a partially vertically integrated field (producer of batteries, producer of electric vehicles, and operator of electric vehicles). By January he placed 12 electric taxi cabs running at 6-10 miles hour on the streets of New York City. In that year Rice reorganized the company into the Electric Vehicle Company (incorporated in New Jersey), paid-in capital of \$3,000 with authorized stock of \$10,000,000. By 1897, electric carriages were cruising up to 40 miles on a new battery and 18 miles on a recharged battery. They were quiet and clean and were the choice of the first consumers in the market (upper class horse and carriage set). 7,500 exide lead plates were being used in batteries with the number increasing to 46,000 in 1898. Batteries could be recharged (requiring skilled workers) or changed in 30

s (requiring several men). Each storage unit weighted 1,200 pounds ($\frac{1}{2}$ of total electric cab weight of 2,600 lbs.) Rice had 100 electric cabs in service at end of 1898 supported by network of charging stations. Cost was \$0.30/mile compared to horse drawn carriage of \$0.50/mile. The electric cabs received an enormous boost when in 1899 a snowstorm stalled not only city streetcars but the "normal" horse-drawn cabs. Electric cabs moved along easily on sidewalks causing stock prices in Rice's company to increase.

Transportation Franchises.

Rice's example indicates the market for lead acid batteries was limited to an elite horse and carriage group and taxi cabs. Mass transit afforded significant opportunities for monopolization in part due to it's enormous

market within the urbanizing cities as transport for the workers, and, in part, due to the corruption that went along with the granting of rights to run transportation lines on city property. Nowhere was this corruption more pervasive than in New York City.

The source of patronage for New York City was Tammany Hall. The antecedent of Tammany Hall was the Society of St. Tammany founded in 1789 by William Mooney, an ex-Revolutionary soldier as a counterbalance to the British leaning Sons of Saint George. The society was named for Tamanend, a Delaware Indian Chief famed for wisdom, benevolence, and love of liberty. The society was particularly against the granting of voting rights to property owners only and against the special recognition of first born sons. In this they were identified as Jeffersonian Democrats as opposed to Alexander Hamilton Federalists.

(John Jay's slogan: "Those who own the country ought to govern it."; Alexander Hamilton: *All communities divide themselves into the few and the many. The first are the rich and well born, the other the mass of the people. The voice of the people has been said to be the voice of God; and however generally this maxim has been quoted and believed, it is not true in fact. The people are turbulent and changing; they seldom judge or determine right. Give therefore to the first class a distinct, permanent share in the government. They will check the unsteadiness of the second, and as they cannot receive any advantage by a change, they therefore will ever*



Figure 11.19. Whitney, Political power behind Grover Cleveland, Secretary of the Navy, and architect of the lead industry integration.

maintain good government.).

The first leader of Tammany Hall was Aaron Burr. Burr helped swing the 1800 election to Jefferson who awarded Burr and Tammany Hall with patronage slots. By 1805 the Tammany Benevolent Society was incorporated. In 1852 William Tweed of Tammany Hall was elected New York City Alderman and corruption sailed to new heights. Tweed and his Tammany Hall group raised the city and county debt from \$29,000,000 in Jan, 1869 to \$101,000,000 in Aug. 1871. A common tactic was to require all vendors to take a 100% surcharge to the cost of work, with the surcharge to be

kicked back to Tweed and his ring.

The fight against corruption was lead by the legal department under the direction of William Collins Whitney. What follows is a short biography of Whitney derived from the work of Mark D. Hissel's *William C. Whitney; Modern Warwick* of 1969, Figure 11.19.

Whitney, born in 1841 to a northern cotton mill processing family, went to Yale at the age of 18 where he was classmates with Oliver Payne, his future brother-in-law (future leading director of the Standard Oil Trust), and Henry Farmham Dimrock. While his disgust of the Democratic corruption of Tammany hall might have lead him into the Republican party the capture of the Republican party, by free-soilers and abolitionists kept him within the Democratic orbit due, in all likelihood to his father's commercial interests. In 1863 Whitney gave a graduation address at Yale against the Civil War, immigration, and universal suffrage after which he moved on to Harvard Law School. Dimrock, his childhood friend, at that same time went to Nova Scotia where he worked a lead mine financed by Whitney. The mine eventually petered out leaving Whitney "stuck with the devilish stuff".

In 1865 Whitney joined the bar of New York, specializing in receiverships and trusts. He primarily represented investors in corporate litigation. In 1869

he married Flora Payne, sister of Oliver Payne. During this time period he worked to advance his political career by joining the N.Y. City school board as a Democrat dedicated to reform from within (against the "boss" rule of Tammany Hall, then lead by Tweed). The "fight from within" served to split the Democratic vote and allowed Republicans capture the mayoralty. In response, the reformist and Tweed branches of the party temporarily reunited, ultimately leading Whitney to the position of New York City corporation counsel in 1875 (Hirsch, 1969). In this position he attempted to recoup millions from Tweed. He also worked to prevent claims against the city for fraudulent work OK'd by

Tweed. His other work involved in approving franchise agreements of the city, particularly those of the city with railroads from 1877-1880.

During this time Whitney further immersed himself in national politics, working in 1876 to support New York's favorite son, Tilden, in his presidential bid. Tilden won the election both by popular and electoral votes, however, Republicans bribed Florida and Louisiana Democrats to their side by promising the end of federal troops stationed in the south for Reconstruction after the Civil War. Hayes resumed specie payment (gold upon demand) for Lincoln's "greenbacks" which had value only by the promise of the government. The gold standard was preferred by big business as a means of facilitating international trade. Populists wanted government to issue unlimited money based on faith in government. The fight for a monetary standard based on gold, silver, or paper had important implications for the finances of the silver mining and associated lead mining industries.

Further attempts to gain control of the Democratic party in New York City were made as the County Democracy was founded in 1881 by Abram S. Hewitt, Hubert O. Thompson and William W. Whitney.

The reformist County Democracy was able to swing votes behind Cleveland's nomination for Governor of New York as a Democrat. Most pertinently for the lead story, Whitney resigned as N.Y. City Corporate counsel on Nov. 6, 1882. At this point in his life he had intimate contacts with standard oil (his brother-in-law, Oliver Payne), with lead mining (Henry Dimock), and expertise in transportation and city franchises.

His interest in city franchises was sharpened when in 1883 T. F. Ryan and 6 others incorporated the N.Y. Cable Railway Co., Inc., under the State Rapid Transit Act of 1875 and brought Whitney in for his expertise. Competition was mounted by Jacob Sharpe the following year. Sharpe was pressuring the New York State Legislature to change the format of the general railway bill. The Ryan group with Whitney came into direct conflict with Sharpe's group when Sharpe obtained the franchise for 5th Ave. by bribing 15 of 17 "Boodle" aldermen. His franchise request succeeded by paying out full cash while Whitney's group was to pay ½ in cash and ½ in bonds which were too easily traced. The franchise, worth \$1,000,00/year, was to pay the city \$40,000 year. In response, Ryan and Whitney initiated a state investigation of the contract. By 1886 Sharpe sold 10,000 shares of his company to Ryan and Whitney at \$2,925,000. This did not stop the investigation but did leave Ryan and Whitney in

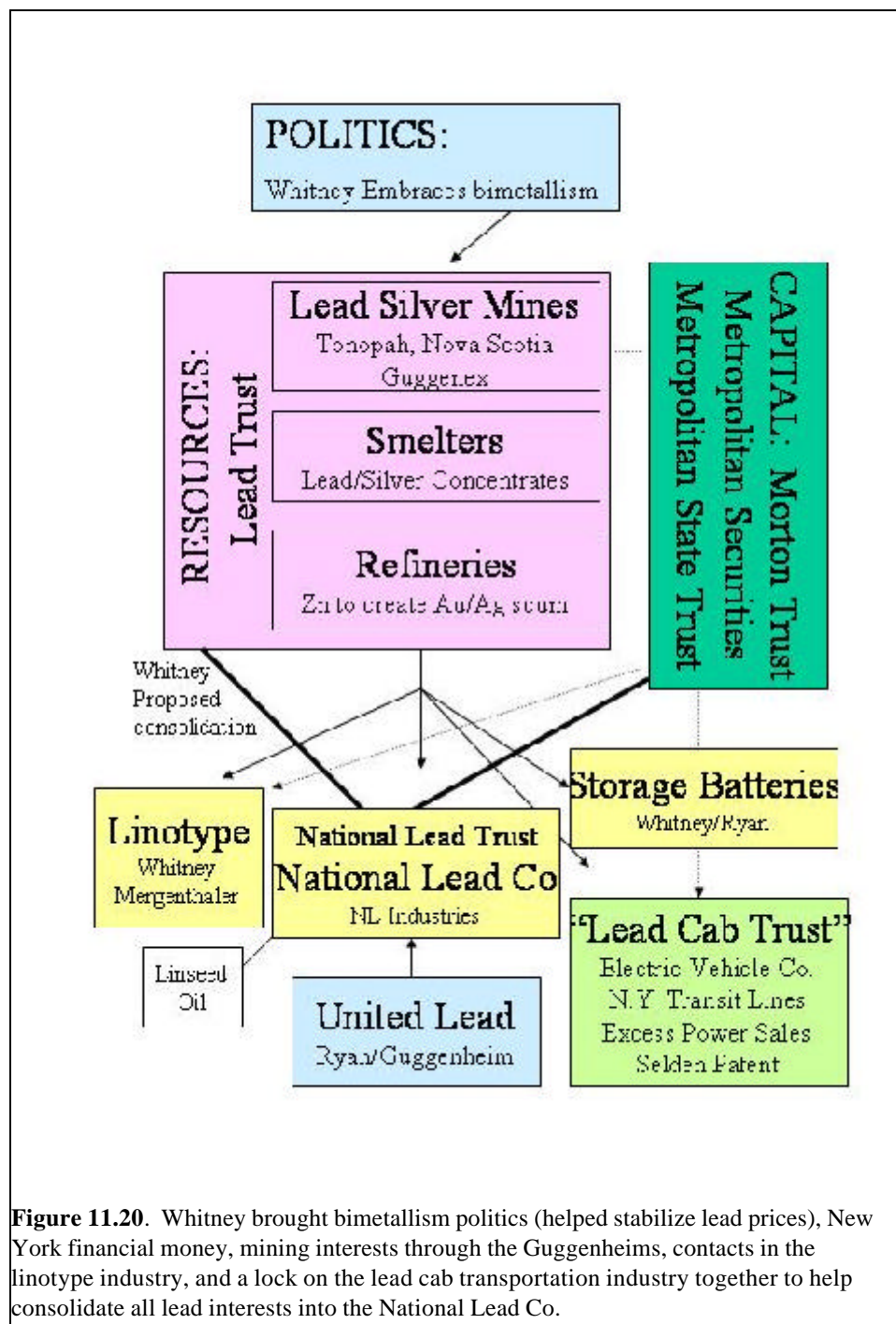
control. In 1888 the state attempted to regain the Sharpe franchise by suing (*The People vs. O'Brien*). Elihu Root won a victory for the franchise by stating that all franchises, once granted, are like private property, they are perpetual and irrevocable (Hirsch, 1969).

Sharpe, under increasing legal pressure (he ultimately died insane in jail) allowed the auction of his franchise, which was bought by Ryan and Whitney for \$25,000. Ryan and Whitney reorganized and recapitalized with the name Metropolitan Traction Co., the first holding company invented. By 1889 Metropolitan Traction decided to replace horsepower with cable power, which was up and running by 1892. Cable was found to be loud, noisy, hard to brake, slow turning on corners and resulting in numerous accidents. In 1893, the Metropolitan Street Railway Co. was formed as the operating subdivision of Metropolitan Traction Co. By 1894 Metropolitan Street Railway Co. began experimenting with electricity and compressed air and decided upon electricity as a power source. The electricity could be powered either by complete new infrastructure changes or by battery. Although the Metropolitan Street Railway began to lean towards the use of the newly invented storage battery, aggressive pursuit was hampered by Whitney's appointment as the Secretary of Navy under Cleveland, a position he held from 1884 to 1888.

1899-1903: Vertical Integration of the Lead Acid Battery Industry: The Electric Vehicle Co.

By 1899 National Lead Co. was the primary producer of lead pigments with Carter running a close second. During that same time frame innovations occurred in the printing industry (linotype production, 1886-1992) and lead acid batteries (electric storage battery company of Rice, 1895). Consolidations urban transportation (electric commuter trains) followed. Whitney was the apparent architect of vertical integration associated with the lead acid battery industry (Figure 11.20). The blueprint for this process was Rockefeller.

In 1865 (Flynn, 1932) John D. Rockefeller began refining petroleum in "small way" at Cleveland, Ohio. Within five years he had consolidated several refineries into Standard Oil Co. Of Ohio, with capital stock of \$1,000,000. Further consolidation of the industry was attempted in 1871 by controlling transport of oil from Pennsylvania to the east coast with discriminatory pricing against non-Rockefeller aligned



producers. This was achieved by setting up the South Improvement Company incorporated in 1871 to “construct and operate any work or works, public or private, designed to include, increase, facilitate or develop trade, travel or the transportation of freight, live stock, passengers or any traffic by land or water,

from or to any part of the United States.” 49% of the shares were owned by J. D. Rockefeller, O. H. Payne, and 3 others. Oliver Payne was brought in by Rockefeller because of his initial opposition to Rockefeller’s attempts to purchase all the refineries.

Rockefeller continued his route of

consolidation surviving the 1879 investigations into railroad kickbacks and scams. By 1882 the outlines of the Standard Oil monopoly were in place involving the Standard Oil Co., refineries, pipelines, and terminal facilities for oil at each end of the railroads. All stocks of the various companies were placed in the hands of a Trustee who delivered "trust certificates" of equal value to the trustees, the Rockefellers and Payne. William C. Whitney came into this cluster via marriage to Oliver Payne's sister and due to his own legal expertise in city transportation franchises. In 1883, after resigning as New York City Corporate counsel, he made his first formal connection to Rockefeller interests as the lobbyist to the state legislature on behalf a railroad for Standard Oil Trust.

Whitney had already dabbled in the lead mining industry. Shortly after the civil War he funded his Yale roommate, Dimock, in a Canadian lead mine venture.

In 1892, Whitney rescued the Mergenthaler Linotype Co. at which point he became Director of that organization. In that same year he was well on his way to experimentation of alternative forms of power for his New York City transit franchise. In this same time frame National Lead Company was consolidated, due to price drops in the pigment market, under the control of a Standard Oil graduate, William P. Thomas. Pigment price drops were driven by changes in the price of the crude material, in particular resulting from the importation of Mexican ores (see Table I. 3).

Whitney dabbled in the politics of lead mining during the early 1890s. In 1890 William McKinley authored the McKinley-Taft tariff supported by western lead/silver mine owners which stopped the importation of Mexican lead/silver ores into the U.S. for smelting (3). In that same year, homesteaders on the dry reaches of the western plains began to give up untenable farming and head back east. 28% of the farms were mortgaged, a fact which helped bring about the rise of the Populist party. As part of that financial time frame, the Sherman Silver Purchase Act of 1890 required the Treasury to buy 4,500,000 oz. of silver every month and issue paper money to pay for it resulting in an increase in the price of silver to \$1.25/oz. While increased prices for silver and made silver mining profitable, it helped decrease the prices of lead. Whitney's political ally, Grover Cleveland of New York, opposed the Sherman Silver Act. (Feb. 1891 letter).

The English stock market crash caused financiers to call in debt. Because England was a gold standard country gold became scarce in the U.S., which,

in turn, made silver relatively overly abundant. This led to the repeal of the Sherman Silver Act in 1893 and a drop in the silver prices to 47¢/oz. While Whitney might have been expected to concur with Cleveland's political stance (against the Sherman Silver Act), he moved in the opposite direction pushing for international bimetallism after reading *The Silver Question and the Gold Question*, by the English economist Barclay. Barclay advocated international set ratios for the values of gold and silver. In 1894, Whitney asked Henry McNiel, General Secretary of the Bimetallic League of Manchester to write a manual for distribution. It was his hope that fixing the ratio of gold and silver would stave off change in the monetary system in the U.S. (Hirsch, 1969).

Throughout this time period Whitney continued as the chief political strategist for Cleveland. He, however, declined to run Cleveland's re-election bid, and was himself considered a candidate for the U.S. presidency for the Democratic Party. He felt that his bimetallism position made a sound bridge between William Jennings Bryan's populists and mainstream financiers.

Bryan, however, captured the Democratic nomination with following stirring speech

Mr. Chairman and Gentlemen of the Convention. I would be presumptuous, indeed, to present myself against the distinguished gentlemen to whom you have listened if this were a mere measuring of abilities: but this is not a contest between persons. The humblest citizen in all the land, when clad in the armor of a righteous cause, is stronger than all the hosts of error. I come to speak to you in defense of a cause as holy as the cause of liberty - the cause of humanity."...(rails against Eastern Goldbugs and Cleveland)...Ah, my friends, we say not one word against those who live upon the Atlantic coast, but the hardy pioneers who have braved all the dangers of the wilderness, who have made the desert to blossom as the rose - the pioneers away out there, who rear their children near to Nature's heart, where they can mingle their voices with the voices of the birds...these people, we say, are as deserving of the consideration of our party as any people in this country. It is for these that we speak. We do not come as aggressors. Our war is not a war of conquest; we are fighting in the defense of our homes, our families, and posterity. We have petitioned, and our petitions have been scorned.... we have begged, and they have mocked when our calamity came. We beg no longer; we

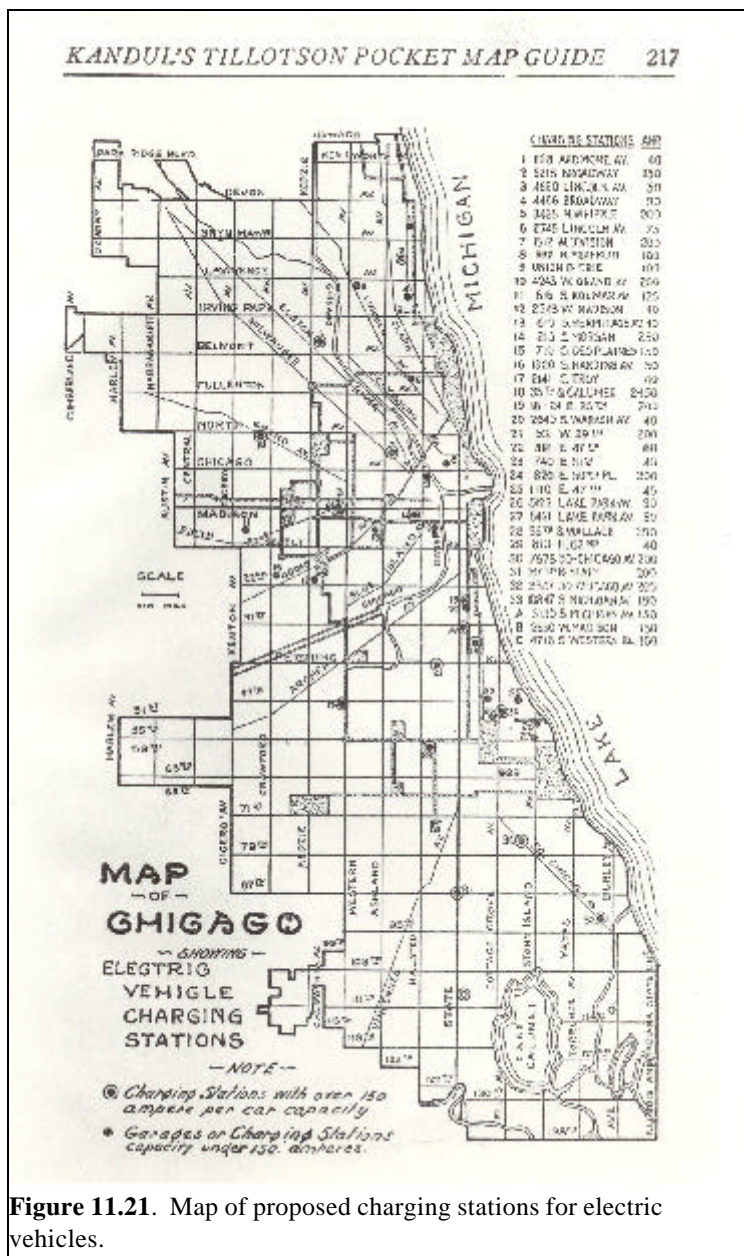


Figure 11.21. Map of proposed charging stations for electric vehicles.

entreat no more; we petition no more. We defy them...

"You come to us and tell us that the great cities are in favor of the gold standard; we reply that the great cities rest upon our broad and fertile prairies. Burn down your cities and leave our farms, and your cities will spring up again as if by magic; but destroy our farms and the grass will grow in the streets of every city in the country...

"If they dare to come out in the open field and defend the gold standard as a good thing, we will fight them to the uttermost. Having behind us the

producing masses of this nation and the world, supported by the commercial interests, the laboring interests, and the toilers everywhere, we will answer their demand for a gold standard by saying to them: You shall not press down upon the brow of labor this crown of thorns, you shall not crucify mankind upon a cross of gold.

Whitney withdrew support for Bryan. Many other Democrats defected to the side of the Republicans, now the party of the industrialists who arose after the American civil war. Whitney's move toward bimetalism was not only a political expedient which would bring together the divergent factions of the Democratic Party, it was also consistent with Whitney's increasing interest in the lead industry and its markets.

In addition to financing the linotype industry, Whitney had begun making inroads on various portions of the transportation industry with the purchase of the Electric Storage Battery Company in 1896 (Rae, 1955-1956). It was in this same year that Whitney's transportation franchise considered a move to electrical power (Hirsch, 1969). Electric power would have been cheapest at that time with cable running 16.4¢/mile, horse 17.87¢/mile, and electricity at 10.23¢/mile. The move to electrification was fought by competitor Hart of the 3^d Ave. Line which pressured the government to deny permits for road removal for installation of the electric cable. By 1898 Metropolitan's dreams of producing electrical energy suffered a further set back when they were prohibited from selling that excess power directly. (Instead, N.Y. Gas and Electric Light, Heat and Power Co. was incorporated with a capital of \$25,000,000. The large amount of capitalization was an attempt to force Edison Electric Illumination Co. into a merger. Rockefeller capitulated and brought Ryan and Whitney on as board of directors.)

Whitney's response to the difficulties in electrification lead his attention elsewhere and in 1899 he flirted with compressed air as an alternative to cable. Compressed Air Power Co. was incorporated with \$1,000,000 stock and Whitney and Ryan and Elkins as directors. Another response was an attempt to

consolidate the infant electric vehicle industry. On April 14, 1899 Whitney went to Hartford proposing union of financial resources of the Electric Vehicle Company and the patent and motor carriage department of the Pope organization to form the Columbia Automobile Company, capitalized at \$3,000,000. The company formed on April 19, 1899. On May 3, 1899, Columbia & Electric Vehicle Company incorporated, capitalized at \$5,000,000 with assets of the Electric Vehicle Company, the Electric Storage Battery Company, and the Pope automotive plant. Within the same year Whitney incorporated the New York Electric Vehicle Transportation Company with nominal capital of \$25,000,000, and the New England Electric Vehicle Transportation Company, as well as the Illinois Electric Vehicle Transportation Company (Figure 11.16) and The Pennsylvania Electric Vehicle Transportation Co. All of these were subsidiaries of Whitney interests.

This ambitious program was beset from the beginning with certain flaws. While dividends of 8% were paid on the Electric Vehicle Co. in the summer and fall of 1899, late fall dividends were suspended. Undeterred Whitney bought into the major lead mines found with the 1900 Tonopah silver strike in Nevada.

In 1899 Pope was bought out and the Electric Vehicle Co. capitalization was increased to \$18,000,000 (Rae, 1955-1956). Later that year Electric Vehicle Co. placed an order for 4,200 cabs. It operated a fleet of cabs in Paris, and acquired the Riker Motor Vehicle Company in NJ for \$2,000,000. *Horseless Age* magazine called the sets of interests the "Lead Cab Trust". By this time Whitney had interests in mines, in linotype, in political questions governing lead and silver production, in electric vehicle manufacturing and operations among city franchises, and appeared poised to fully create a second lead monopoly apart from National Lead.

However, at the same time the gasoline driven car was beginning to make serious inroads on what had been a bright future for electric vehicles. In 1900, there were improvements in the cylinder castings and ignition of the gasoline car. Dividends were not being paid to the Electric Vehicle Co. and scandals surrounding the financing of the company were becoming public. In 1900 the State Trust State Trust Co. (Bank) made a loan to \$2,000,000 to Daniel H. Shea, office boy employed by Thomas F. Ryan. The loan was secured by Electric Vehicle Co. stock. Counsel to the State Trust, Elihu Root (member of McKinley's cabinet) said the loan was O.K. Governor Theodore Roosevelt of New York did not push for prosecution. In the same year, the

Chicago factory of Electric Vehicle subsidiary was sold to General Electric Company, and the Illinois Electric Vehicle Transportation Company was dissolved (Figure 11.21). The Riker plant in N. J. closed. Stock previously selling at \$30/share was now at \$0.75/share and Whitney directed a New York law firm to prepare court actions against the gasoline powered auto makers for infringement of the Selden patents controlled by the Electric Vehicle Company. The first suit was against Buffalo Gasoline Motor Company in July 13, 1900.

On Sept. 21, 1901, the Electric Vehicle Co. issued \$2,250,000 in bonds secured by mortgage on its real estate and Hartford factory, with the mortgage issued by the Morton Trust Company (a Whitney firm). In that same year, minority stockholders brought action against the Electric Vehicle Co. The municipal campaign of New York City was affected by scandals charging that William C. Whitney, Thomas F. Ryan, W. L. Elkins, P.A.B. Widener, Thomas Dolan and associates had looted the stockholders of the Metropolitan Street Railway Co. of tens of millions of dollars (Rae, 1955-1956).

The electric vehicle company may have been down but it was not out, nor were Whitney's interest in consolidation of the entire lead industry. As seen in the next section, Whitney was also instrumental in the consolidation of the lead mining and smelting industry during the same time period. As the last remaining unconsolidated portion of the lead industry, several covetous eyes were being cast upon it. National Lead Company under the leadership of William P. Thompson (from Standard Oil) had been opening smelters in the south west. Another Standard Oil acolyte, Rogers, was pursuing an independent integration of the mining industry under the aegis of the American Smelting and Refining Company and Affiliated Properties (ASARCO, also known as the "Smelter's Trust"). He was, however, initially outmaneuvered by major mining group, the Guggenheims, with the help of Whitney's financing.

Consolidation of Lead Mining and Smelting: How the Guggenheims Initially Won (ASARCO and Bunker Hill)

Meyer Guggenheim arrived as an immigrant with his father's large family and step family in Philadelphia and began working first as a peddler, then lace manufacturer. He dabbled in various products (polish based on lead black) (Hoyt, 1967). In 1860 he met grocer Charles H. Graham. Graham was destined to be the introduction of the Guggenheims to the world of mining. In 1879 Graham and other backers George Work and Samuel Harsh bought out A.Y. Corman, the original prospector of California Gulch, Colorado, (1869). Graham, requiring cash, sold his shares to Harsh for cash and turned to Guggenheim for a financial bail out. Guggenheim bought into the A.Y. mine for \$5,000 at ½ interest. Although the mine had not yet achieved the bonanza recognized in the area by Stevens and Wood in 1874, labor prices were low enough to keep mine expansion prosperous. (Wages dropped from \$5/day to \$2.75/day in 1879.) In 1880 Guggenheim bought out Harsh for \$50,000 and financed the pumping of the A.Y. mine. This proved to be beneficial because a bonanza was struck in 1881, although production was derailed by striking miners. The strike was ended by police action.

In 1882, Benjamin Guggenheim was sent out to work the A.Y. and Minnie mines. By 1887 the Guggenheim mines had produced 9,000,000 oz silver and 86,000 tons of lead. At that time Meyer Guggenheim decided that the profit was not in mining but in smelting. He bought \$80,000 stock in the Holden smelter in Globeville near Denver. Smelters roast and form lead oxides with concentrates of silver and gold which are then sent to a refinery. In 1888, the Guggenheim family moved further into the production business when The Denver Smelting and Refining Co. was formed with Benjamin Guggenheim as secretary-treasurer. Capitalization was \$500,000.

The Guggenheims selected Pueblo as opposed to Leadville because transportation and labor costs in Leadville were too high. The selected Pueblo over Denver because Denver was too far from coal, coke, lime, and water. Guggenheim interests proposed that city give them land and \$25,000 cash and suspend all taxes for 10 years to move to Pueblo. The smelter was called Philadelphia in honor of the Guggenheim home town.

In 1889, the Guggenheim Pueblo smelter operators in the summer requested an 8 hour summer

work day, as being too brutally hot in the summer for a 12 hour day. Guggenheim brothers agreed, but with concomitant cut in wages. A strike to keep the 8 hour day year round resulted. The strike lasted 2 months, stockpiling metal and dropping lead prices.

A second son, Simon Guggenheim, had been sent to scout out Mexican silver/lead ores to be smelted at the Guggenheim sites. These were cheap and high in lead as opposed to other metals (like zinc), therefore less in energy consumption (less refractory) and easier to smelt. In 1890 importation of such ores was stopped by the McKinley-Taft tariff supported by silver/lead mine owners. The Guggenheims decided to smelt in Mexico because of low wages and because a railroad was already being built. They built one smelter in Augascalientes (south) and one in Monterrey (north) with the go ahead of Mexican President General Porfirio Diaz (dictator since 1877). The Guggenheims would import machinery and erect as many as 3 smelters with machinery to come in free of duty, and no tax on the output of smelters. (Mexican producers were subject to a 5% tax.) The Compania de la Gran Fundicion Nacional Mexicana (Great National Mexican Smelter Company) was formed, although the export agreement was altered under protest of Mexican producers.

The situation had again drastically altered as by 1893 the Sherman Silver Act had been rescinded in response to a stock market crash. While most American producers of silver were in desperate straights (price of silver dropped to 47¢/oz) the Guggenheims were protected by both a larger silver metal base and by their more profitable Mexican smelter (cheap labor). At this point they were smelting to create crude metal and shipping the crude metal to America or Wales for refining of the lead/silver concentration. In 1894 the Guggenheims decided to refine their own ore at a plant in Perth Amboy, New Jersey. Refining was accomplished by softening lead/silver smelted concentrate, adding zinc which gathers gold and silver from lead. The lead is skimmed off, the zinc burnt, leaving silver and gold. The remaining silver and gold separated by sulphuric acid in cast-iron pots as gold is not soluble in sulphuric acid.

Plans to proceed in the smelting and refining industry ran into competition from H. H. Rogers (of Standard Oil) (Figure 11.22). Rogers had been brought into Standard Oil as a way of circumventing his opposition to Rockefeller's

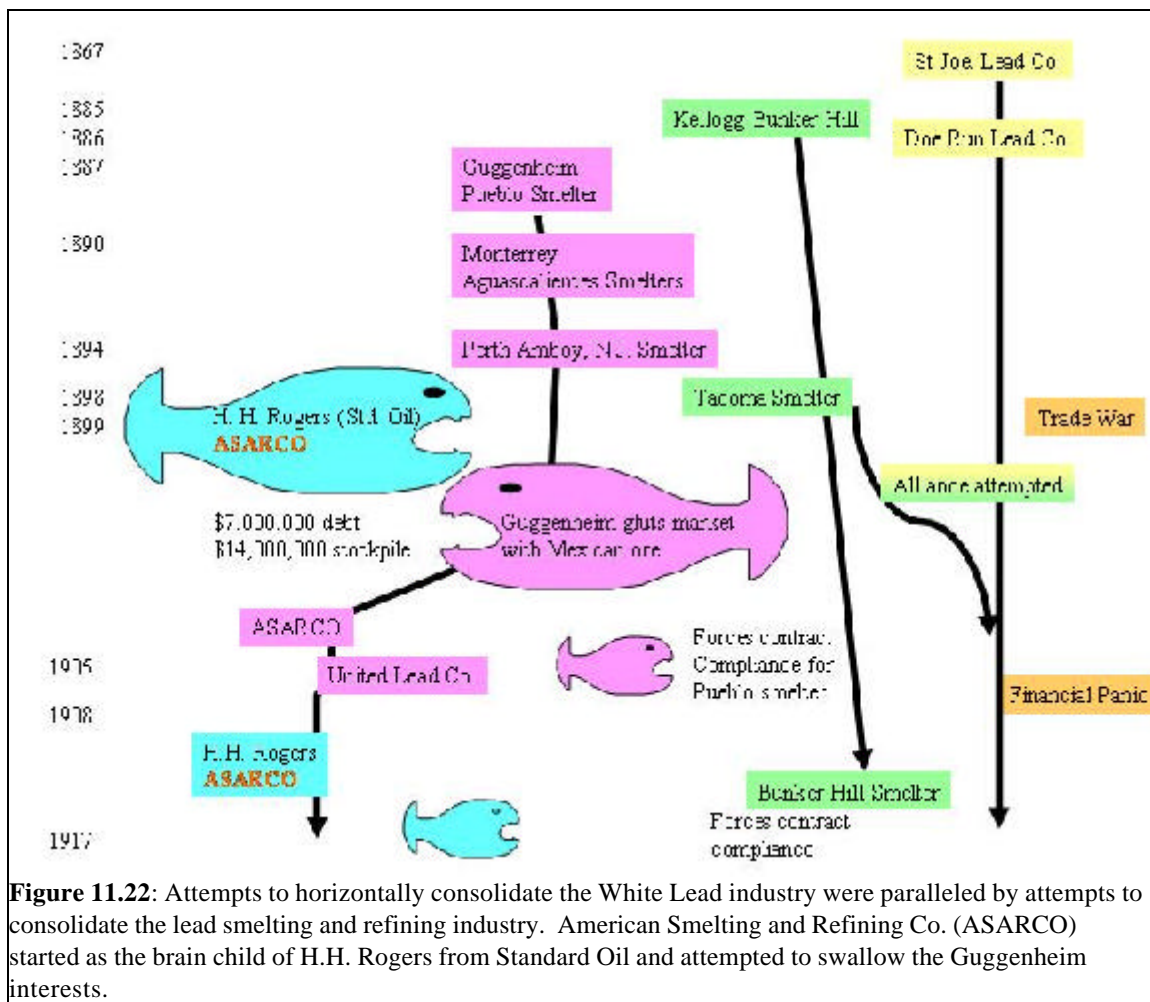


Figure 11.22: Attempts to horizontally consolidate the White Lead industry were paralleled by attempts to consolidate the lead smelting and refining industry. American Smelting and Refining Co. (ASARCO) started as the brain child of H.H. Rogers from Standard Oil and attempted to swallow the Guggenheim interests.

consolidation of Pennsylvania refineries. (Rogers was a classic entrepreneur of the time. His first industrial scoop was at the age of 14 when his position as newspaper boy gave him early breaking news on the loss of 500 barrels of sperm oil off Boston. He went to a local dealer of sperm oil and offered him the newspapers and \$200 to buy all the local sperm oil. The sperm oil was later sold at a profit of 300%.) Ida Tarbel, a muckraker, described Rogers as a pirate but not a hypocrite. "He flew his black flag." She reported that he said:

am not a favorite here. I am always for fighting. Mr. Rockefeller is always against fighting. I am a gambler. Mr. Rockefeller does not like gambling. He hates the market. I love it. Every now and then John W. Gates will come here and say: "Henry, don't you think it's time we had a little fun in the market?" "I was

always for it and we made lots of killings and had plenty of fun. I must have action. And on Saturday afternoons when the market is closed I've got to have a poker game.

Rogers gambled on consolidating the mining interests. In 1893 (Flynn, 1932) he arranged to buy the Anaconda Copper Company and other mines for \$39,000,000. He gave the sellers the money, to be kept in the same bank, National City. He sold Anaconda Copper to a dummy corporation, Amalgamated Copper Co., for \$75,000,000 of stock in Amalgamated Copper. He used this stock to borrow \$39,000,000 from National City Bank to pay the original sellers. He got National City Bank to sell the stock to the public for the full \$75,000,000. Of this stock he paid back the bank for the \$39,000,000 leaving a profit of \$36,000,000. Rogers further moved into the mining field in 1899 when the

Smelting and Refining Company and Affiliated Properties, known as The Smelters' Trust or ASARCO, incorporated as to aggregate all smelting operations aside from the Guggenheim interests.

ASARCO proposed a buyout of Guggenheims.

The Guggenheims hunkered down and tried to gather up the remaining lead suppliers (23) (including Coeur d'Alene district of Idaho). To acquire capital Daniel Guggenheim approached Whitney. The outcome was the incorporation of the Guggenheim Exploration Company or Guggenex for \$6,000,000 in New Jersey. The purpose of the company was to explore and deal in lands, mines, and mineral resources anywhere and everywhere in the world. Whitney now counted as his lead interests linotypes, mines, smelting, lead acid batteries, and electric vehicles, and the politics of the bimetallism debate.

On June 1, 1899, the Colorado General Assembly passed a law prohibiting employers from working their men more than eight hours a day without paying overtime. The manager of a Durango smelter posted a new wage scale calculated on an hourly basis which would require a 12 hour day to keep previous wages intact. The plan was adopted by other members of Smelters Trust and a strike of Smelters Trust by the Western Federation of Miners followed. Guggenheim's Philadelphia Smelter of Pueblo remained operational and much ore was diverted to that plant.

The Guggenheims moved to capitalize on their advantage by setting up in Missouri soft lead district. They did not confine their interests to America and in 1899 they bought into the Huanchaca mine, Bolivia. This particular mine is more difficult to smelt because of Zn, Sb, As, Sn were present as well as Ag. Smelting required 15% lead in the ore which was not present.

Smelters Trust, under Rogers was not ready to give up and 1900 a trade war between the Guggenheim (Whitney) and Smelters' Trust (Rogers) began. The Guggenheim Mexican smelter glutted the market with silver and lead. Their ability to glut the market with the Mexican ore (and maintain profitability with cheap Mexican labor) brought Smelters' Trust and Rogers to their knees. Smelters' Trust ran up \$7,000,000 in debts and had \$14,000,000 in inventories. They desperately needed Guggenheim properties and therefore offered 110,000 shares in Smelters' Trust for the Guggenheim plants and mining possessions. Final acquisition terms in 1901 left the Guggenheims with nearly half the total Smelters' Trust stock, and with their Colorado, Mexican, and Missouri mines, Guggenex, Steamship line they had built to haul ore from Tampico to Perth Amboy.

Thus we find that in 1902 that many lead mines had been consolidated, not under the control of Rogers, but under the control of the Guggenheims with financial backing from Whitney. The Guggenheims were now in a position to set up a company to rival National Lead and in 1903 the United Lead Company (N.J.) was established taking over 19 companies, including 7 Shot works, and at least one white lead company. The directors of the company were Daniel Guggenheim, Morris Guggenheim, Simon Guggenheim, Thos. F. Ryan, Barton Sewell, Edward W. Nash (President Smelters' Trust), and three others. Capital stock was originally \$15,000,000 (MacBeth, 1900). United Lead became the marketing agency for lead for "Smelters Trust", however it was second in the market to National Lead Co. (Hoyt, 1967).

In addition to setting up vertical distribution markets, the Guggenheims moved to corral the last of the independent smelters, particularly those in a position to tap into the Coeur d'Alene mines which found it unprofitable to ship to the Pueblo Co. Smelter. To raise capital, the Guggenheims formed American Smelters Securities, a new corporation capitalized at \$77,000,000. In 1905, Daniel Guggenheim hired financier Bernard Baruch to buy independent smelters at Tacoma, and Selby, Wa. (Baruch was the son of Guggenheim family doctor). Assets of the Tacoma mine were \$500,000. Baruch bought it for \$5,500,000. He organized the same deal at Selby, but the cost was worth it as he solidified the Guggenheim monopoly on smelters. In 1906, Bernard Baruch, operating for the Guggenheims, using a broker named Harry Content, bought up 116,000 shares (80%) of National Lead Stock without attracting attention, so that the price did not rise more than \$8 above %56. The move was considered a wonder of Wall Street.

One of the initial targets of the Guggenheims' ASARCO was the Bunker Hill mine. Bunker Hill successfully held it's own for the first several years of targeted take over. Bunker Hill was founded in 1885 by Kellogg (Aiken, 1993). It was purchased in 1887 by Simeon Reed. In 1891 Reed asked John Hays Hammond to help secure more financing for Bunker Hill. Hammond brought in McCormick of Chicago and Crocker of San Francisco. Hammond didn't stay long as he left Bunker Hill in 1893 for S. Africa where he was involved in plots to overthrow the Boer government for the benefit of English mining interests. He was caught, but released from a death sentence due to successful attempts of U.S. mine operators and financiers, including Whitney, to move the U.S. government to

action. Whitney later hired Hammond to manage his Tonapah mine.

In 1898, Bunker Hill Mines acquired a Tacoma smelter for \$45,000 and began diverting shipments of ore that previously had gone to Guggenheim smelters in Colorado. In 1905 Bunker Hill was committed to shipping 30-37% lead ore to Tacoma. A few months later Bunker Hill contracted to sell to Carnegie Co. (Rockefeller ownership) concentrates of 75% lead reducing lead to the Colorado smelter to less than 30% lead to a smelter in Colorado. By 1907 Bunker Hill achieved ores that were both above 75% lead concentrate (for Carnegie) and less than 30% (for Tacoma mine) further reducing shipments of ore to the Guggenheim smelters. Daniel Guggenheim threatened legal action. The Guggenheims also attempted to get Bunker Hill to reduce production to stabilize lead prices. Bunker Hill insisted that the contract required Guggenheim to buy Bunker Hill product without any curtailing of output. In 1908 Bunker Hill sent concentrates greater than 75% lead to Carnegie and get a \$0.50 reduction in freight and processing fees. ASARCO attempted to meet the price but would have suffered \$2.5 million in losses for remaining 25 years of contract.

Although unsuccessful at bringing the Bunker Hill mine under Guggenheim (and United Lead) control the Guggenheims expanded their holdings through contacts with Whitney's old New York City transit partner Ryan. In 1906 the King of Belgium met with Thomas F. Ryan about exploiting resources of the Congo. Ryan brought in the Guggenheims to form the American Congo Co. to exploit minerals and the Intercontinental Rubber Co. to exploit other commodities. Ryan took charge of latter. The Guggenheims also moved into Canada. The Guggenheims consolidated industrial power with political power when in 1907 Simon Guggenheim elected Colorado Senator.

In a financial panic, the ASARCO stock price dropped and Rogers, the original founder of ASARCO, began buying back stock. The panic of Oct 15 was set off by speculator F. Augustus Heinze (Hoyt, 1967). On Oct. 12 Heinze started trying to corner the copper market, dumping large shares to cause price to fall, intending to buy stocks back at lower prices to obtain a majority. Instead certificates were sold and Heinze was left without money to purchase the actual stocks. In order to cover the money Heinze used money from the Knickerbocker Trust Company causing a run on the Trust stock. The copper market dropped as did

ASARCO shares from \$174 to \$100 allowing Rogers to buy up ASARCO stock.

In 1908-1909, the Guggenheims sold majority shares in ASARCO in order to finance Yukon Gold activities, including financing a railroad with Pierpont Morgan. In 1908, the White House, under President Theodore Roosevelt, held a Conservation Conference which called to draw attention to Guggenheim-Morgan invasion of Alaska.

ASARCO, although no longer Guggenheim controlled, continued its pressure on the Bunker Hill mines. Bunker Hill's Tacoma smelter closed in 1912 and in 1915 Bunker Hill was renegotiating its concentrates contracts. The price of lead was increasing from \$4 and \$5/hundred pounds to \$10 due to WWI. With those prices Bunker Hill was able to hold out against ASARCO longer. Bunker Hill began construction of its own smelter in Kellogg. They worked to secure agreements to smelt ore from other area mines. In 1917, the Bunker Hill smelter went into production. ASARCO sued and settled for half of the lead output to be shipped to ASARCO smelters until 1930.

Bunker Hill continued as an independent company and sought other partners against ASARCO. One of these affiliations was with the St. Joe Lead Co. In 1867 a rich lead ore body was found 100 ft below ground in Missouri and the St. Joseph Lead Company was formed to exploit it. In 1886, the trustees of St. Joe permitted local management to form the Doe Run Lead Company. In 1912, St. Joseph Lead Co. consolidated with the Doe Run Lead Co. making it the largest lead producer in the country and stimulating a complete reorganization of its technical and producing departments, resulting in increased efficiency. Some of the technical advances included flotation methods in 1921 which allowed zinc to be recovered from ores previously discarded. Electrolytic method of zinc refining also became firmly established, as developed by the St. Joseph Lead Company. In 1923, St. Joseph Lead and American Smelting and Refining aimed at greater efficiency. They bought adjoining mines of the Federal Lead Company for \$10,000,000 and a 30 year smelting contract for two thirds of all ore from all its mines in this district, including the Doe Run Lead Co. owned by St. Joseph. With its contacts with both Hecla and Bunker Hill and Sullivan as sales agent, St. Joseph was now selling half of the lead mined in the U.S.

American Smelting and Refining continued to be the largest refiner in this country. (Haynes, 1954).

1892-1907: Close But No Cigar: Whitney's Grand Plan Fails

In 1891 The National Lead Company incorporated in N.J., as successor to the National Lead Trust. The property of the company consisted of white lead works, smelters and refineries (26 plants). It manufactured white lead, oxides, and kindred products, also castor oil, American and Calcutta linseed oil, linseed oil cake and meal (used in the manufacturing of paints), and refined and smelted lead. Capital stock was authorized \$15,000,000. In 1892 National Lead Trust reorganized and combined with American Linseed Oil (Clark, 1949).

In 1896, National Lead was so predominate that it made Charles Dow's market average. Dow published his first initial market average "Customer's Afternoon Letter" on July 7, 1884 consisting of 9 railroad stocks and 2 industrial stocks. Reflecting changes in the overall economy in 1896 the average was changed to exclusively of industrial stocks: American Cotton Oil, American Sugar, American Tobacco, Chicago Gas, Distilling and Cattle Feeding, General Electric, Laclede Lead, Norther American, Tennessee Coal and Iron, U. S. Leather, U. S. rubber. Two years later this is changed on Oct. 7 of 1896 to American Cotton Oil, American Spirits Manufacturing, American Sugar, American Tobacco, Chicago Gas, General Electric, Laclede Gas, **National Lead**, Tennessee Coal and Iron, U.S. Cordage preferred, U. S. Leather preferred, and U. S. Rubber (Equity Analytics, 2000).

Earnings of National Lead in 1900 were \$1,192,334, in 1901 they were \$1,043,280, in 1902 they were \$1,202,514. By this time the president, William P. Thompson, was changed to L.A. Cole with F. W. Rockwell, first Vice president. The company owned a substantial amount of stock in American Smelting and Refining Co., still under Guggenheim control.

To further consolidate the industry National Lead attempted to buy out the largest independent white lead manufacturer, Carter White Lead, in 1902 with an offer of \$1,000,000 (Haynes, 1954). In that same year there were announcements (MacBeth, 1900) of the full integration of Smelters Trust and it's affiliated United Lead Co. with National Lead Co. The fine hand of Whitney (already holding interest in the linotype industry and electric battery company) can be detected. Smelters' Trust announces:

Negotiations have been completed, by which the National Lead Co. will acquire by purchase, a large number of kindred concerns. The American Smelting & Refining Company and other important financial interests will be associated in the enlarged corporation. Details are now being formulated and will be announced when perfect.

It was reported that this new company would be capitalized at \$60,000,000, and would take in the great majority of manufacturers of white lead, lead pipe, sheet lead and shot. Thomas F. Ryan, Wm. C. Whitney, Daniel Guggenheim, H. H. Rogers, and Morton Trust Co. (a Whitney financial firm associated with the Electric Vehicle company) were prominently identified in the negotiations. The merger did not materialize. The aborted consolidation did not remain without fruit as in that same year 1902 Smelters Trust (ASARCO) contracted with National Lead Company to supply that company's lead needs. The deal gave ASARCO a market for large portion of product and National Lead assured supply (Marcosson, 1949).

The electric car part of the vertically integrated lead industry was doomed by advances in gasoline powered cars and, perhaps, by Whitney's own flagging interest. Whitney retired in 1902 at which point he was a board member or affiliated with Metropolitan Steamship Company, Morton Trust Company, Mutual Life Insurance Company of New York, Nation Bank of Commerce, Guggenex, and Mergenthaler Linotype Company, among others.

In the same year (1902), the Metropolitan Securities Company was established as a holding company for the New York City Street Railway (formerly Interurban Street Railway) which leased the Metropolitan Street Railway Company, which controlled Manhattan Island street railway companies. Metropolitan Securities Company owned all the stock of the People's Traction Co. Ryan and 8 others were directors. This company was formed to provide a flow of money in the rather shady acquisition of Interurban. A gentleman named Flynn had one car barn and two cars on a suburban route worth \$16,000. On Nov. 25, 1901 a company called Interurban was formed with stock capitalization of \$500,000 which increased to

\$20,000,000 three months later. This company leased Flynn's line for \$1,000,000 and then sold the lease to Metropolitan Securities Co. for \$1,000,000. Metropolitan St. Railway Co exchanged \$24,000,000 in Metropolitan Street Railway Co. stocks and bonds for \$12,500,000 cash plus capital stock and debenture notes from its capitalization, in effect loaning cash to Metropolitan St. Railway Co to be used in electrifying 80 miles of rail. In return Interurban obtained the right to rent the Metropolitan Street Railway Co.'s assets for operation. The money was secured by the firm Kuhn, Loeb, and Co. in exchange for preferred prices on the Metropolitan Street Railway Co.

This finagle was the immediate cause of lawsuits in 1903 (Armory and Worser) against Metropolitan Securities and Metropolitan Railways accompanied by much publicity because Whitney had been Secretary of the Navy.

Almost lost in the barrage of lawsuits was the lawsuit (1903) against another component of the monopoly. This lawsuit involved Henry Ford who claimed that his four stroke piston engine was not covered by the Selden patent and that he did not have to pay royalties on his profits to the Electric Vehicle Company. In 1904, the Electric Vehicle Company (holder of the two stroke combustion engine patent) had \$10,000,000 in capitalization and 4 manufacturing plants. Electric Storage Battery Company had \$16,250,000 in capitalization and controlled 11 manufacturing plants, while the Pope Manufacturing Co. had \$22,500,000 in capitalization and controlled 60 plants.

In 1904 Whitney died. His taxable N.Y. estate was \$21,234,101. He was described in the following passage by Henry Adams.

...after having gratified every ambition and swung the country almost at his will...had thrown away the usual objects of political ambition like the ashes of smoked cigarettes; had turned to other amusements, satiated every taste, gorged every appetite, won every object that New York afforded, and not yet satisfied, had carried his field of activity abroad, until New York no longer knew what most to envy, his horses or his houses.

With Henry Ford at the door, a scandal involving stock manipulations, and the death of Whitney, things headed down hill very fast. Metropolitan Street Railway Co. changed its name on Feb. 10 1904 to New York City Railway Co. in order to

evade some of the notoriety it had obtained. In 1905, the Metropolitan Street Railway Co. 1902 books (covering the period of the stock swaps) were sold to a junk dealer for \$117 with the stipulation that they be immediately turned to pulp. In 1907, a grand jury investigated Ryan, Widener, and Whitney (posthumously) and the Metropolitan Security Corporation. The grand jury found that in 1902 they had bought from Anthony Brady for \$250,000 an unused franchise of the Wall and Cortland Street Ferries Railroad Co. which they sold to Metropolitan for \$965,607, at a loss to Metropolitan. The Public Service Commission learned that \$16,000,000 in cash disappeared from the Third Avenue Railway company treasury (controlled by the Metropolitan Securities Company) and that books had been destroyed. The Jury did not indict, however, perhaps because the foreman was a director in Ryan's Equitable Life Assurance Society.

A 1910 official inquiry showed that 10 members of the New York State Legislature were on the confidential payroll of Metropolitan Securities. In 1911 the Selden Patent lawsuit over royalties from Ford's four stroke piston engine was settled in favor of Ford.

Electric Storage Battery Company Survives

While Whitney's bid to create a vertically and horizontally integrated lead empire failed, the Electric Storage Battery Company has survived into modern times. Founded in 1888, it launched the Exide label in 1901 (Figure 11.23). The company celebrated its fiftieth birthday with the publication of "Exide Batteries: Fifty years of achievement (1888-1938)". It again congratulated itself with another book in 1951 ("Exide: the development of an engineering idea; a brief history of the Electric Storage Battery Co") (Rolph, 1951). The Exide Marketing Division of the Electric Storage Battery Company began publishing a magazine, Exide Topics and Storage Battery Power, in 1960-1967. In 1966 the Electric Storage Battery Co. annual reports ceased and those of ESB, Inc. began. By 1972 ESB, Inc. had acquired another battery company, that of Ray-O-Vac) (based in Madison, Wi., founded in 1901 as the French Battery Co, with a name change to Ray-O-Vac in 1920. In 1973, Ray-O-Vac Division of ESB, Inc., published an employees magazine, the Beacon, to replace the Ray-O-Vac Co. employee magazine, Sparks. The Exide battery was marketed by ESB-Ray-O-Vac in 1980. The affiliation ended with Rayovac (ROV) ultimately being



Figure 11.23. Exide batteries initially found a major consumer in the train industry.

acquired by Thomas H. Lee, Co. in 1996 and offered as a publicly traded stock in 1997. In the same time frame ESB, Inc disappeared and Exide is now being marketed by Exide Corporation.

From 1910 time on the battery, lead smelting, and white lead portions of the lead industry remained more or less separate. With increased mobility of the American society, battery consumption grew. In 1924 the Battery Council International (Chicago, Il.) was established with 25 members. Collaboration among the various sectors continued through the Lead Industries Association (LIA), a trade organization, which funded research into applications involving lead.

The National Lead Story

III.A. 1920-1965: Diversification of National Lead

Consolidation in the white lead paint industry proceeded even as the full vertical integration of the lead industry began to crumble. In Feb. of 1906 Cornish, president of Carter White Lead Cornish reached agreement with the National Lead board of directors to bring Carter White Lead as a subsidiary into National Lead with Cornish becoming a member of the National Lead board (Haynes, 1954). Following this action National Lead amalgamated all the white lead products under one name: Dutch Boy (Figures 11.24-26). The Carter plant of East Omaha was shut down.

Production of white lead paints based on lead encountered vigorous competition in 1908 when the Norwegian Government seeking uses for its big deposits of ilmenite (titanium) initiated research that could purify titanium dioxide. The great covering power of titanium dioxide was discovered.

One response by National Lead was a vigorous promotion of its own white lead products. National Lead Company began an aggressive marketing of white lead paint products, including a 1910 book on Dutch Boy Liquid Lead. Other publications were: *Nuggets of Wisdom from an Old House Painter* (1899); *Uncle Sam's experience with paints* (1900); *George Washington as a Mason: To the Lodge with the compliments of the National Lead Co.* (1903); *What paint & why, facts that should be known to every owner of property on which paint is used* (1910); *Dutch Boy Liquid Lead: pure white-lead and linseed oil ready for use* (1910); *A Talk on Paint* (1911); *White-lead and Oil Plastic Finishes* (1930). Further outreach was accomplished by the promotion of the *Dutch Boy Painter* magazine.

National Lead continued to be a one of 9 common stocks used for the DOW average, but was dropped from the average in Oct. of 1915 when the DOW common stocks were expanded to 20.

An annual report of the National Lead Company for 1917 listed corporations in which the National Lead Company either owned all or part of the capital stock. These corporations were Baker Castor Oil Company (New York); Bass-Hueter Paint Company (S.F., Ca.); Carter White Lead Company (Chicago and Omaha); Cinc Expansion Bolt and



Figure 11.24: National lead consolidated all of its products under the trade mark "Dutch Boy". (Author).

Engineering co. (N.Y.); Heath and Milligan Manufacturing Co. (Paints and Colors) (Chicago); Magnus company (Brass Founders) (N.Y.); Matheson Lead Company (Long Island city); River Smelting and Refining co. (Edward J. Cornish, President) (St. Louis); United Lead Company (N.Y.); United States Cartridge Company, manufacturers of all metallic and sporting ammunition (Lowell, Ma.); Williams Harvey and Co., smelters and refiners of tin (Liverpool, Eng.), Williams Harvey Corp. Ed. J. Cornish, Pres, Smelters and Refiners of Tin, (N.Y.).

Titanium Dioxide

In order to keep a lock on its vertical integration (white lead pigment, white lead paint) National Lead began buying up portions of the titanium competition. In 1916, when Titanium Pigment Company of Niagra Falls went into TiO₂ anatase production



Figure 11.25: Dutch Boy products included components necessary for production of paint on the premises.

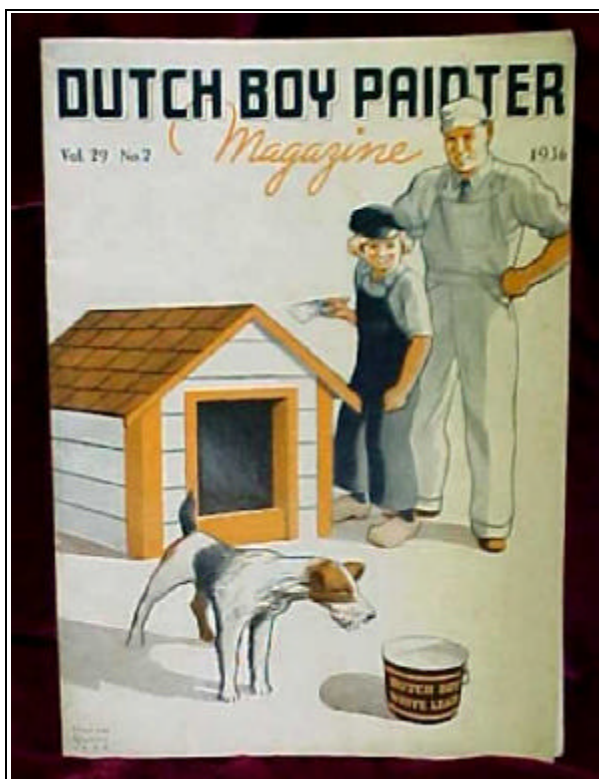


Figure 11.26 Dutch Boy became the main brand name for National Lead.

using the sulfate process, it was bought by National Lead Company (Kronos, 1999). In the same year, Titan Co. of Norway began production of TiO_2 and was

bought by National Lead Company. National Lead marketed TiO_2 from 1916 to 1989 as Titanox or Kronos (Figures 11.20 and 11.27). This aggressive move may have been due in part to the assumption of the presidency of National Lead by Cornish (originally of Carter White lead) in 1916 (Haynes, 1954). Cornish maintained the presidency of National Lead for 22 years until 1938 and under his presidency National Lead furthered its expansion into the titanium dioxide market (Haynes, 1954).

This was a very good move because in 1917 WWI resulted in governmental controls on the domestic lead supply. Governmental planner (and private financier) Baruch appointed a Cooperative Lead Committee to advise his Raw Materials Division on the Council of National Defense. During the war pigments and salts fell off, but there was a huge demand for shrapnel shells, cartridges, solders, Babbitt metal, casting metals. Sporting shot, pipe and sheet also fell off. The committee consisted of Clinton H. Crane, Arthur K. Mitchell, Brush, Day, Robertson, and A. W. Dodd of American Zinc, Lead and Smelting Co., Julius Loeb of American Metal Co., L. Vogelstein of L. Vogelstein and Co. and T. Wolfson of United Metals Selling Co. The original committee estimated that 1/6 of domestic lead production would be required by the government. The board suggested that all companies contribute this proportion of their output to be sold to the government at 8 ¢/lb (current price 11.5). The board worked to control domestic demand to conserve supply. Shot manufacturers agreed to accept two-thirds as much lead as they had been previously using, the White Lead Institute curtailed orders among its members, and the Paint and Pigment section of the War Industries Board agreed to the substitution of other pigments for white lead in paint.

In addition to these pressures on the white lead market, there were increasing concerns about lead as an occupational hazard.

Until the early 1900s lead poisoning was considered inevitable and for the most part a problem of personal cleanliness on the part of the painter (or miner) (Eldridge, 1998). Dr. Louis A. Dreyfus (1906) writing for the trade journal *Painter and Decorator* "more often the lead is taken into the system by absorption, meticulous cleanliness is the answer" (Dreyfus, 1907). J. A. McMartin, a painter who had suffered from lead poisoning also wrote in 1906 that painters needed to keep themselves clean, that the breathing of lead fumes was dangerous but no more than contact of particles with the skin (McMartin, 1906). A 15 point list of



Figure 11.27: National Lead (NL Industries) eventually moved into Titanium Dioxide production. (Author).

actions that could be taken to prevent lead poisoning in 1905 listed 14 as related to the responsibility of the painter for personal hygiene. By 1920 the many members of the magazine were encouraging each other to switch to ZnO. But others argued that this paint had less covering power and durability. In particular contractors argued against a switch to ZnO, as requiring more coats (more labor, more paint, and more cost).

This increased attention had results.

In 1909 National Lead was advertising that the skilled workmen prefer white-lead. Following articles in 1913 in the *Painter and Decorator* about bills to prohibit use of white lead in building, repairing, restoration, or interior work in Wisconsin, and articles in 1913 asking workers to push for cessation of white lead advertising changed. A 1922 ad in *Painter and Decorator* read:

There is no satisfactory substitute for white-lead, it is linseed oil's most natural companion, it covers well and spreads far, it lasts long and it brushes out easily and smoothly. White-Lead is the painter's paint. It is the material of the professional workman. The property owner has confidence in the painter who mixes his paint from white-lead and linseed oil. The painter has confidence in his ability to do satisfactory work when he knows his white-lead is right. Dutch Boy White-lead is right.

Further pressure was marked by the International Labour Office (ILO) of the League of Nations labor conference in Geneva, fall 1921. The conference proposed restriction on the use of white lead. Similar results came from the ILO conference of 1927. By 1914 some of the state laws guaranteeing

compensation to workers and families of workers injured on the job moved to include disability from white lead paint. Workers maintained that they needed 2 full days per week to rest from the lead dust and fumes that accompanied their work.

While health care concerns were being raised, there was still resistance to switching to ZnO because of its low covering power. TiO_2 did not have this problem. In 1920 National Lead Company purchased control of Titanium Pigment Co. and acquired a substantial interest in the Titan Co. A/S. Of Norway with American rights to its basic patents controlling titanium paint pigments (Figures 11.27 and 11.28). The process originally consisted of dissolving titanium ore in sulfuric acid, crystallizing out the ferrous sulfate, and then hydrolytically precipitating titanium oxide on an inert carrier, washing to remove iron salts and acid, and finally calcining in rotary kilns (Haynes, 1954). In 1923, the Titanium Pigment Co. negotiated for the purchase of the plant of the Mineral Refining & Chemical Co. of St. Louis. This move not only resulted in a supply of titanium material (shipped by barges on the Mississippi) but also of barytes and lime. This began the expansion of Titanium Pigment. Capital of Titanium Pigment increased from \$4,300,000 to \$5,000,000 with additional stock being sold to national lead.

In 1927 National Lead purchased Norwegian Titan Company with whom it had been exchanging technical information, developing markets, and pooling patents. It bought Societe Industrielle du Titane, its patent rights, and its plant at Clich France. Evans McCarthy, vice-president of the United Lead Company and member of the executive committee of National Lead had successfully executed these purchases. He then went to Germany to negotiate with the I.G. for the manufacture and marketing of titanium pigments in Central Europe. A jointly owned company was formed with a plant at Cologne operating on Norwegian titanium ores (Haynes, 1954).

As a parallel to all this activity in titanium acquisition, the white lead industry again underwent consolidation in the 1920s. 90% white lead made in this country was produced by National Lead Company, the Eagle-Picher Lead Co., the Sherwin-Williams Paint Company and E. I. Du Pont De Nemours and Company. Three-fourths of the output was consumed in the plants of the makers and marketed in the form of mixed paint (Lundberg, 1937).

As the major supplier of white pigments, in 1934 National Lead Co. subsidiary Titanium Pigment

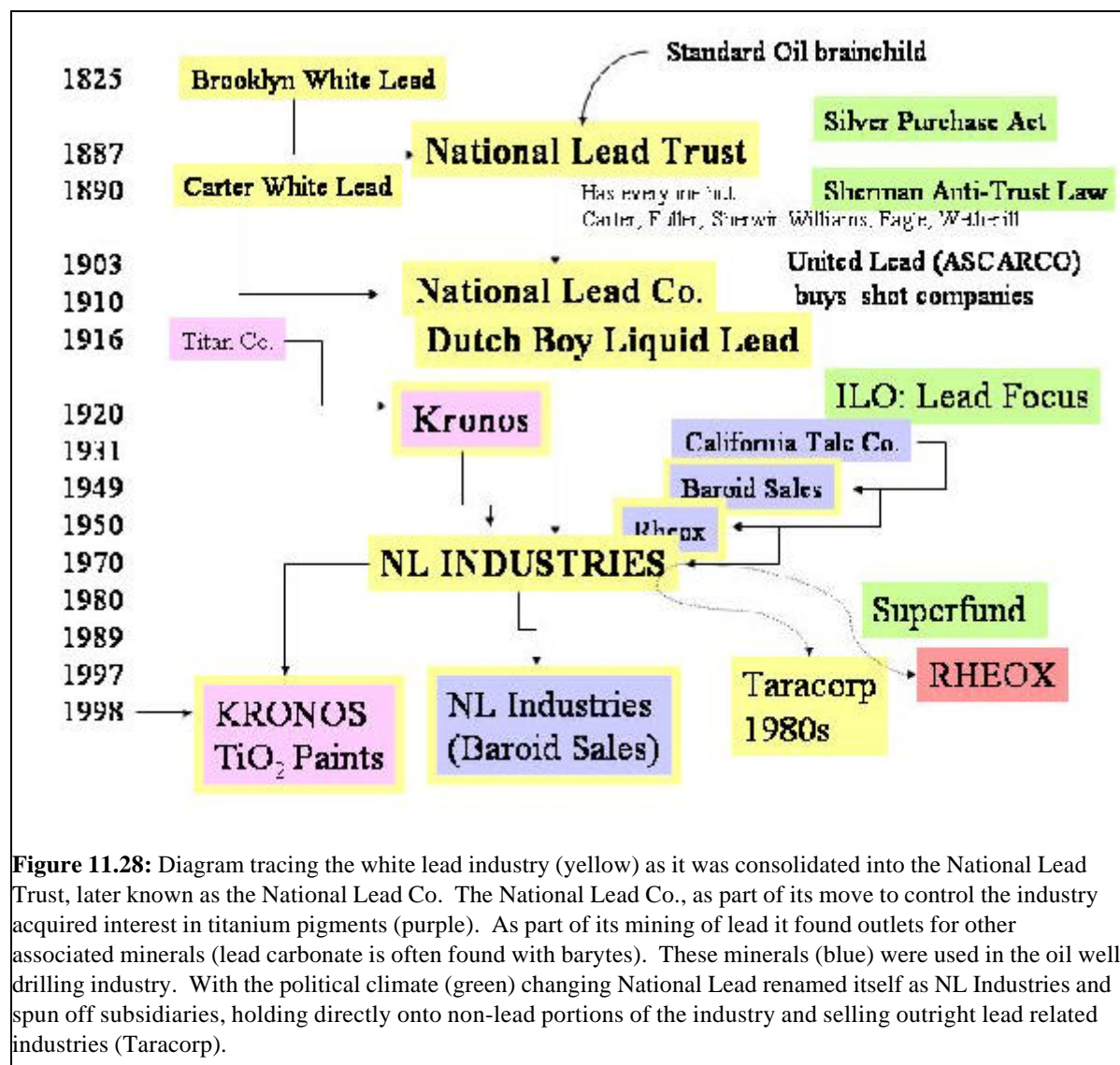


Figure 11.28: Diagram tracing the white lead industry (yellow) as it was consolidated into the National Lead Trust, later known as the National Lead Co. The National Lead Co., as part of its move to control the industry acquired interest in titanium pigments (purple). As part of its mining of lead it found outlets for other associated minerals (lead carbonate is often found with barytes). These minerals (blue) were used in the oil well drilling industry. With the political climate (green) changing National Lead renamed itself as NL Industries and spun off subsidiaries, holding directly onto non-lead portions of the industry and selling outright lead related industries (Taracorp).

Co. enlarged its St. Louis unit in 1934 and started building at Sayreville, N. J. the largest plant in the world. In 1936 the company was replaced by the new Titanium Pigment Corporation, selling agency for the Titanium division of the parent National Lead company. National Lead's active interest continued in the foreign field, where in 1934 it organized a new consolidation, British Titan Products with Imperial Chem. Indust. At that time, the veteran E. J. Cornish, National Lead's president for 17 years, became chairman of the board and was succeeded by Fred M. Carter, nephew of Levi Carter, founder of Carter White Lead Co., who in turn was followed in 1938 by Fletcher W. Rockwell (Haynes, 1954).

The company was so well established in the titanium production that it and du Pont were subjected in 1947 to an anti-trust case (*67 Sup. Ct. 1634, 1947*). While National Lead and du Pont were convicted of violating the Sherman Act the court refused to order divestiture of plants. The Court documented the "vigorous and effective competition between National Lead and du Pont" with the fact that "The general manager of the pigments department of du Pont characterized the competition with zirconium and Virginia Chemical as 'tough' and that with National Lead as 'plenty tough.'" (Stigler, 1964).

Reflecting the major shift from lead to titanium National Lead was renamed in 1970 as NL Industries

with a TiO₂ MacIntyre Division.

Secondary smelting

In addition to aggressive moves into the titanium business, National Lead continued to diversify from white lead pigments. Secondary smelters were introduced to recycle lead batteries, including a 25 acre site established in 1928 in Granite City, Ill. In 1930 National Lead Company started the Minnesota secondary lead smelter, at St. Louis Park, Minn., also used for battery recycling. Part of the Minnesota site was sold to Golden Auto Parts in the 1960s and the slag heap was buried. By the 1960s National Lead was processing lead near the Philadelphia downtown. In 1972 National Lead, now called NL industries, began operation of a secondary smelter in N.J. (EPA, 1999a; EPA, 1999b; EPA, 1999c).

In 1977 NL Industries, Inc. was issued a patent for a lead battery recycling process in which the smashed batteries were placed into a magnetic slurry and the light weight material removed by a magnetic field (Graham, 1978).

Oil Well Drilling Fluids

National Lead had already, as part of the titanium business, gotten involved, through its acquisition of Minerals Refining and Chemical Co. of St. Louis, in production of BaSO₄. This salt is added to drilling muds to increase unit weight, thus increasing hydrostatic head on the formations being drilled in deep wells to prevent the walls from caving in. Thus, in the 1920s and early 1930s, National Lead can be found to be moving into the oil well fluid business based on both the addition of swelling clays and BaSO₄ to control pressure within the wells. In the late 1920s, the California Talc Co. supplied bentonite (montmorillonite) clays as an additive to oil field drilling fluids and in 1931 Baroid Sales Co. of California, a subsidiary of National Lead, was formed from California Talc Co. to distribute clays which had been additional modified with organic compounds for fluid drilling (Baroid, 1999). In 1931, National Lead Co., Baroid Sales division was publishing pamphlets on drilling muds. A second book was published in 1953.

As lead carbonate production was diminishing in the late 1940s, and early 1950s, National Lead was left with a number of large plants with large vats for the acetic acid conversion of lead to lead carbonate. By 1949 National Lead converted some of those baths into oil fluid mixing sites and produced it's 1st commercial bath of bentonite-based additives in St. Louis, Mo. (Moll, 1999). National Lead continued to expand in this area with the purchase in 1949 of Baker

Castor Oil Company in Newark, N.J., major producer of organic thickeners and gellants. From this the Rheox group was formed (Rheox, 1999). In 1952 Rheox acquired a facility in Newberry Springs, Ca. near clay mines of Hector, Ca.. In the 1950s Rheox formed a joint venture with Abbey Chemicals, Ltd, for the production of organoclays for oil well drilling in the United Kingdom. In 1970 Rheox formed part of the Bentone Chemie GmbH of Germany. In 1978 Rheox acquired a majority share of Abbey Chemicals and relocated to Livingston, Scotland.

National Lead also apparently experimented with entrance into the battery field since several patents related to battery production to NL appear during the 1976 period. These included the manufacturing of a light weight lead acid battery prepared by lamination and in using an immobilized paste for the battery structure (Graham, 1978).

III.B 1978-Present: Divestment & Risk Management

The modern history of the National Lead enterprise has been marked by divestment and attempts at management of legal risks associated with its history of lead production (Figure 11.28). These risk management practices began with President Nixon's signing the National Environmental Policy Act which established the Environmental Protection Agency in 1970. Various other acts closely followed during the 1970s: the Clean Air Act (1970); the Clean Water Act (1972); Resource Conservation and Recovery Act (RCRA, 1976), Toxic Substances Control Act (1976). This controlled use of lead in paint and soil while the Clean Air Act controlled lead emissions, primarily from gasoline (Weintraub, 1997).

More stringently, however was the passage of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, also known as Superfund) in 1982 which directed EPA to create a National Priority List (NPL) of sites that needed remediation. The Superfund Act Reauthorization Amendment (SARA) was passed in 1986.

NL Industries and Taracorp

In 1979, National Lead's St. Louis smelter in Minnesota was sold to Taracorp of Georgia, a lead acid battery recycler, and producer of lead solders (EPA, 1999a; EPA, 1999c; Taracorp, 1999; Taracorp, 2000). In addition, the Granite City smelter, Illinois, was sold to Taracorp (EPA, 1999d). Soils near the scrap pile of the Granite City smelter showed 140,000 to 300,000 ppm lead.

From 1979 to 1982 Taracorp operated the St. Louis Park plant in the same manner as NL had been operating, assumed NL's role in a Battery Processing Agreement with Union Scrap Iron and Metal "Union Scrap" by which Taracorp purchased spent batteries to send to Union Scrap's three locations near St. Louis Park. Union Scrap broke apart the batteries and sent the lead plates to Taracorp for smelting. The battery processing agreement stated that the batteries and battery plates remained at all times the sole and exclusive property of Taracorp (originally NL.) The relationship continued until Taracorp shut down the St. Louis Park Plant.

Shortly after the sale, 1981, the EPA listed the St. Louis smelter as national priority for Superfund list and in 1982 Taracorp filed for bankruptcy. Legal proceedings associated with the bankruptcy carried on until 1985 when, as part of Taracorp's Plan of Reorganization, Taracorp entered into an Agreement on Mar 4, 1985 with NL and IEPA (Illinois EPA) regarding responsibility for the environmental hazards at the Granite City, Ill and St. Louis Park, Minn. sites. A new corporation was formed to cover \$500,000 of costs at Granite City, with indemnification from NL. Also included in the agreement was the return ownership of St. Louis site to NL with NL to bear the responsibility for all investigative and remedial clean-up costs associated with the facility with NL indemnifying Taracorp for all obligations, responsibilities and liabilities, costs and expenses asserted against it related to environmental hazards. The following year, 1986, Granite City smelter site signed consent order with EPA, and became NPL listing.

This "settlement" proved to be short-lived. In 1990, the EPA notified Taracorp that they were considered to be a potentially responsible party "PRP" under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) for damage caused by Union Scrap's battery-breaking activities at its Washington Avenue, north location by claiming the Taracorp had "arranger" liability under sec. 107(a) (3) of CERCLA. In 1993, the EPA further notified Taracorp that it was also considered a PRP for the cost of remediation at Union Scraps 15th avenue North site. Taracorp sought dismissal from Union Scrap I case claiming the CERCLA claim was barred by its 1985 discharge in bankruptcy. The bankruptcy court disagreed. Taracorp sued NL for indemnification in the costs it occurred for the Union Scrap suite. The court found that NL did not have to pay because environmental damage was not on, at or near the St.

Louis Park site.

Taracorp responded on Sept. 25, 1995 with a lawsuit of NL industries, Inc. in the District Court of Northern Illinois, Eastern Division. The suit was decided in favor of Taracorp on Jan. 11, 1996.

Some 14 years after action was initiated, in 1999, the EPA began capping the NL-Taracorp slag Pile April 13. Taracorp continued to function as a manufacturer of solders (EPA, 1999e). In 1998 Taracorp declared its marketing position as manufacturer of "Dutch Boy lead free solders".

GNB Batteries

The story of lawsuits surrounding assumption of Superfund liability is mirrored in the case of GNB, manufacturer of Champion batteries.

GNB traces its roots to the Gould Storage Battery Co., which was founded in 1898. This company, like National Lead, underwent several name permutations. In 1954, the company was listed in battery books as Gould-National Batteries, while in 1976 patents were issued to Gould, Inc. for a variety of lead-acid battery patents (cover assemblies, vent holes, alloys for forming handle straps). In 1979 Gould Electronics was the purchaser of a secondary lead smelting facility near Portland, Ore, originally established by Morris P. Kirk and Sons in 1949. At this facility Gould performed battery recycling, lead smelting and refining, zinc alloying and casting, cable sweating and lead oxide production.

With the snowballing of EPA regulations the site was closed in 1981 and buildings removed by 1982. In 1983 the Gould electronics site (alias GNB battery) was listed as an EPA National Priority Site. In that same year Gould created a wholly-owned subsidiary, GNB Batteries, Inc., to which it transferred the business and assets of its battery business (Jan. 1, 1983). Gould continued as a major corporation with interests in Li batteries and in fiber optics supplier to the computer industry. It formed (Mar. 2000) a partnership with U.S.A. Brookhaven National Lab for developments in lithium batteries.

Stock in the GNB subsidiary was offered for sale in April. The parent company senior vice-president, Stanley Gaines, along with Frank Beaudette, controller of Gould's automotive battery division, and Daniel Heffernan, partner in New York investment banking firm of Allen and Co. formed GNB Acquisition Corp. to purchase stock. Gaines was appointed president of GNB Batteries, Inc and as president accepted GNB Acquisition Corp's bid for the purchase of GNB Batteries. Part of the negotiated purchase left

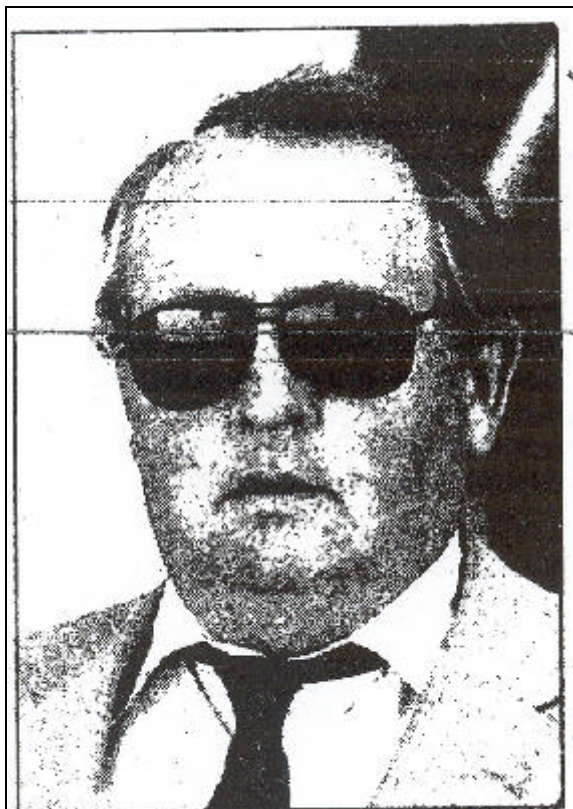
GNB Batteries with all of the obligations and liabilities incurred by the business while owned by Gould. After purchase, GNB Batteries and GNB Acquisition Corp. were folded together to become first GNB Incorporated and then GNB Battery Technologies, Inc. GNB formed its own wholly-owned subsidiary, Industrial Battery Co. (GNB, 2000b). By the late 1990s the operations of GNB were being targeted by the Superfund law as part of the Resource Conservation and Recovery Act (RCRA) and the Comprehensive Environmental Liability Act (CERCLA). GNB agreed to handle environmental liability at sites that were sold to GNB, but not for environmental liabilities at Gould plants or common dump sites closed prior to the 1984 sale. Gould stated that GNB assumed all liability on the purchase of the business in 1983. The first ruling in Nov. 1990 went against GNB. The lawsuit continued into 1992, and was again ruled against GNB. The appeals court heard the case in Nov. 30, 1994 and decided on Sept. 6, 1995 again against GNB.

GNB continues to be a major lead acid battery manufacturer. In the last 15 years it has branched into large valve-regulated lead-acid (VRLA) batteries for stand-by in telecommunications, as well as uninterruptible power supply (UPS). Champion batteries by GNB are used in lawnmowers, forklifts, cars, and trucks. GNB owns and operates three lead-acid battery sites located in Columbus, Ga., Frisco, Texas and Vernon, California. At these sites the batteries are broken apart into lead, plastic, and acid. The lead is melted back into ingots and returned to the original factor. The plastic is chipped, washed and returned to a plastic plant for melting into new casing. Sulfuric acid is either neutralized, purified, and released, or converted to sodium sulfate for use in fertilizers and dyes (GNB, 2000a). Each battery contains 17.5 pounds of lead. Nation-wide 70% of used batteries are recycled (rivecoeh.org, 2000).

State of Illinois and National Lead's Dutch Boy Site

While fighting off liability costs with Taracorp NL Industries was also involved in litigation with the State of Illinois (IEPA, 1998).

As part of its divestment strategy NL industries deeded its Dutch Boy (Carter) white lead paint factory property to Goodwill Industries in 1980. The architects of this transfer were Goodwill executives Harry Woodward, Jr. (Figure 11.29) and Herman Kaye and NL industries representatives John Harvey and Peter R. Harvey. Woodward and Kaye were running a



Harry Woodward Jr.

Figure 11..29 Harry Woodward, Jr., Goodwill executive who laundered money from contaminated industrial property donated to Goodwill.

series of convoluted transactions in which the property was then sold in 1982 and 1983 to a dummy corporation which was to develop the property. The sale proceeds were split with a portion returned to Goodwill and the remainder to hidden corporations controlled by Woodward. These fraudulent transfers could have gone un-noticed except for two events.

One was a "suspicious" fire that broke out in June of 1985 destroying most of the remaining factory structure. This fire followed similar fires that seemed to occur with donated sites to Goodwill which might have had to be decontaminated. Secondly, on June 5, 1986, two workers who were recovering bricks from the factory site in a salvage operation had allowed their children to play at the site. These children went through a blood lead testing program sponsored by the Chicago public schools and found to be excessively elevated in blood lead. The father realized that he, too, had similar symptoms. The cause of the poisoning



Figure 11.30 Dutch Boy plant emergency clean up.

were piles of powdered lead dust that was used in the production of the paint which had been left intact when NL donated the property to Goodwill.

Illinois state EPA spokeswoman Cinda Schein said: *It's obvious they knew what was in the building, and apparently they made no effort to clean it up.*

On June 11, 1986 demolition of the site was halted for an emergency cleanup which cost \$182,000. (Figure 11.30). On June 12, 1986, the State Attorney General filed charges against Harry Woodward, Jr. and Herman Kaye. June 18, 1986 Woodward's assets associated with the fraudulent transfers were frozen. On Sept. 18, Woodward was indicted for bilking Goodwill of \$1.6 million dollars. Exactly one year later Woodward was sentenced to 6 months for a spending spree designed to hide any further assets. He transferred his multimillion dollar home to his wife and sold his farm to his nine year old son. On Sept. 20, he was sentenced to an additional 8 years in prison for the Goodwill thefts.

His partner in crime, Herman Kaye, fled early that summer and was seized in Las Vegas in December. In November of 1988 he was convicted of stealing

\$400,000 from Goodwill and jumping bail. He was convicted in the following march to 9 years in jail.

In 1988 the Illinois EPA and People of State of Illinois filed 5 count complaint against NL Industries to recover clean up costs of \$2,270,000 associated with pollution of abandoned paint manufacturing facility on the south side of Chicago. This included clean up fee, punitive damages, fees and costs and imposition of civil fines. NL got a stay of discovery. The second plaintiff ARTRA sought dismissal on grounds that full administrative power of the Pollution Control Board had not been exhausted. In April of 1989, the ARTRA dismissal was granted.

In 1991 the state appealed the dismissal of ARTRA and NL case in Illinois. The appeal was dismissed. This was followed in 1992 by a successful State of Illinois appeal to State Supreme Court which sent action back to original court. The victory was short lived because on Sept. 9, 1993, Judge Richard L. Curry denied a motion to reinstate the case, because State did not attempt to justify delay. The State of Illinois in 1996 appealed dismissal of ARTRA and NL suit but the Circuit Court of Cook County sustained denial of reinstatement. On Nov. 13 the court issued a

modified opinion allowing that state to articulate reasons for delay in moving for reinstatement. However on August 11, 1997, Judge Lester Foreman dismissed the state's action with prejudice.

NL Industries initiated a 1st quarter payout of \$30,000,000 noncash charge related to the adoption of the AICPA's state of position No96-1 "Environmental Remediation Liability". Posts a 29.9 million loss for the year (NL, 1999).

The Invention of the Brownfield

One outcome of the Chicago trials was a major effort to revamp laws associated with donation of industrially contaminated sites to non-profit organizations as well as laws to facilitate their clean up. The Goodwill case showed a "trend" by which it was attempted to transfer legal liability from the industry to, in this case, a witting accomplice, and in other cases, unwitting charities.

Figures 11.7-11.12 show that property associated with the Chicago White Lead and Shot Tower Company eventually was redeveloped into upscale highrises. Similar outcomes were achieved in the case of some of the smaller white lead factories bought by National Lead and mothballed during its first wave of consolidation of the industry, and of the factory site for Devoe and Raynolds. However, it should be noted for most of these sites, the land languished for several decades before the redevelopment of the city of Chicago began in the 1990s.

Other tracts of land, with their legal liability in limbo, were soon identified as an accelerant to urban decay, (Figure 11.30). These tracts of land came to be known, as a comparison to suburban developments, as "brownfields". The city of Chicago began a pilot cleanup program which consolidated the efforts of several departments (finance, trash, environment, development) to focus as teams on the barriers to bringing the sites back into use and on the tax roles. The John D. and Catherine T. MacArthur Foundation funded a forum of business leaders, industrialists, environmentalists, bankers, regulators, and city officials to discuss means by which structural barriers could be alleviated to foster redevelopment. One outcome of these efforts was a consent decree signed between the City of Chicago and the EPA in which the city forgoes future use of groundwater as potable (drinking) water, in return for relaxed groundwater remediation. Strategies (including tax incentives) to foster

brownfield use have been enshrined in local and national law.

Philadelphia and National Lead

In 1987 a class action suit against NL Industries for the Philadelphia Site was filed. The Class Action suit was *Wagner v. Anzon Inc.*, June Term 1987, Ct. Common Pleas, Philadelphia Co. 7,500 present and former residents who grew up in the area sued NL Industries, Inc., as previous owner, and Anzon, as current owner for emissions from a lead processing plant. Residents complained of diminished IQs as a result of lead absorption, and depression, learning disabilities and reading disabilities, as well as property damage. In this lawsuit NL Industries was represented by one of nation's top 100 most influential law groups (Bartlit). In 1994 the judge recommends that Anzon and NL settle Philadelphia class action out of court. Anzon settled for \$6,000,000. NL suggested to settle at \$16 million and did not. On Dec. 1, 1994 jury found in favor of NL (Journal, 1995).

Snowballing Litigation

In addition to fighting litigation against smelting and battery recycling sites, the battle moved into litigation over paint manufacturing, both in terms of manufacturing site remediation and in terms of general culpability in childhood lead poisoning. Increased focus on all of the policy dimensions of leaded paints resulted in the Residential Lead-Based Paint Hazard Reduction Act 1992 (administered through HUD, regulations promulgated by EPA) which required disclosure of lead hazards on real estate transactions and accreditation requirements for lead remediators. By 1995 a Mealey National Lead Litigation conference was held in Philadelphia, followed by conferences in 1996, 1998, and 1999. The conferences were how-to briefings on lawsuits against the paint industry.

The ability to bring the lawsuit hinged upon a market share collective liability theory. On Feb 2, 1999 a Buffalo judge ruled that lead paint manufacturers can be subject to liability under a market share collective liability theory. Supreme Court Justice Nelson H. Cosgrove said that the "interest of justice and fairness" mandated using the theory in a suit brought by families whose children had suffered damage to their nervous systems from ingesting lead-based paint. Under the market share approach, the judge noted in his opinion in *Brenner v. American Cyanamid Co.*, a manufacturer's responsibility for damages caused by a harmful product it makes is based on its share in the market for the

product. The theory which is used as a last resort when tortfeasors cannot be identified, had been rejected in lead paint cases by the other federal and state courts that ruled on the issue. But, relying on a 1989 New York Court of Appeals decision that applied the market share approach in certain claims brought against the makers of the anti-miscarriage drug, DES, Justice Cosgrove said that the same rationale applied in the lead paint case (Alden, 1999).

These decrees bore fruit in Oct of 1999 when the State of Rhode Island filed class action suit for recovery of costs associated with childhood lead poisoning against Sherwin Williams, NL Industries, Lead Industries Association, American Cyanamid, Atlantic Richfield, Dupont, the O'BRIEN Corp., the Glidden Co. and John Doe Corporations. (O'Brien is the successor to Fuller) The suit alleged that the companies knew their product was toxic but marketed it as sanitary through LIA promotions through the 1920s and 1930s (Island, 1999).

Strategies for the defense have been suggested to proceed along the following lines (Murphy and Ward, 2000): 1: statute of limitations, claim plaintiff knew long ago of the harm suffered, but waited for the law to shift in their favor before they brought a claim; 2. Constitutional argument, that market share liability violates defendant's due process, persuasive when the time period of the alleged tort is uncertain, and the lead pigment market had considerable fluctuation in market control; 3. attack the elements of the market share theory of liability. All lead pigments are not fungible. They vary widely in lead amounts and general composition. They were individually marketed and sold, and at the time of purchase, were readily distinguishable from one another.; 4. Some states require specific person to sue; 5. Demand so many documents on maintenance records that the plaintiff can't keep up. Each of these defense strategies was subsequently employed in the Rhode Island trial (see below).

NL Industries Today

Throughout this time period NL Industries underwent further reorganization (Figure 11.22). In 1989 Kronos Paints became a separate company due to the "globalization of Kronos products". Attempts by NL to consolidate aspects of the titanium portion of the industry were rebuffed as a 1990 takeover bid of Georgia Gulf ended and in 1993 NL sold ½ interest in a TiO₂ plant in Louisiana to ICI. In 1998 the oil well drilling fluids, Rheox speciality chemical operations,

were sold. In 1999 NL Industries was prohibited from a \$1,000,000,000 purchase of ICI (TiO₂) by antitrust provisions.

In 1999 both NL Industries and Kronos Inc. showed profits for preceding year of \$89.9 million. Kronos operating income was \$40.0 million. However, in Jan. 26, 2000, NL Industries reported an income of \$16 million a decrease attributed to declining income of Kronos' titanium dioxide (NL, 2000).

Other Types of Litigation

In addition to litigation related to environmental remediation companies face unusual sets of lawsuits with respect to their workforce. A case in point is that of Johnson Controls. This company has its origins in 1883 when Warren S. Johnson, of the State Normal School in Whitewater, obtained a patent for electric room thermostat. In 1885 the Johnson Electric Service Company formed to manufacture automatic temperature regulation systems. The company was renamed Johnson Controls in 1974. The company became a major manufacturer of lead acid batteries when in 1978 it acquired Globe-Union a Milwaukee based company established in 1936 to manufacture batteries and leader in the field. In 2000 Johnson Controls was the largest automotive battery manufacturer in North America with \$16.1 billion sales including batteries DieHard (for Sears), Duralast (for Autozone), Energizer and Equalizer (for Blain's Farm&Fleet, Carport Auto Parts, Wal-mart Canada), Equalizer, Eveready, EverStart (Wal-mart), Interstate, Kirkland Signature and Motorcraft (Lincoln and Mercury Dealers)

In the 1980s Johnson Controls restricted women of child bearing age from the higher paying production lines arguing that even an informed consent on the part of the woman would not protect the company from future lawsuits initiated by adults who were conceived while their mother worked on the production line (District Court Summary 1988, #84-C-472)..

The law was challenged by the workers and the district court (1988) ruled in favor of the manufacturer. In 1991 the Supreme Court reversed that ruling. The Court ruled that the rights of women to make informed consent were greater than the right of the company to protect itself from unborn children. The judges ruled that the occupational hazard was as great to men (sperm death and infertility) as to women and that the decision to limit women was therefore discriminatory. The issue of harm to the unborn

children can not be considered as Congress, through Title VII, mandated that decisions about the welfare of future children be left to the parents who conceive, bear, support, and raise them. Concerns about the next generation were not part of the essence of the employer's business. Justice Scalia agreed with this ruling, indicating that Johnson Controls had failed to demonstrate a substantial risk of tort liability resulting from allowing fertile women to perform the job.

The Rhode Island Lead Paint Nuisance Lawsuit of 2002

We ended Chapter 10 with dire predictions as to the legal liability of the lead industry with respect to childhood lead poisoning. The push for lawsuits against the lead industry stalled for a while over the issue of collective vs individual responsibility of various industries. In the early 1990s it appeared that the only way to sue a paint company would be to prove that a particular company manufactured the paint used in a particular home. This gave rise to some interest in the use of mass spectrometry methods of analysis that could "fingerprint" lead. The difficulty of such fingerprinting, as compared to fingerprinting archaeological materials, lies in the widespread mixing of commercial ores in the manufacture of white lead paints and gasolines between 1920 and 1980.

The legal landscape shifted dramatically in the 1990s, primarily due to two events. The first was a landmark ruling which allowed a market share basis for assigning responsibility. The second was the successful billion dollar class action lawsuit against the tobacco industries. The difference between the legal strategies taken to sue the tobacco and the lead industries revolves around guilt. Unlike the tobacco company internal documents, there are few "smoking guns" which prove a conspiracy to hide the dangers of the product. Therefore the issues of guilt and punitive damages are more difficult to resolve.

Despite the latter difficulties a major lawsuit against the paint companies was pursued. The strategy was a novel one. It would be difficult to chronicle the 2002 Lead Paint lawsuit any better than it unfolded in the articles of Peter B. Lord of the Providence Journal, of Providence Rhode Island. What follows is primarily the work of Lord with a smattering of other primary sources. For the most part the articles are excerpted and not quoted in their entirety. Occasionally, in order

to meet the constraints of excerpting, brackets have been added to indicate changes in the original text.

July 11, 2000 Milwaukee Journal Sentinel, Greg J. Borowski. *Report fuels city's push to sue makers of lead paint*

A group of law firms hoping to file a case on Milwaukee's behalf said the paint industry concealed the dangers of lead for decades, fought regulation, and will battle legal challenge. Industry officials say companies voluntarily removed lead from paint in the 1950s, decades before the 1978 ban. Milwaukee thinks it will need \$67 million to get windows replaced in 42,174 housing units the city's lead target area. If the city sues it would join St. Louis and R. I. who filed in the last nine months. Because an outside lawyer prepared the report some city council members were skeptical about bias.

June 21, 2000, Houston Chronicle, Bill Murphy "Spring Branch schools join lead paint suit" A fraud suit filed again Lead Industries Association, DuPont, Sherwin-Williams, Glidden, Atlantic Richfield, and other companies was filed.

Aug. 11, 2000, *Lingering Suit lures throngs of lobbyists*, Greg J. Borowski. Milwaukee Journal Sentinel

With lobbying on the planned city lawsuit against the paint industry now in overtime, and the stakes ever higher, an alderman wants a new rule that would force lobbyists at City Hall to register whom they're working for. The paint industry hired the best connected lobbyists and lawyers to block a vote in common council in favor of the lawsuit. Supporters say it's the only way to generate the tens of millions of dollars needed to deal with the lead problem. Critics

say it's a legal longshot that could bite city taxpayers down the road with hidden costs or by exposing the city as responsible for a share of the problem. 11 voted for the lawsuit and 6 opposed. 9 votes necessary in coming month.

Aug. 17, 2000. *Maryland Homeowners Defeat Lead Industry's Motion to Dismiss.* In Cofield et al v. Lead Industries Ass'n et al. the paint companies wanted dismissal on the grounds that it is impossible to determine the exact manufacturer liable. The suit was upheld.

Dec. 8, 2000 California Superior Court judge ruled Santa Clara, Santa Cruz, Solano, and Alameda counties could proceed with their claim that the lead industry fraudulently concealed the hazards of lead-based paint. The judge rejected the lead industry's argument that the fraud claim was time-barred and also ruled that the government services doctrine (which the defense argued prohibits governmental entities from recovering the costs of public services) did not apply in this case.

Mar 30, 2001 The Providence Journal, Providence, R.I., Peter B. Lord, *U. S. Chamber counterattacks lead-paint suit.*

An arm of the U. S. Chamber of Commerce has swamped the Providence city government and a half-dozen state agencies with a massive public records request aimed at showing that the state and local governments are liable for the thousands of Rhode Island children poisoned each year by ingesting lead-paint particles. The 64 item request seeks virtually every record of lead poisoning, every policy decision, every lead test result, all medical records of poisoned children, all cleanup notices, and all records about records dating back 50 years.

Chamber officials said they filed the requests in response to a lawsuit Atty. Gen. Sheldon Whitehouse filed 17 months ago.

James Wootton president of the Chamber's Institute for Legal Reforms said the lawsuit is frivolous and RI officials should be aware that in pressing the case, they may reveal many mistakes and liabilities created by public officials in dealing with the lead problem.

Chamber officials said this is only the second time they've used the records request tactic. They filed a similar records request last summer against the City of Milwaukee when it was considering filing its own suit against the paint companies. A chamber spokeswoman,

Linda Roxett, said the tactic cause the city to back down.

But Linda Burke, a solicitor for Milwaukee, said the official was wrong. The records request, she said, was as an effort to intimidate the city so it wouldn't sue, and it failed. The city plans to sue anyway, she said.

March 2, 2001. Media Advisory, RI Attorney Generals office: *Rhode Island Judge Gives Go-Ahead to Lawsuit Against Lead Industry*

Associate Justice Michael Silverstein of the RI State Superior Court ruled favorably for the state that their lawsuit should proceed and denied a motion to dismiss filed by dependants. He affirmed the state's right to seek abatement costs for public and private property throughout the state.

March 4, 2001 *ICI sees success in lead paint lawsuits,* Jodie Ginsberg. (Reuters)

Imperial Chemical Industries said it expected to deal successfully with any litigation related to lead-based paint, as worries of a US court action undermined its shares. ICI shares traded 25 pence or 6.2 % lower making it the second biggest loser in a falling FTSE 100 index. ICI's Glidden Co. is one of eight companies cited over the use of lead-based paint. **March 5, 2001** *Sherwin-Williams Comments on Rhode Island Trial Court Decision.* (Business Wire).Cleveland.

Sherwin-Williams says the R.I. action not a defeat because the judge threw out major claims against dependants: all common law tort claims for strict liability, negligence, negligent misrepresentation and fraud based on alleged injuries to individual were dismissed as were all claims seeking to recover special education costs and a claim asking for equitable relief on behalf of children. The court also ruled that no-pre-1970 alleged conduct could be used to prove any claim under Rhode Island's unfair trade practices act.

March 9, 2001 *Two Paint Companies Targeted in New Strategy,* Greg. J. Borowski., Journal Sentinel Staff, Milwaukee.

The city will join a growing legal battle against the paint industry today, forcing cleanup of more than 40,000 central city homes. Milwaukee's lawsuit will list only two: Houston-based NL Industries, and Madison based Mautz Paint. Potential clean up costs are estimated at \$100 million. "I guess they hope to hit the jackpot somewhere along the way," said Richard Thornburgh, a former U.S. attorney general who now

represents NL industries and several other paint companies. By pursuing only two companies and by seeking to have lead paint declared a “public nuisance” the city lawsuit sides steps a critical question and major hurdle other lawsuits have faced: which paint is in which home? The lawsuit also alleges the two companies were part of a conspiracy with other companies and industry groups to conceal the dangers of lead and argues the paint itself was an “unreasonably dangerous product due to inadequate warnings”.

Thornburgh said those arguments have failed elsewhere. “The arguments these lawsuits make are pretty predictable,” he said. “The nuisance has been created, not by the manufacturers of the paint, but the failure to maintain the paint, which creates responsibility on the part of the property owners.”

May 5, 2001 *Turning Lead into Gold*, Forbes Magazine, May 14, 2001

Asbestos lawyer after the lead: Motley’s got a 156 -foot yacht, Themis (for the Greek titaness of law), a house on Kiawah Island, S.C. worth \$5.8 million, and a plush new five story office building overlooking the Cooper River and downtown Charleston, S.C. At his 1999 wedding (his third) he hired Earth, Wind, and Fire to perform.Motley, 56, got his start on the good life in 1975 with tort law. At the time this field was mostly the province of ambulance chasers and slip-and-fall lawyers working over seedy storefronts. But it was about to be transformed by the explosion in mass tort litigation, which would make some plaintiff lawyers extremely rich... ..Motley went after asbestos makers... But Motley and his partners did not coast on the asbestos payoff. They reinvested it in tobacco litigation,The jackpot was bigger than any tort lawyer’s wildest dreams. On his office wall is proudly displayed a framed 1997 deposit slip for \$170 million - courtesy of the big four tobacco companies.It’s still not time to coast. Motley’s firm is reinvesting some of its tobacco trophy in the next- big game hunt. This time the quarry is the paint and pigment industry.....To make the stuff of a mass tort, the lead paint plaintiffs had to find other victims. They have found some plausible ones, in the form of children with learning disabilities....Next, Motley and company needed defendants with pockets billions of dollars deep. They have several, including NL Industries, which, under the name National Lead, used to make Dutch Boy paint; DuPont, which sold several brands of paint until 1983; Atlantic Richfield (now BP Amoco), alleged successor

to International Smelting and Refining; and ConAgra Grocery, which bought Beatrice Foods in 1990 a company that sold off its interest in W. P. Fuller Paint Co. 26 years earlier. Glidden Paint, owned by Imperial Chemical, and Sherwin-Williams, the largest U. S. manufacturer of paint today, are also defendants.

The lead defendants had to be demonized, as the tobacco companies were demonized. In an obvious attempt to transform the Dutch Boy into a fresh-faced incarnation of Joe Camel, the suits claim the companies misrepresented the paint as safe for use around children. Evidence? In 1920 National Lead told retailers to be nice to children because they might someday be customers. More: In 1930 the company distributed coloring books with poems and a cartoon drawing of its Dutch Boy character.

Hard to imagine children having much influence on paint purchases. But Motley booms out his argument like that actor in *The Insider*. “These lead companies are scumbags,” he argues. “They’re as bad or worse than the tobacco companies. They’ve preyed on little children.”

[The editorial then points out the LIA funded Baltimore studies, see previous chapter, and then voluntarily cut lead content for paint for interior use in 1955; also that TiO₂ didn’t arrive on market until 1930s and that leaded gasoline put out as much or more lead].

Wall Street is viewing these cases quite seriously. In January Morgan Stanley downgraded Sherwin Williams (sales, \$5.2 billion). It was a prescient call. In April, in a major victory for Motley, Rhode Island Superior Court judge rejected the defendants’ motion to dismiss and Sherwin-Williams’ stock dropped 21%. Imperial Chemical Industries, the \$9.5 billion (sales) British owner of Glidden Paint, dropped 5%.

[How did Motley get connected?] In 1999 Att. General Sheldon Whitehouse, Democrat with an eye on the governor’s office, met with John McConnell Jr., Providence based Motley partner and treasurer for the State Democratic party. Whitehouse signed a contract with Motley and another local lawyer to represent the state in a suit against the lead industry. They would get half the normal 33% contingency fee. Ness Motley is Rhode Island’s largest political contributor. Motley filed suit in Oct. 1999. A Beaumont, Tex. firm working with Motley sent a letter to the executive director of a group of north Texas school districts with the pitch lawyers would front the cost of the lead paint litigation in exchange for 40% of the winnings.

May 8, 2001 The National Law Journal, Bob Van Voris
Paint Suit's a Lead Balloon (So Far)

In Oct. 1999 Ron Motley told a Dallas Morning News reporter that if he failed to bring the lead paint industry to its knees in three years, he would hand over his yacht - a 120 foot craft.

Critics have characterized the alliance between government officials and outside trial lawyers, in lawsuits involving tobacco, handguns and lead, as a costly end-run around the legislative process. They say that the real intent is to extort settlements with the threat of litigation that could depress company stock prices for years.

May 16, 2001 House Bill no 2561, Massachusetts,

The attorney general is authorized to bring action on behalf of the commonwealth against lead companies.

July, 9, 2001 Deborah Kong, the Associated Press,
NAACP Plans to Sue Lead Paint Industry

NAACP president Kweisi Mfume says the civil rights organization is preparing to sue the lead industry.

Dec. 20, 2001 Russell Ben-Ali, Star-Ledger Passaic, N. J. City

The city of Passaic sued the lead paint industry yesterday alleging that the industry's major manufacturers knew, but conspired to conceal, the dangers lead paint posed to children.

Jan. 17, 2002 *Lead-paint Lawsuits Waste Time and Money*, Home News Tribune, 1/03/02 editorial

[70 similar lawsuits of which 45 dismissed or without merit. Why should Passaic sue? It is a drain on tax dollars better used elsewhere.]

Jan 13, 2002 *Paint firms cover Earth with lead lobbyists*, Stephen Koff, Cleveland Plain Dealer,

Sherwin-Williams' lobbying team included former U.S. Attorney General Dick Thornburgh, former U.S. Reps Alan Wheat of Missouri and Martin Russo of Illinois, Maine's Ketterer and a California consultant who used to run his states' Democratic party. Gale Norton, U.S. Interior Secretary used to lobby for Houston based NL.

Feb. 5, 2002 Providence Journal, by Peter B. Lord

Judge Silverstein approved Att. Gen. Sheldon Whitehouse's plan to divide his precedent-setting lawsuit against the nation's lead paint companies into

a number of separate trials and to move ahead with an initial trial to establish whether lead paint has created a public nuisance in communities throughout the state. Whitehouse is quoted as thrilled. The paint companies also say the ruling benefits them because it will enable them to show that it is the landlords fault and not their product.

Mar. 1, 2002 Peter B. Lord Providence Journal *Lead paint lawsuit heading for trial*

Silverstein said Whitehouse's plan was overly ambitious in wanting to go to trial June 17, but that company lawyers objections had been decided a year ago. [Objections were: bringing in all the people actually affected as opposed to damages to the states' property and waterways; state should notify 330,000 estimated houses in Rhode Island that a nuisance case was being filed on their behalf]

Mar. 1, 2002 Rhode Island Law Tribune, Vincent Michael Valvo *Report Spin: PR Firm bares Lead Strategy*

PR will spin that the above ruling was merely procedural. The eye is on the investors and stock prices.

June 20, 2002 Providence Journal *Forum sparks Debate over lead-paint lawsuits.*

A conservative New York city think tank came to Providence to a forum on lawsuits. Judyth W. Pendell, director of the Center for Legal Policy at the Manhattan Institute: My understanding is the paint Industry stepped forward and voluntarily stopped marketing lead paint when it learned there were problems in the 1950s. ...

A policy aide for Providence mayor Vincent A. Cianci Jr. pointed out that more than a few respected researchers have documented that the paint industry knew it was a marketing a dangerous material for years... "Why wouldn't you want to hold accountable companies that sold products and said they were safe and durable, at a time when they knew what they would do,?" asked Stephanie Pollack of the Conservation Law Foundation.

Bianca Gray of the mayor's office added: "We all know that in the U.S. and the world the knowledge of the problem was well known before the 1950s. Now the Industry is the only piece of the puzzle that hasn't been addressed. What is its culpability? I don't hear from you honestly saying what part of the puzzle Industry is going to play?"

Pendell said her organization is opposed to suits against the big corporations, theorizing that like the tobacco suits, much of the proceeds would go to lawyers and little would go to solving the problem. The people running the paint companies weren't there when lead paint was made and marketed, she said. And if lawsuits are successful, innocent workers, and shareholders would bear the burnt of the costs.

Randall Lutter, a resident scholar for the AEI/Brookings Joint Center for Regulatory Studies, said the lead-poisoning epidemic is largely past. "This is one of the most dramatic [successful] public-health stories in the Unties States," Lutter said.

July 11, 2002 Peter B. Lord, Providence Journal, *Judge rejects efforts to delay lead-paint trial.*

The nation's paint companies yesterday unleashed a flurry of legal arguments and suggested that state workers were illegally shredding documents, as they tied to sidetrack the state's unprecedented lawsuit over damages caused by lead paint.

But by day's end, Superior Court Judge Michael A. Silverstein had swept aside most of the corporate objects and announced the trial would go on as schedule, starting Sept. 4. The decision was a big loss for the paint companies. They wanted to delay the trial's start by at least three or four months. Company lawyers argued that after assembling 2 million documents from state records and deposing 130 witnessed, they needed more time to study all the evidence they had gathered. State lawyers said only confidential patient information had been shredded. Atty. Gen. Sheldon Whitehouse late called the shredding allegation "a bit of a stunt".

Silverstein agreed to let the paint companies depose Whitehouse who objected as being a plaintiff in the case, but paint companies argue that he is giving interviews to the media on the lead issue. Normally the attorney general would be protected, he said. But Silverstein said Whitehouse's actions have taken him beyond the "role of a constitutional officer with respect to this case", so he will allow a limited deposition of the attorney general.

August 8, 2002 *City urged to sue in lead paint poisoning* Jim Ritter, Health report, Chicago Sun-times

"It's been 'any day now' for a long time," said Karen Schuessler of the Alliance to End Childhood Lead Poisoning. "A law suit is very much needed". The alliance said lawsuits have been filed by 24 cities, including Milwaukee, San Francisco, and St. Louis.

Aug. 8, 2002 *Real-estate trade groups seek end to paint lawsuit* Peter B. Lord, Providence Journal

Trade associations representing Rhode Island banks and Realtors are seeking to derail the state's massive lawsuit against the nation's paint companies because the groups say the case could "prove disastrous for owners of property, lenders and mortgage bankers". They have asked Silverstein to change the structure of the state's lawsuit. Realtors and bankers argued in a brief filed that the "bifurcated manner in which the Court proposed to try this case and the consequences which may flow from that approach, present issues of grave concern to RIBA's and RIAR's constituencies." The groups asserted that if the court finds that homes painted with lead paint constitute a nuisance and liability is not attributed to any specific party, "investments in and sales of such properties would undoubtedly slow to a trickle until the open-ended question of liability was sorted out."

August 29, 2002 *Jury set for lead paint lawsuit*, Peter B. Lord

The panel includes a warehouse supervisor from North Smithfield, a customer service representative from Cranston, a retired warehouse worker from Pawtucket, an accountant from North Providence, a dietary aide from Johnston and a retired Air force major from Bristol. There are four women and two men.

Hundreds of potential jurors were disqualified because of answers to a questionnaire seeking their opinions about hazardous materials, frivolous lawsuits, personal responsibility, and lead poisoning.

Sept. 1, 002 Peter Lord, Providence Journal *Lead Paint trial will command national attention.*

The two sides have assembled enough lawyers to fill a city bus. Many are nationally recognized litigators. [60 witnesses: dozens of doctors and scientists and most of the nation's top research of lead poisoning. 2 millions pages of documents and 130 potential witnesses deposed.] Each side has selected three lawyers to argue its case. The state's primary lawyer is Leonard DeCof, 78, the dean of the state's personal injury lawyers, recognized nationally for his litigation skills, a graduate of Yale with a law degree from Harvard, DeCof was retained a decade ago by Whitehouse's mentor, Gov. Bruce Sundlun to recover millions of dollars and damages from accounting firms, insurance companies and credit union officials after the collapse of the state's credit unions. Linn F. Freedman, 41, deputy chief of the attorney

general's civil division, has argued most of the pretrial motions for the state. Originally from New Orleans, she earned her law degree from Loyola. New to the table is Jack McConnell, 44, a partner in Ness Motley's Rhode Island office and state Democratic Party treasurer. A graduate of Brown University and Case Western Reserve University school of Law, McConnell was one of the lawyers for Ness Motley who negotiated the \$240-billion tobacco settlement.

John Tarantino, 48, a graduate of Dartmouth College and Boston University Law School, is president of the Providence law firm of Adler Pollock and Sheehan. Donald E. Scott, is a graduate of Harvard College and Yale Law School, and a partner at Bartlit Beck in Denver, Colo. He successfully defended Dutch Boy paint company two years ago from a suit by high-profile litigator Peter Angelos on behalf of a 49 year old man who said he was poisoned as a toddler. Laura E. Ellsworth, a graduate of Princeton and the University of Pittsburgh law school, is a partner in Jones Day, one of the world's largest law firms, which touts itself as representing half the Fortune 500 companies.

During an interview in his firm's conference room "My grandparents came here with nothing. Zero," Tarantino said. "They ran competing fruit stands. My parents weren't supposed to even talk to each other." Tarantino said his family moved three times on the same street -- each move brought them to a lower floor of a tenement. His parents never got to go to college. But he and his four siblings all completed graduate schools. His point is that lead paint covers thousands of houses in Rhode Island and doesn't cause any problems if it's properly maintained

Sept. 4, 2002 *R.I.'s lead paint suit goes to trial.* Associated Press.

Opening statements: DeCof, "This case is about the right of the public to be free from harm." Tarantino: "We say the problem is isolated. And it's principally in poorly maintained properties."

Sept. 5, 2002 Peter B. Lord, *State opens case in lead-paint trial.*

[The State said that since 1993 35,000 children lead poisoned.]

Dr. Phillip J. Landrigan, the state's first witness and a nationally recognized expert on lead poisoning, testified that 900,000 children a year are poisoned across the country and he has determined they suffer brain damage that causes annual losses in productivity of \$43.3 billion nationally and \$135 million in Rhode

Island. "Basically what we have in the U.S. is an epidemic of lead-poisoned children," Landrigan said.

[Paint company: problem is a minority of landlords and homeowners. State officials estimate 331,000 houses had some lead paint and 28,396 of those houses result in children lead poisoning. (11 Out of 12 houses not harming children).] Scott said, "this is where the two sides part company. The attorney general says the presence of lead is a public nuisance wherever it is found. But they are condemning 11 homes along with each one" that has actually poisoned a child.

[Lawyers objected to each other's opening arguments saying they hadn't seen slides.] The judge said sternly, "In the years I have been on the bench, I have never had the disruption to opening statements that has occurred in the course of this morning."

Landrigan, that state's first witness agreed the number of poisoning is declining, but he disagreed with the concept of "intact lead paint." Pointing to the courtroom walls, he said, "This paint is beautiful today, but who knows what it will be like in a week." The ultimate way to protect a child is to get rid of lead paint. "There is no other way."

Sept. 6, 2002 Peter B. Lord, *Doctor: Even low lead levels a danger.*

A Boston pediatrician who has treated an estimated 5,000 children for lead poisoning testified yesterday that he knows of no levels of lead that would be safe for children to absorb.

[Landrigan said under cross examination that he did not know of cases of lead poisoning where the paint was intact.]

Sept. 6, 2002 Chicago Tribune *City Sues for lead paint costs* by Sabrina L. Miller.

Chicago taxpayers have borne the costs of treating lead poisoning in children for too long, said Corporation Counsel Maria Georges at a news conference at the Uptown Health center. The Industry should be forced to contribute its fair share.

More than 12,000 children tested positive for lead poisoning in Chicago last year. Black and Hispanic children are disproportionately affected in Chicago.

"We cannot hope to keep housing in Chicago affordable to low-income residents if landlords, property owners and tenants are required to bear the entire cost of abatement," Georges said.

Sept. 8, 2002, Peter B. Lord *Following suit, Chicago fighting lead-paint firms*. Providence Journal

Chicago announced it is suing 12 chemical companies for hundreds of millions of dollars in damages. The city is using a legal argument identical to the one cited by Att. Gen. Whitehouse.

[Alleges the companies created a public nuisance by making and selling the lead paints.]

One financial analysis, Timothy Gerdeman of Lehman Brothers, immediately distributed a warning that the suit and others like it could affect the defendants' stock values. "As we have suggested myriad times since first publishing a detailed report on lead-paint litigation trends in Jan. 2001, lead-paint litigation is gaining significant momentum with numerous additional cases likely to be filed in the coming months," wrote Gerdeman. "We worry that this momentum will inevitably adversely impact the valuations of select defendants' stocks."

The city negotiated with the companies for the last year and a half over a settlement that would have avoided the need for litigation, according to Jennifer Hoyle, spokeswoman for the city's Department of Law.

It finally become clear the companies were not offering anything that would specifically help Chicago," Hoyle said. "we learned Rhode Island was going to trial, so we picked that time to file our suit."

Bonnie Campbell, a former attorney general for the state of Iowa who now advises paint companies said, "I'm a good liberal. I wouldn't have taken on these clients without checking that they did act in an impressive way. These companies have always acted appropriately with respect to this issue. When they made lead paint, it was not only legal, it was preferred. It was the companies that did the research and spread the word that it could create problems. They did it right, and now rather than encouraging good behavior, they are being sued and punished for it."

Sept. 11, 2002 *Expert Testifies all lead paint poses a hazard*. Peter B. Lord Providence Journal

Dr. Bruce P. Lanphear, an epidemiologist at Children's Hospital Medical center in Cincinnati, cited a national housing survey that found that 33 percent of the houses where paint appeared to be in good condition nevertheless had one or more lead hazards.

Defense lawyer Donald E. Scott presented government studies showing that average childhood lead levels in blood have declined dramatically since the government banned the use of lead in gasoline. In 1980, the average lead level in 5 year Olds was 15

ug/dL. In 1999 the average declined to 2 ug/dL.

Scott used copies of federal reports on regulations to argue that intact lead paint can be safe, but Lanphear repeatedly disagreed. The doctor said dust levels set by the U. S. centers for Disease Control are higher than what he believed was sufficient to protect children. When Scott read an EPA document that said "The agency does not believe that intact paint can generate significant amounts of lead containing dust," Lanphear's response was brief, "I don't agree". And when Scott argued that you should be able to see lead paint dust on floors and around window, Lanphear disagreed again. "No," he said, "There are many times you could pick up high levels of lead and not see it."

Sept. 12, 2002 *Expert says paints concentrated with high levels of lead* Peter B. Lord

"Lead paint is such a concentrated source of lead that it takes very little to poison " Dr. James D. Sargent, pediatrician at Dartmouth Medical School.

In this 5th day, as in every other day of the trial, there were long breaks to hear objections raised by the paint company lawyers. [Individual stories are objected to.]

When Deputy Atty Gen. Linn Freedman asked how lead poisoning affects families of Sargent's patients, defense lawyer John Tarantino objected. Letting Sargent describe family reactions was just another way of entering summaries of evidence (family stories) that wouldn't be allowed individually. Freedman argued that one of the key issues of the state's case is showing the harm lead causes to families in Rhode Island. "The defendants are trying to preclude the truth from getting to the jury," she said. "To divorce these families from this case is prejudicial to the state. The doctor sees sadness, fear, guilt and a multitude of families whose children need special education." Silverstein asked if there were any studies of the effects on families. Freedman said she wasn't aware of any. Silverstein ruled that Sargent could not testify about family reactions. Tarantino used similar objections to bar Elizabeth Colon from testifying. Colon said she worked with hundreds of families of lead-poisoned children and had seen a lot of crying, many families separated to get their children away from lead, and some families left homeless. But the jury didn't hear her testimony.

When Tarantino asked how poisoning rates could be declining when Rhode Islanders are living in the same housing that caused more poisonings year ago, Sargent said maybe its because people removed

the lead paints.

Sept. 20, 2002 Peter B. Lord

When defense attorney Donald E. Scott asked lead poisoning expert Kim Dietrich (Univ. Cincinnati College of Medicine) if he was familiar with the U. S. Environmental Protection agency's safety standards for household lead paint, he probably was expecting a yes or no answer. Instead he got upbraided about alleged deficiencies at the agency charged with protecting the nation's environment. "I study health hazards," Dietrich said. "I don't concentrate on EPA's rapidly evolving and often contradictory regulations on lead" "You don't agree with the EPA" Scott asked. "I frequently disagree with the EPA when it comes to environmental health issues, particularly for children," Dietrich said.

Scott tried to test Dietrich on attention problems, clumsiness, etc. but Dietrich didn't back down. At times he accused Scott of using his earlier remarks in a deposition out of context. "Would you agree its very rare to find a home that has lead-based paint as the outside layer?" Scott asked at one point. "I would not agree with that," Dietrich replied. Scott pulled out the deposition, and showed the court that Dietrich told lawyers just last summer that he "probably would agree" with the assertion. Dietrich thought a bit and pointed out he was deposed for many hours. Then he suggested in the deposition he might have been referring to the total housing stock of the United States. "But you go into any Northeastern or Midwestern city and you'll find no lack of lead paint on the exteriors," he said. Scott asked Dietrich if he accepted the concept of latex paint sealing lead paint and preventing hazards. "If you consider latex a permanent, impermeable layer, I could agree," Dietrich said. "But I don't know of that ever being the case." When Scott pulled another quote from the deposition in which Dietrich advises people they can stay in houses where lead paint is well maintained, Dietrich said that the statement was taken out of context. "I am a pragmatic man. Most of the families I deal with are of limited means," Dietrich said. He said that they can't afford to replace windows, doors and woodwork treated with lead paint so he advises them to do the cleaning and maintenance that lessens the dangers the paints will poison children. Most of his colleagues, on the other hand, are doctors and scientists with good incomes. He tells them to get the lead out of their houses. Dietrich testified his only compensation for testifying was having his travel expenses paid.

Sept. 25, 2002 *Health Chief stunned by lead issue.* Peter B. Lord.

State Health Director Patricia A. Nolan testified yesterday that she was stunned when she came to work in Rhode Island in 1995 and learned that 20% of the state's children had elevated levels of lead in their blood. She previously held public health posts in Colorado and Arizona and she said lead-poisoning rates in those states were only about 3 percent or 4 percent.

She acknowledged under cross examination that the law does not require removal and that the law says lead poisoning is completely preventable if a home is made lead safe through cleaning, painting and other housekeeping efforts.

Sept. 26, 2002 *Critical ruling expected today in lead trial.* Peter B. Lord

The trial of the nation's paint companies erupted yesterday afternoon when the state sought to introduce two surprise witnesses would rebut what it said was a misleading opening statement from the defense.

Paint company lawyers displayed a big color photo of the green-and-white Providence Victorian in their opening arguments. They said it was an example of many older houses in Rhode Island that were treated with lead paint but remain safe because of good maintenance.

State lawyers said they hired inspectors who went to the house and found levels of lead-paint dust far exceeding state safety standards. A child who lived at the house also had elevated lead levels, they said.

"The most critical moment of this case is right now," state lawyer Leonard DeCof said as he launched into a two hour argument with defense lawyer John Tarantino over whether the inspectors should be allowed to testify.

However Superior court Judge Michael A. Silverstein ruled would be critical to the trial's outcome, both sides insisted, and would probably also serve as a basis for a legal appeal by the losing side.

Silverstein, noting the dispute is "very significant and serious," said he would rule this morning.

DeCof said the picture of the te house was the keystone of a "well-designed and clever defense" that repeatedly raised the maintenance issue so jurors would think that lead poisonings are solely the fault of property owners. "Their entire case is based on this," he said. "They have one argument if a property is well-

maintained, it's not nuisance. But that's a great oversimplification. And this [the photo] is an absolute distortion of the record." He said defense lawyer Donald Scott displayed the photo of the Providence house and said it represented many houses in Rhode Island.

"They're not peeling. They're not flaking. They are not creating any lead dust. And they are safe," Scott said, according to a transcript of his opening statement read by DeCof. DeCof also said his inspectors checked out a house that the defense used as an example of poor maintenance. They found it was empty, posing a threat to no one.

"This situation was created by the defendants," DeCof said. "A false impression has been given to the jury. We want the right to set the record straight and give the jury true facts. The defendants are asking us to compound a misrepresentation, to cover up a wrong." Tarantino said the defense had no idea the house had lead problems. Its location wasn't specified in the trial and its photograph was simply used for illustrative purposes and was not entered as evidence. He said the judge ordered both sides to avoid specific cases and victims when presenting their cases about whether lead is a public nuisance.

Tarantino said the judge had warned the jury that opening statements were not evidence. He said DeCof was trying to enter rebuttal evidence to "non-evidence."

But DeCof, citing his own textbook, *Opening Statements*, said lawyers don't have the right to say something that's untrue in their opening statements. And when they do, the other side can offer rebuttal.

"If an attorney can make a statement that is central to the case, pivotal to the case, encapsulates his entire defense - and it's demonstrably false, where do you draw the line?" DeCof asked.

Sept. 27, 2002 *Lead Paint Ruling Goes to Companies*
Peter B. Lord.

Silverstein said that before the trial began he ruled that no evidence about specific houses or children would be admitted. He said he feared if he let the state introduce two witnesses to describe the lead hazards in a house the paint companies depicted as being safe, it would open a Pandora's box of problems.

Silverstein said he made it clear to the jury at the trial's onset - and he'll say again at its conclusion - that the opening statements are not evidence and the jury should only weigh evidence when it discusses a verdict.

Yesterday afternoon, the state called to the stand Dr. Herbert Needleman, a pioneer in research of the health effects of lead. He said he got interested in lead poisoning in the 1950s when he was treating a little girl who was extremely ill with lead poisoning. He said he realized that no matter what he did for her, she would just return to the home that poisoned her, or another home with the same problems. No one tested children for lead back then, he said, so no one knew how many kids were lead-poisoned. In 1960 Needleman said he completed his first study that showed that as lead levels went up, children's IQs went down. In Philadelphia, he said, most of the victims were African-Americans. He said he also discovered one neighborhood where most of the victims were Irish and Italian. He found that they were across the street from a plant run by NL Industries.

Oct. 1, 2002 *Judge bars lead-paint studies from trial*
Peter B. Lord.

The state won a victory in its lead-paint trial yesterday when Superior Court Judge Michael A. Silverstein ruled that the paint companies could not introduce as evidence three studies by Brown University students that highlight the role of bad landlords and poor maintenance in causing the lead poisoning of Rhode Island children. Silverstein said the state Department of Health hadn't done much with the studies so he precluded them from the trial. Three student theses under Prof. Harold Ward, head of Brown's environmental studies program, did computer-assisted research to find that just 204 landlords own housing units where 2,644 Providence children were poisoned in the last nine years. Linn Freedman, one of the state's attorneys, "These are students working under Harold Ward. They can't rise to the scientific knowledge we have seen from other experts." John Tarantino, attorney for the paint companies, argued that a Health Department grant application referred to two of the studies, a sign of their legitimacy. But Silverstein pointed out the studies weren't completed until sometime after the application was written.

Oct. 3, 2002 *Standard of proof in lead case to stay*
Peter B. Lord

Silverstein rejected paint companies' bid to raise the bar of proof from preponderance of evidence to clear and convincing. A preponderance of evidence is a legal term used in civil cases that directs a jury to rule for whichever side has the stronger evidence.

Clear and convincing is greater than civil cases but less than reasonable doubt, criminal trials.

After reviewing arguments from both sides, Silverstein said it is clear that the state of New York goes to the higher standard, and New Hampshire does just the opposite. But the Rhode Island cases cited by the defendants as precedents didn't really fit it this case, Silverstein said. All applied to someone trying to stop someone else from doing something in the future, such as building an oil refinery in Jamestown or establish a coal mine next to a food processing plant. "Here, there is no present conduct or contemplated conduct. Whatever it is they are alleged to have done took place years ago. Essentially, all the court will be asked for is to require them to undo something the plaintiff will have proven they did. The court finds nothing in Rhode Island law that directly responds to the issue before it." Silverstein said his ruling would be novel, but he believe the better rule and the one the state Supreme court would endorse would be to require a preponderance of the evidence.

Oct. 4, 2002, Companies: Lead Paint can be safe Peter B. Lord

Lead companies showed the same Victorian as in opening statements. Tarantino brought up the house again. Tarantino said many of the state's witnesses looked at a photograph of the Victorian house and said they couldn't tell if it was a hazard. They would have to run tests. That shows lead-painted houses are not the ticking time bombs that the state alleges, Tarantino said. But DeCof pointed out that the house was in fact, filled with lead hazards.

Tarantino [said] state law and regulations don't mention getting rid of lead paint. They focus on how to make a lead painted house safe through maintenance and cleaning. "The law allows the presence of lead paint, and the plaintiffs say, I don't care. That's a head to head, point to point, smack dab conflict with the statute.

Tarantino called for any evidence related to health effects below 2 ug/dL to be thrown out because evidence at those low levels is not clear. DeCof responded that the trial is about whether lead paint creates a public nuisance. How that nuisance is to be remedied would be dealt with in a later trial. So it's wrong to focus on witnesses who said that they want to get rid of lead, he said. As for any confusion about low blood levels, DeCof said that both the U.S. centers for disease control and that state health department said 10 dL and above is poisoned.

Oct. 8, 2002 Pete B. Lord *Witness testifies lead hazards rarely found.*

An expert on lead paint inspections testified yesterday that in surveying thousands of houses across the country that had been treated with lead paint only about 5% actually posed hazards, Patrick Connor, president of Connor Environmental Services said "It's typically under four layers of non-lead based paint."

Oct. 10, 2002 Peter B. Lord *Expert: Lead Paint durable.*

A Brown University chemistry professor testified here today that if lead paint is covered with just one coat of non-lead paint, the lead could remain intact on a house for centuries. Prof. Joseph Stein, who has been teaching and doing research at Brown since 1966, told the jury lead paint doesn't dry in the sense that some component of the paint evaporates. When lead paint sets, a chemical reaction actually takes place that can continue for decades and make the paint surface increasingly stable. Stein said he spent years doing research in oils and fats but now concentrates on teaching chemistry to freshmen and sophomores. Yesterday, it seemed he had turned Courtroom 11 into a freshman chemistry class. Using a large tablet and a felt-tipped pen, Stein lectured on what lead paint is, what makes it durable and what caused it to deteriorate. Lawyers crowded alongside the jury box and watched him sketch interlocking molecules that looked like strings of spaghetti. Stein spoke of concepts such as how van der Waals' forces cause lead to adhere to walls, polymerization accounts for its stability and hydrolysis is one of lead paint's downfalls. Stein said lead-based paints were usually made with linseed oil that contained particles of white lead and other pigments. Linseed oil comes from flax seeds, he said, and is similar to other vegetable oils. A big difference he said, is that when it is exposed to air it polymerizes: a chemical reaction takes place among the oil molecules and they harden into an almost natural plastic. The molecules look like spaghetti strands and like spaghetti when it's just cooked, they are usually flexible and slide past each other, Stein said. But when the chemical reaction takes place, the strands interlock and become solid, with the lead particles fixed among them. "It's like a concrete sidewalk. The pebbles would be the pigment particles." Stein said. He said the initial chemical reaction can take days or a week. But the oil keeps forming cross links for as much as two decades. Defense lawyer Donald Scott asked how the paint adhered to smooth surfaces. Most surfaces aren't as

smooth as they look, Stein said. The paint interlocks mechanically to the surface like pieces of a puzzle. There also are electrical attractions called van der Waals' forces, he said. They explain how paint adheres to glass. Ultraviolet light, the component of sunlight that causes sunburns, can cause lead to break down and become chalky by triggering what Stein called "a free radical reaction." But he said just one coat of non lead paint would prevent that oxidation process from occurring. Water leaks also could trigger a breakdown known as hydrolysis, Stein said. But if the lead paint were covered with one coat of non-lead paint and protected from water, the causes of damage would be minimized and the paint would have enormous stability. "Left to its own devices, we're talking centuries," Stein said.

Oct. 11, 2002 *Paint Companies to present last witness.* Peter B. Lord.

[In a surprise move the defense will close with just three witnesses. The defense] had originally presented tentative list of 38 and planned for 8 to 10 weeks of testimony.

The third witness, Gordon Rausser, professor and former dean of the College of Natural Resources at the University of California Berkeley will testify that Rhode Island legislation focuses on making housing lead-safe rather than lead free. He is also expected to testify about how a finding of public nuisance statewide could affect property values.

The paint companies yesterday tried to introduce a series of letters written by three lawyers from the firm of Ness Motley that supported legislation proposed by state Sen. Thomas Izzo to update and toughen state law regulating houses treated with lead paint. The letters were written by Bob and Jack McConnell and Vincent Greene on behalf of the families of lead-poisoned children. They supported parts of the legislation that got tougher with landlords who let their properties deteriorate. Gerald J. Petros, a lawyer for the paint companies, said that the letters directly contradict the state's case and were never denied or retracted by Whitehouse. Petros said lawyers should not take on new clients whose interests are in conflict with those of clients they already represent. "This is a fundamental policy issue made by the legislature. It reaffirmed its earlier position to adopt lead-safe as policy -- not lead free," said Petros. "It is inappropriate for the state to try to change that standard through a verdict by six jurors."

Oct. 16, 2002 *Paint companies seek dismissal of lead suit,* Peter B. Lord.

"In all honesty, I have zero confidence there are 35,000 lead-poisoned children," attorney John Tarantino said to Judge Michael A. Silverstein. Tarantino's gambit was another surprising turn in the trial that has seen both sides go to unusual lengths to question the other side's evidence. Tarantino said the paint companies learned only recently that some of the children cited as lead-poisoned by state witnesses were tested with a finger stick method, rather than with blood drawn from their veins. State law only recognizes the venous testing. State lawyer Fidelma Fitzpatrick said Tarantino's arguments were just another attempt to "defuse this case" by citing laws and regulations that don't address the state's contention that all lead paint constitutes a public nuisance in Rhode Island. But Judge Michael A. Silverstein said Tarantino's arguments over the methods used for testing children were "far more significant" than arguments he raised during a previous effort to have the case dismissed.

The state continues to question Prof. Gordon Rausser's qualifications and relevance.

Oct. 17, 2002 *Wrap up of lead trial pushed back a day.* Peter B. Lord.

Paint companies had hoped to have Rausser on the stand, but state lawyers asked for an opportunity to depose him one more time. The judge also approved a request by the paint companies to depose Patrick MacRoy, an employee of the state Health Department who manages data on lead-poisoning cases in Rhode Island. Paint company lawyers announced Tuesday that they have reason to question state reports that more than 35,000 children have been lead-poisoned in Rhode Island in the last nine years because they learned that some of the reported poisonings were based on an unreliable testing method. The paint companies want to find out how many of the children were tested with the so-called finger stick method, which produces unreliable results.

Oct. 18, 2002 *State: Paint Witness not an expert* Peter B. Lord

The companies lost a big ruling by Judge Michael A. Silverstein. Silverstein denied that motion to make the state do a computer data analysis to determine how many children were tested improperly, sharply weakening the companies effort to discredit the poisoning data.

Rausser, an economist from the University of

California said that the state was wrong to argue that all lead -based paints pose a risk to public health and he said the position contradicts state law and policies at several state and federal public health agencies. "If you define the problem too broadly, you create mischief. If you define it too broadly, you defy state law."

State lawyer Linn F. Freedman put Rausser through a blistering cross examination. She disclosed that he had never conducted any research in lead paints or lead poisoning. At the same time the state witnesses he was contradicting had all been presidential advisers with long lists of published scientific research. Pointing to Rausser's resume, Freedman said, Your CV is 55 pages long and the word 'lead' doesn't appear here. You're lead-free" Silverstein said that it now looks as if final arguments to the six-person jury will be made on Tuesday.

Oct. 22, 2002 *Lead trial closing arguments tomorrow.* Peter B. Lord

[Trial ends after exactly seven weeks.]

The judge also brought up an important question that has simmered for months -- if the state wins its nuisance case, must the same jury be impaneled when the case precedes to later phases establishing liability and remedies? Silverstein ordered both sides to be prepared to argue that issue immediately after the jury leaves for its deliberations.

The defendants have argued that it's their constitutional right to have the same jury during each phase of the case, Silverstein said. Silverstein pointed out that the current trial started with six jurors and six alternates and during the last seven weeks three people have asked to be excused for reason or another.

What's more, he said, neither side has done much discovery to prepare for the next phase, a trial to determine liability. Silverstein has said in the past that such discovery could take a year or more.

It's important to decide whether the jury will be used for later phases, because if it is, Silverstein said he would instruct the jurors not to talk to lawyers for either side after the current case ends.

During the cross-examination, state lawyer Linn Freedman got Rausser to agree that the state has been cleaning up lead-hazard houses at a rate of about 250 a year. At that rate, he agreed that it would take 120 years to clean up the 30,000 housing units considered "high risk" and in urgent need of abatement.

"Doesn't urgent mean less than a century, professor?" Freedman asked.

Rausser argued that new legislation enacted

earlier this year should speed the rate of cleanups and abatements.

Rausser also agreed under questioning from Freedman that he has given more than 100 depositions for other lawsuits and has testified on behalf of several of the corporations that are defendants in the Rhode Island case and several of the law firms now representing those corporations.

Rausser also acknowledged that he charges \$550 a hour for his services and his consulting firm charged the paint companies nearly \$600,000 since late May.

Under questioning from Tarantino, Rausser said the fees covered work that wasn't presented at trial. Rausser testified for less than a day and a half.

Oct. 26, 2002 *Jury in lead-paint lawsuit asks judge for clarifications* Peter B. Lord.

The jury asked if it could have a copy of a book co-written by Dr. Philip Landrigan, a pediatrician who testified for the state that all lead paint poses health risks--even when it has been covered by non-lead paint.

The defense sought to impeach Landrigan's testimony by presenting excerpts from a book he had co-written that attempts to show parents how they can protect their children from lead paint by following good maintenance and cleaning practices.

But the jury won't see the book again. Judge Michael A. Silverstein said the book was never entered as evidence, so the jury can't have it now.

The jury's second question triggered some debate. The jury is charged with determining whether the presence of lead paint poses a public nuisance.

The jury asked: "Does the presence of lead paint mean: totally intact, totally flaking, peeling, chipping, etc. -- and/or a combination of both."

Silverstein said he planned to respond by saying: "All lead paint, regardless of condition, whether totally intact or totally peeling and chipping."

But the state objected. Attorney Fidelma Fitzpatrick said, "The question here isn't that all lead is a public nuisance. It's not a case you can defend by saying that some walls aren't a nuisance, so there is no nuisance. You have to look at the totality of the circumstance."

John Tarantino, a lawyer defending the paint companies, said Silverstein's proposed answer was appropriate. "They said this isn't just about deteriorated paint. It's all lead paint. Their experts made no distinction between intact or deteriorated

paint. They chose this theory.”

Silverstein studied some case law presented by the state, and then amended his response. He said the jury should consider a combination of both intact and deteriorate paint in reaching its verdict.

Oct. 30, 2002 *Trail blazing lead paint trial ends in deadlock* Peter B. Lord

[Deadlocked since Thursday.]

Four jurors sided with the paint companies and two voted for the state. A verdict must be unanimous.

Silverstein asked the jury foreman whether he thought it would be useful to return to the courthouse today for one more attempt at deliberations. The foreman replied: “I don’t think so your honor.”

About one minute after the mistrial became public, the stock prices of several defendants began shooting up as investors pumped hundreds of millions of dollars into company shares. The Sherwin-Williams Co. alone increased in value by nearly half a billion dollars.

Paint company lawyer John Tarantino said the state’s failure to convince the jury that lead-based paint is a public nuisance shows that litigation is not the answer. The state passed a new lead-enforcement law this year, he said, and it should give the law a chance to help kids.

“I hope the state will take something home this,” Tarantino said. “The jury has made it clear this is not an argument you can get unanimity on.”

But Atty. Gen. Sheldon Whitehouse, who filed the state’s suit, said today’s decision is more of a delay than a set back. He said he will call for the judge to find for the state as a matter of law. If that fails, he said he will try to start a new trial as soon as possible.”

“The only concern with this delay is that more kids get poisoned and the defendants are intransigent about doing one darn thing other than be litigious,” Whitehouse said.

Jury foreman George L. Mansi, of Bristol, a retired Air Force major, said he thought the state proved its case. “I thought we had an obligation to protect the kids who can’t help themselves,” Mansi said. He said the jury took a straw poll last Thursday and came out 4-2 against finding a public nuisance. One person on each side switched positions during four days of deliberations he said, but the outcome remained the same.

The biggest issue for those opposed to the nuisance finding, Mansi said, was that the state conceded it couldn’t prove that any children were

poisoned in hospitals, schools or other public buildings --- locations that were part of the state’s argument. The other five jurors declined to talk to reporters.

State lawyer Leonard DeCof said the defendants got away with a trick question when they inquired about poisonings at hospitals, schools and other public buildings. Most young children in Rhode Island are routinely screened for lead. When elevated levels are found, the state goes to their homes -- it has rarely checked hospitals, schools or other public buildings.

After calling the mistrial, Silverstein invited lawyers from both sides to meet with the jury. He told the jurors they could answer lawyers’ questions if they liked, but they didn’t have to. “It would be helpful when the case is retried, as it almost certainly will be,” Silverstein said.

DeCof said after the briefing he didn’t want to reveal any of his strategies to the other side, but he was anxious to start another trial. “It’s an education process,” he said. “We’re going to be trying this case again and we’d like to know how this case was perceived.” “I’m a nonbeliever in spin and trying my case in the media,” DeCof added. “Any language crowing about we got them or we stopped them, that’s just gingerbread. We brought a theory on one has ever advanced, and we’re going forward with it.”

However the case proceeds will likely be determined not by Whitehouse, but by whoever succeeds him as attorney general. Democrat Patrick C. Lynch issued a statement saying he was disappointed by news of the hung jury and he vowed to continue the “valiant work begun by Whitehouse to protect the most vulnerable members of our society.”

Republican J. William W. Harsch was more cautious. Lead poisoning is a big issue to him, he said, but the nuisance suit is not the only way to pursue the issue. He’s also worried that if this case can’t be won as a public nuisance, that might weaken the state’s ability to bring similar cases where other environmental problems threaten public health and safety. Tarantino said he hope the candidates would let the New state law focus on high-risk properties. “We’ve said all along the problem is not with the majority of the properties,” he said.

Oct. 30, 2002 David McPherson Journal Staff Writer
Paint stocks soar after mistrial announced

Sherwin Williams shares gain nearly 14 percent in 20 minutes after the deadlock is declared. The stock price was \$25.04 at 2:50 p.m., \$28.01 at 3:10 p.m., a peak

at \$28.55, and a close at \$27.68. The close was up 12.7 percent representing \$470 million dollar gain.

November 6, 2002 Providence Journal Editorial *Seeking Gold in Lead*

This has not been a great year for Rhode Island Atty. Gen. Sheldon Whitehouse. In September, he narrowly lost the Democratic gubernatorial nomination. And last week, there was a mistrial in Rhode Island's misbegotten lead-paint lawsuit.

Since it was first announced, in 1999, we have looked with dismay upon Mr. Whitehouse's suit, hatched in conjunction with an immensely rich South Carolina trial lawyer named Ron Motley, to seize hundreds of millions of dollars from paint makers. Copycat suits were filed in New York City, San Francisco, Chicago, Milwaukee, New Jersey and several school districts and housing authorities, based on anticipation of the big payoff. But now a Rhode Island jury has split 4 to 2 for the paint companies, resulting in a mistrial. Mr. Whitehouse, whose gubernatorial campaign made much of his lead-paint battle, leaves office in January. The future of these heavily politicized (and astonishingly greedy) lawsuits is up in the air.

Oct. 31, 2002 Wall Street Journal *The Hand of Providence* (Editorial)

Most Americans would be mortified to have their homes declared a public nuisance. But that's just one difference between most Americans and trial lawyers.

The good news this week is that a Providence, Rhode Island, jury rejected an effort by the firm of Ron Motley to endorse the novel legal idea that the mere presence of lead paint in a house constitutes a public nuisance. After four days of deliberation, the jury split 4-2 for the paint companies, resulting in a mistrial. The bad news is that the lawyers and their attorney general allies are sure to be back.

You remember Mr. Motley. His law firm walked away with what will eventually be upward of \$3 billion from the tobacco wars. In Providence he tried to reprise that act over paint. "If I don't bring the entire lead paint Industry to its knees within three years," Mr. Motley vowed to the Dallas Morning News back in 1999, "I will give them my boat." That "boat" is of course a yacht.

Ostensibly this suit was about - of course - the children. "We are doing it for the health of Rhode Island's children," proclaimed state Attorney General

Sheldon Whitehouse when he announced his landmark suit against eight paint manufacturers and an Industry trade association in 1999. No doubt it was also "the children" who motivated him to have this trial go ahead head this year, when he happened to be seeking the Democratic gubernatorial nomination.

Mr. Whitehouse lost that race in September, but the Frankenstein he and Mr. Motley created in their litigation lab took on a life of its own. Under traditional consumer liability laws, plaintiffs would have to prove that a specific in some specific house caused some damage.

So Mr. Whitehouse and his hired guns went the other route: If the mere presence of lead paint is enough to get a building declared a public nuisance, the problem -- and the payoff -- grow exponentially.

But what made this suit really ugly is that by any measure the paint industry has been a model corporate citizen. Not only was lead paint perfectly legal for decades, early on it was even touted as a health benefit, primarily because it was both durable and washable. When the industry found that lead in residential paint posed dangers to children, manufacturers in 1955 voluntarily agreed to a standard aimed at removing lead from interior paint. Uncle Sam didn't get around to its first regulation on lead paint until 1970, and not until 1978 was it banned.

Now, there's no denying that children can and do get lead poisoning from lead paint. But after that there's more politics than science. The risk comes mostly from paint dust that gets on a child's hands and ultimately into his mouth. Which helps explain why children with unacceptable high levels of lead in their blood disproportionately come from poor families far more likely to be living in homes where the old paint is deteriorating.

How to protect against this? A Brown University chemistry professor testified that, in ordinary circumstances, even a single overcoat of non-lead paint would be enough to prevent harm. "Left to its own devices," he told the court, "we're talking centuries." Worth noting here is that even in Rhode Island, overall lead levels in children continue to decline.

The point is that protecting children against lead paint is far easier than projecting companies against frivolous lawsuits. It hardly seems to matter that not one of the nearly four dozen cases already brought against the paint industry has succeeded. As the lawyers understand all too well, all they need for the big score is one little jury. The urgent question is when

the political system is going to respond and stop this now-legal looting.

Nov. 4, 2002 Letter written to Wall Street Journal (But not published)

To the Editor:

The recent editorial on the lead dispute in Rhode Island (The Hand of Providence, Thursday, Oct.31, 2002) has many inaccuracies, not the least of which is a complete misrepresentation of the industry's history. As we document in our book, *Deceit and Denial: The Deadly Politics of Industrial Pollution* (University of California Press/Milband Fund 2002) the lead industry was hardly "a model corporate citizen," as you claim. In fact, childhood lead poisoning was documented in the United States as early as 1914 (and in Australia a decade earlier.) Lead poisoning was discussed in the lead industry's trade association meetings many times from 1930 on. Despite their acknowledgment that children were dying from lead poisoning due to the ingestion of lead paint, the industry continually represented this as a minor problem; they argued that their "general problem [was] how to establish a good name for lead," through advertising and challenging the opinions of clinicians who increasingly argued that lead poisoning was a serious issue. Your representation of the value of lead paint as "a health benefit" is also grossly misleading. It was the lead industry itself that made this claim through a massive advertising campaign aimed at offsetting the growing negative attention lead paint was receiving in the medical literature in the first half of the 20th century. Even after 1950 when lead paint was broadly understood as a poison to children the industry fought regulation and warnings on its products. In the minutes of the industry's meetings representatives of the industry argued that regulations were to be resisted, not encouraged. Despite decades of denial about lead's poisonous properties to children the federal government was finally forced to intervene in the 1970s to make sure that the lead industry did not use lead in paints produced for use on interior surfaces. A respected newspaper like the Wall Street Journal should not depend on industry's self-serving rewrite of history for its editorial judgements.

Sincerely

Gerald Markowitz and David Rosner

Gerald Markowitz (Professor of History, John Jay College and CUNY Graduate Center) and David Rosner (Professor of Sociomedical Sciences and History, Columbia University, Mailman School of Public Health.)

The writers are authors of *Deceit and Denial: The Deadly Politics of Industrial Pollution*.

June 20, 2003.

A second attempt to sue the lead industry was allowed by a ruling of Superior court Judge Michael A. Silverstein June 19, with the trial to begin April 5, 2004.

Chapter 11: Questions

1. Explain why there was no significant white lead production in the United States prior to the War of 1812. Consider governmental regulations and geography in your answer.
2. List the most important early U.S. manufacturers of white lead (prior to the Civil War).
3. Why did white lead production end up localized west of the Allegheny Mountains?
4. When was the first protective U.S. tariff?
5. In tables 1, 2, and 3, why do lead imports drop so significantly after 1871. How did this phenomena impact structural changes in the white lead industry?
6. Apart from National Lead who were the main white lead producers in the United States at the turn of the century?
7. How did Eagle-Picher respond (in a business fashion) to the changes in the environmental landscape from 1900 to 2000?
8. Why did Carter Lead of Nebraska operate a white lead production plant in Chicago when they had to ship western ore to Chicago?
9. List and elaborate on the main consumption patterns for lead from 1886-1903 in the United States?
10. Who was the main architect behind the push to fully integrate (horizontally and vertically) the lead industry at the turn of the century in U.S.?
11. How did transportation franchises and civic corruption play out in the development of the "Lead Trust"?
12. How did the Guggenheim interests avoid the financial woes of the other lead miners in the 1890s.
13. What factors lead to the rescinding of the 1893 Sherman Silver Act and what consequences did this have on the domestic lead industry?
14. What company in 2000 is a "direct" descendent of the Electric Storage Battery Co.?
15. In one short paragraph trace the history of National Lead from 1920-1965.
16. What impact, if any, did the Progressive movement have on the lead industry?
17. Who was Alice Hamilton and what were her

significant contributions to environmental history?

18. In 1970 President Nixon of the U.S. established the Environmental Protection Agency (EPA). What "era" was ushered in and how did National Lead respond to that changed legal climate?

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VOLUME VIII
NON-ALPHABETICAL
WITH INDEX

NEW YORK
THE PRESS ASSOCIATION COMPILERS, INC.
1918

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CARTER

results of his ability as an executive. That the citizens of Morton, Ill., where the vast plant of the firm is located, appreciate the sound business judgment of August Poehlmann is obvious from the fact that in 1908 they elected him mayor of the town, and he has been mayor ever since. On 18 April, 1905, Mr. Poehlmann married Lulie Virginia Miller, daughter of John C. Miller, a successful manufacturer of paper boxes in Chicago. They have had three children: Earl Franklin, Roland Morton, and Lulie Virginia.

CARTER, Levi, manufacturer and Nebraska pioneer, b. in New Hampton, N. H., 30 Nov., 1829; d. in Omaha, Neb., 7 Nov., 1903. He was one of a family of sixteen children, hence was obliged to assume the responsibilities of life at a very early age. His youth was spent on his father's farm, where he worked hard in the summer months, and attended the common schools of the district in the winter. Later, in addition to his farm duties, he also worked as a carpenter and housebuilder in the summer and taught the district school in the winter. Then, for two years, he traveled through the country with his brother, Eliphalet, taking daguerreotype portraits for the people in the scattered Western settlements. Finally, he removed to Nebraska City, then very far west, and found employment at cutting and stacking hay. The business of freighting was then highly profitable, and he entered into it in partnership with Isaac Coe, under the name of Coe and Carter. Since none of the great trans-continental railroads had yet been built, this firm soon became extensively engaged in freighting supplies between the Missouri River towns and the mining settlements of the mountains of the Far West, their primitive equipment consisting of large numbers of wagons, drawn by oxen, and conveying all sorts of merchandise. When the Union Pacific and Oregon Short Line Railroads were built, Mr. Carter and his partner turned their attention to cutting and furnishing ties for a large part of the construction work on these lines. They were not slow in grasping the opportunities that the West then offered to young men of ability and enterprise, and, in connection with their freighting business, soon became the owners of large cattle ranges, possessing at one time about 750,000 acres upon which grazed 5,000,000 head of cattle. In 1878 Mr. Carter became a minor stockholder in the Omaha White Lead Company, the plant of which was located in Omaha, Neb., and in that capacity became interested in the processes for the manufacture of white lead, to the extent of finally becoming engaged in that industry. In 1886 he organized the Carter White Lead Company, and when the Omaha White Lead Company became involved in difficulties, took over its business, thereafter giving his entire attention to the business. In 1890 the plant was burned to the ground, but was rebuilt in the following year. In 1895 an additional, and much larger, factory was erected by the company at West Pullman, near Chicago, Ill. Previous to actually engaging in the manufacture of white lead, Mr. Carter had no knowledge whatever of its processes and requirements. With other prominent and enterprising men, he had been induced to invest in the stock of the Omaha

CARTER

White Lead Company, in order to assist in the founding of a new industry, but, having become actively engaged in the business, he pondered upon improved methods. The result was the notable contribution to the industry, now known as the "Carter process" of manufacturing white lead, which soon demonstrated its superiority over all others. At the time of the failure of the Omaha White Lead Company, he was certain that its misfortune arose from the practice of adulterating its products, a custom which was then quite common with all corrodors of white lead; and, in order to escape from this injurious reputation, he organized the new company bearing his own name, never afterward permitting any adulterating ingredients to be brought into his factory. The distinctive feature of the "Carter process" was the so-called "atomizing" of metallic lead, preparatory to treatment, the lead being subjected to the action of the corroding gases in the form of a fine powder instead of the small perforated sheets, known as "buckles," which were used in other processes. The use of lead in powdered form permitted mechanical operation to bring the lead and corroding gases into contact as was impossible in any other system. The splendid results achieved justified Mr. Carter's determination to give his whole attention to the perfecting and development of his ideas. How well he succeeded may be understood from the following facts: The original Omaha White Lead Company's plant had a capacity (nominal) of 5,000 tons per annum, and employed about 250 men. The first plant built by Mr. Carter had a capacity of 10,000 tons, employing 100 to 150 men; while the new plant built at West Pullman had a capacity of 20,000 tons, and employed from 80 to 100 men. Progress along the line of work begun by Mr. Carter was not stopped at his death, for a new factory has recently been erected at West Pullman, which will manufacture 1,000 tons of white lead to every man employed in the manufacture. Mr. Carter was not only an industrial pioneer of the highest type, but one of the best illustrations of the hardy courageous manhood that built up the great Middle West. He seemed never to know fatigue or fear. When conducting his wagon route, his party was not infrequently attacked by Indians, and they were compelled to make barricades of their wagons, and wait for relief. It has been said that, at such times, when every day's delay involved large losses, and every night might bring the destruction of both lives and property, Mr. Carter was always cool and collected, took his regular sleep undisturbed, and by his apparent confidence in the successful outcome, kept up the courage of his employees. His foresight was one of his most remarkable attributes, and at no time did his camps lack necessary supplies; nor were they ever overprovided. He was an original thinker, and had the courage of his convictions, qualities which brought about his complete revolution of white lead manufacture and laid the foundation of the improved processes now in use. He never took time to consider misfortunes or reverses, for his philosophy was always constructive. On the day of the burning of his first factory, friends calling to extend their sympathy found him engaged in making plans

MACBRIDE

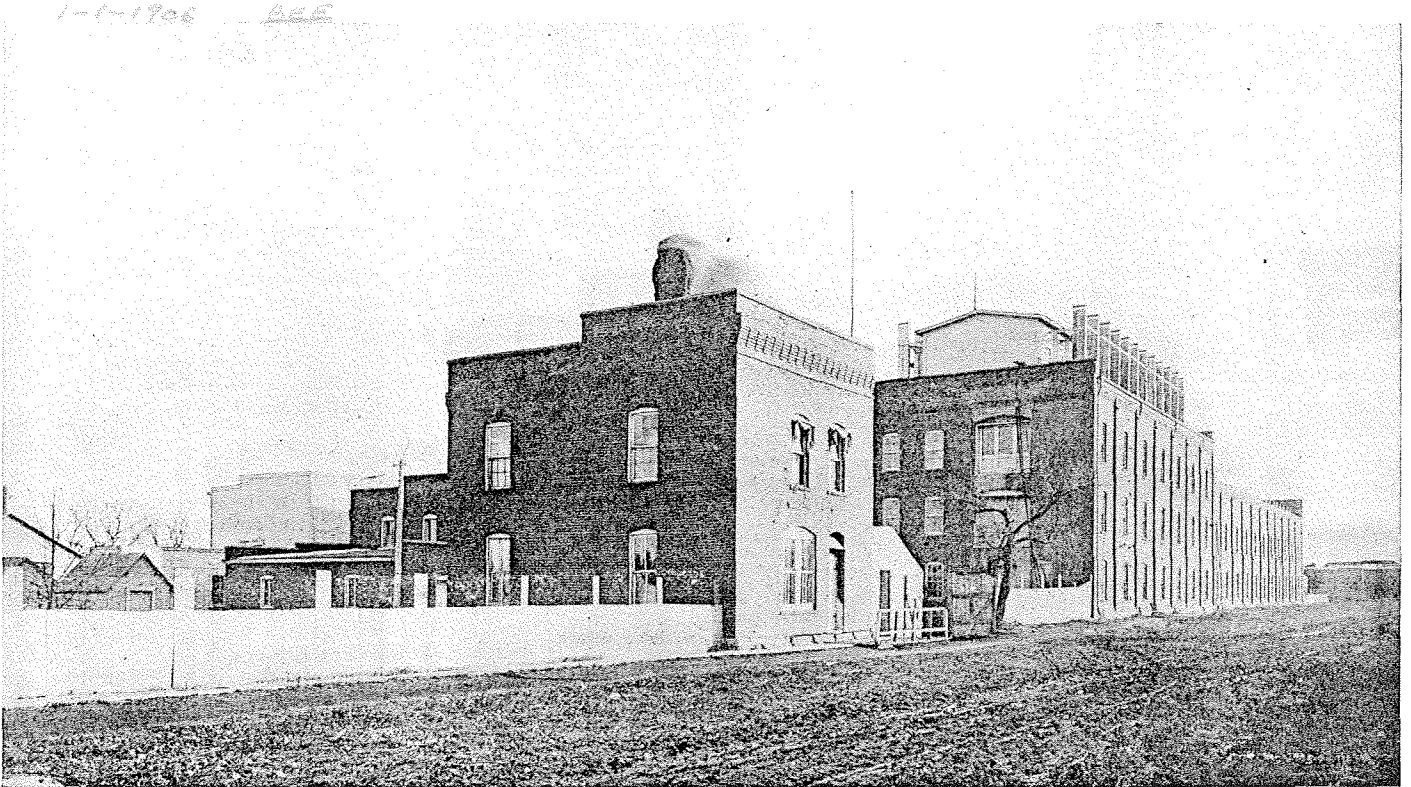
for a new building. He was generous, sometimes to an absurd degree, but for some unaccountable reason, his borrowers always voluntarily repaid his loans, so that he was seldom a loser. His kindness to his employees was well known, and it was characteristic of him that the last letter he wrote, and the last check he signed, were sent to an employee who had embezzled a large sum from the company. In his broad-minded, tolerant way, Mr. Carter gave him his check, with the friendly advice that he steal no more. Personally, Mr. Carter was a fine specimen of manhood, temperate in his habits, mild in speech, and deliberate in thought and action. The Levi Carter Park, containing 700 acres and including Carter Lake, located near the plant of the Carter White Lead Company at East Omaha, Neb., was given to the city of Omaha by Mrs. Carter as a memorial to her husband.

MACBRIDE, Thomas Huston, botanist and university president, b. in Rogersville, Tenn., 31 July, 1848, son of Rev. James Bovard and Sarah Macleanathan (Huston) Macbride. His father (1820-1910) was a noted teacher and pioneer in early days of Iowa, and was an active minister of the Presbyterian Church for more than fifty years. His earliest American progenitor, Robert Macbride, who came to this country from Belfast, Ireland, and settled in Bellefonte, Pa., was a scholar of broad culture, a teacher by profession, and founder of the Bellefonte (Pa.) Academy, which is still a successful institution. Dr. Macbride had the benefit of excellent educational opportunities which he used to advantage. He began his collegiate education at Lenox College, at Lenox, Ia., but later became a student of Monmouth College, Monmouth, Ill., where he was graduated A.B. in 1869. He afterward went to Germany to complete his education at the University of Bonn. Always most interested in the natural sciences, he devoted himself especially to biological research and general science. Upon his return to the United States, he accepted the professorship of mathematics at Lenox College, in 1870. He served in this capacity until 1878, when he became assistant professor of natural science, at the University of Iowa, thus becoming identified with the institution with which his name has been associated for nearly forty years. He became professor of botany, in 1884, a position which he filled until his elevation to the presidency of the university in 1914. During his connection with the institution as the head of the botanical department, Dr. Macbride was a close student of fungi of every known variety; and of the flora, physiography, and surface geology of Iowa. In connection with his researches he has published many valuable papers in the form of bulletins from the laboratories of the natural history department of the University of Iowa. His articles have also been published in the reports of the Iowa Geological Survey, and in various scientific journals throughout the country. He is also the author of a book entitled "North American Slime Molds," published in 1900. Dr. Macbride's character is many-sided and his genius nobly versatile. He presents the rare combination of the profound scholar, the painstaking investigator, the inspiring teacher, the public-spirited citizen, and the strong and

GABLE

truly cultured man. As a scholar he possesses a breadth of vision and an appreciation of varied interests of unusual character in this age of narrow specialization. As an investigator, he is patient, persevering, and exact in the determination of material facts, which he has demonstrated, especially in his work on slime molds, on which he is a world authority, and, withal, is endowed with a power of interpretation which illuminates every subject to which he gives his attention, and which led an old-time comrade and colleague to describe him as "the sweetest and most charming of the prophets and interpreters of nature." As a teacher, he has made the training of specialists secondary to the building of character and the development of a broad appreciation of life, and thousands of students have carried the inspiration of his teaching into every walk in life. As a citizen, he has taken a keen interest in public affairs, and his activity in urging civic improvements, such as the beautifying of our cities and our homes, has been especially fruitful. As a man, he has especially endeared himself to those who know him, for he combines a charming, modest personality with a deeply sympathetic nature, and his entire life has been dominated by the ideal of service to his fellow men. The combination of all these noble qualities makes him a just and broad-minded executive, alive to all the varied interests of the institution over which he presides. Dr. Macbride is a member of the Delta Tau Delta and Sigma Xi College Fraternities; the A. A. A. S., of which he was vice-president in 1904; the Botanical Society of America, and the American Paleontology Society; and a Fellow of the Geological Society of America. He married 31 Dec, 1874, Harriet, daughter of Jacob Grosch Diffenderfer, of Hopkinton, Ia. Of this union four children were born, two of whom, Jean and Philip D. Macbride, still survive.

GABLE, William Francis, merchant, b. in Upper Uwochla, Chester County, Pa., 12 Feb., 1856, son of Isaac and Hannah Mercer (Wollerton) Gable. His mother was a daughter of John Wollerton, of Reading, Pa., and a descendant of George Smedley, of Derbyshire, England, who, in 1682, came to America with William Penn, and settled on the bank of the Great River (as the Delaware was then called). Later he purchased from William Penn 250 acres of land; about 1700, he removed to Middletown, Pa., and while there, with his son, Thomas, received a grant of land in Chester County, also an original grant of a lot or the tract of land that afterward became the city of Philadelphia. His son, George (1692-1766), married first, Jane Sharpless, and second, Mary Hammans, who, as the records show, was honored by her appointment to sit at the Ministers' Meeting of the Society of Friends. His son, William (1728-66), married Elizabeth Taylor. Their son George (b. 11 March, 1758), came into possession, in 1785, of 170 acres of land at Uwochla, Pa., which remained in the possession of the Smedley family until it passed into the hands of William F. Gable; he married Hannah Mercer. His daughter, Betty (1791-1855), married John Wollerton and her daughter, Hannah Mercer (1825-96), married



Douglas County Historical Society

Carter White Lead
Company - Works

NATIONAL LEAD COMPANY

111 BROADWAY

NEW YORK March 10, 1936.

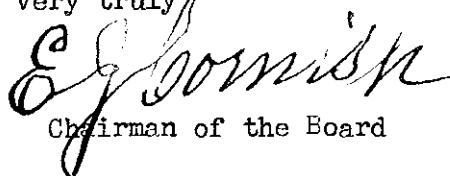
EDWARD J. CORNISH
CHAIRMAN OF THE BOARD

Mr. Edward Marrow
Omaha World Herald
Omaha, Nebraska.

Dear Mr. Marrow:

The Carter White Lead Company moved its main office from Omaha to Chicago, the reason being that there was no advantage in the price of pig lead in Omaha; the principal market for white lead is east of the Mississippi and when the shipments were west of Denver there was no advantage in freight rates from Omaha as compared to Chicago.

Yours very truly


Chairman of the Board

1-1-1906 BEE



Douglas County Historical Society

Carter White Lead
Company - - Works

CHAPTER VII.

THE CARTER PROCESS.

85. History. Numerous efforts have been made and much money spent in attempting to shorten the time required for the manufacture of white lead by the old Dutch process, but the various quick processes as they were termed did not possess all of the elements of success and after a short trial were given up as impracticable or unprofitable on a large scale. The Carter process, however, was the first in this country to prove the exception to the rule, and at the date of writing, the two plants of the Carter Company in the United States have an aggregate yearly tonnage of approximately twenty thousand tons.

86. Adams White Lead Company. The original patents of what is commonly known as the "Carter Process" were taken out by McCreary & Adams in the early seventies who formed a corporation and operated a small plant in Baltimore, Md., under the name of the Adams White Lead Company. The plant was operated for only a short time. A little later another attempt was made at Washington, Pa., which was likewise unsuccessful, owing to imperfections in the process and crudeness in operation, and also to lack of sufficient capital.

87. Omaha White Lead Company. In 1878, S. E. Locke secured a license from the Adams White Lead Company to operate a plant in Omaha, Nebr., and to this end organized the Omaha White Lead Company which was composed of a number of Omaha capitalists. Besides the manufacture of white lead the company dealt in glass and painters' supplies.

THE CARTER PROCESS.

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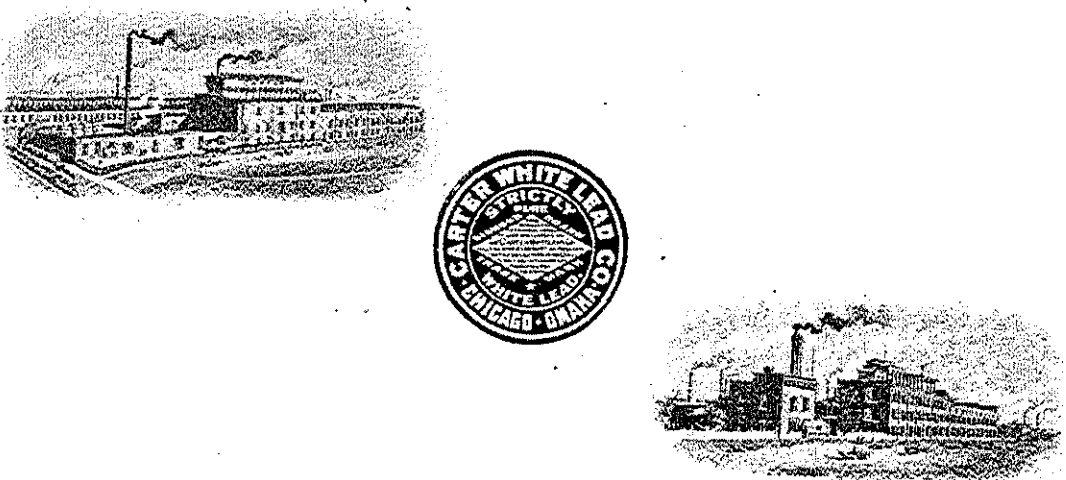


FIG. 25.—PLANTS OF CARTER WHITE LEAD COMPANY.

A banker by the name of H. W. Yates, being one of the largest owners, placed his nephew, S. B. Hayden, in charge of the company. Owing, however, to the lack of experience the company became financially embarrassed.

88. Formation of the Carter Company. Levi Carter, at this time a member of the firm of Coe & Carter of Omaha, large railroad contractors, saw the possibilities of the process and secured in 1885 a controlling interest in the plant which then had a capacity of about four hundred tons yearly. The reorganized company, the name of which had been changed to the Carter White Lead Company, encountered exceedingly bitter competition from the then recently consolidated white lead interests but, due to the indomitable character and perseverance of Mr. Carter, the company managed to keep the plant in operation with a continued improvement of the products produced until it was destroyed by fire in 1890. Profiting by the experience obtained, new capital was secured and a plant of about seven thousand tons yearly capacity was immediately built in East Omaha by Mr. Carter, which began operation in the fall of 1892.

89. The success with the new plant was immediate, the enterprise proving so profitable that the building of a large plant in Chicago was decided upon, and which was completed and put in operation in 1896, having a capacity of about fourteen thousand tons. Later a plant of about five thousand tons capacity was built in Montreal with the aid of Canadian capital.

90. Underlying Principles. The principles underlying this process are the same as in the old Dutch process, but by increasing the area of attack and the use of a more concentrated supply of carbon dioxide, and the continued removal of the crust of white lead from the metal, the corrosion into white lead is accomplished in approximately twelve days,

THE CARTER PROCESS.

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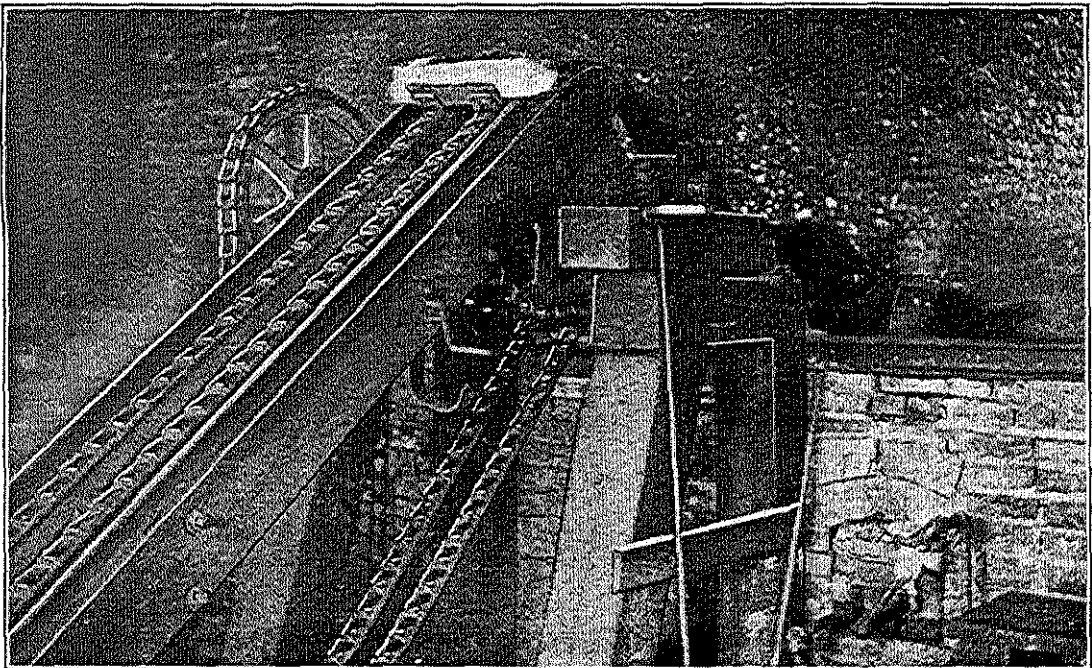


FIG. 26.—LEAD CONVEYER AND MELTING KETTLE. — CARTER PROCESS.

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whereas as the old Dutch process requires one hundred to one hundred and twenty, and the percentage of converted lead is eighty-five to ninety per cent as against about seventy-five per cent in the older process.

91. Granulating the Lead. The lead, which is of the same nature and grade as used in the Dutch process, is melted in a large kettle holding about ten thousand pounds, the pigs of lead being conveyed and dumped into the kettle by means of an endless chain. The stream of molten lead as it flows from the kettle encounters a jet of high pressure steam which disintegrates it into a coarse granular powder, which collects in the hopper-shaped bottom of the large blow room and is discharged into truck cars placed underneath. By the use of a slight vacuum any fine particles of lead dust are conveyed to a dust collector, thus avoiding danger to health in the loading of the cars. Charges of about four thousand pounds of this "blown lead" are placed in large wooden drums ten or twelve feet long, and about five or six feet in diameter. Around the tub at each end is a heavy iron hoop resembling a car-rail; these rest on roller bearings; around the center of the tub is another hoop, containing gear-teeth, which in turn mesh into the gears from the large driving shaft which runs the entire length of the corroding room, which contains nearly three hundred of these tubs or drums. The drums revolve slowly, making about six revolutions per hour, which causes the lead to continually shift position, that which is carried up the side of the drum rolling again to the bottom. This exposes each granule to the action of the corroding agencies and also by abrasion wears off the coating of white lead as fast as it forms, continually exposing fresh metal to be acted upon.

92. Corrosion. Dilute acetic acid and water are sprayed into the drums at intervals during the first three days, 30 per cent acetic acid being used, which has been reduced

THE CARTER PROCESS.

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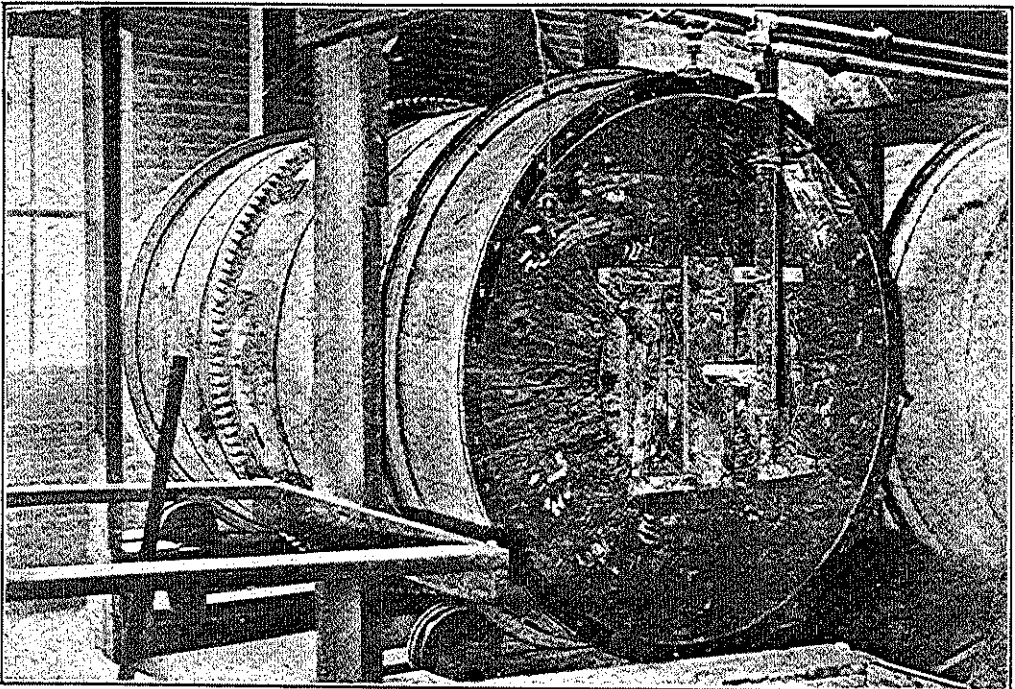


FIG. 27. —CORRODING CYLINDER. — CARTER PROCESS.

one part with four parts of water. The amount used during the corrosion being one and three-quarters to two pounds of 30 per cent acetic acid per hundred pounds of metallic lead, considerably more than used in the Dutch process. A current of purified flue gas containing eight to ten per cent of carbon dioxide is passed through the cylinders, entering through the center of one end and coming out at the other. This gas is obtained by burning a very high grade of coke, low in sulphur, under the boilers, and is purified by passing it through a compartment filled with bog iron ore, which removes all traces of sulphur, and also gives an opportunity for any soot particles to deposit. The temperature of the gas will vary between 150° and 200° F., as it is delivered to the drums. In order to secure an even and uniform corrosion the partially corroded mass is removed from the drums about the sixth day, and run through a pulverizer to reduce any lumps or balls that may have been formed.

93. The disintegrated material is then replaced in the drums and the conversion finished, the entire corroding process taking about twelve days. Great care must be exercised in not adding too large quantities of water or acid, or granulating the lead too fine in the first place, as in such instances the mass becomes so pasty as not to work properly in the drums, or is "drowned out" as the workmen term it, which results in an almost entire cessation of chemical action, and can only be "started" again by mixing with a large amount of fresh lead and recorroding. The chemical actions that take place are entirely similar to those of the old Dutch process and in fact, the Carter process differs not at all in the fundamental principles from the older process.

94. **Washing and Floating.** The finished product on removal from the drums is run into large tanks, where it is

THE CARTER PROCESS.

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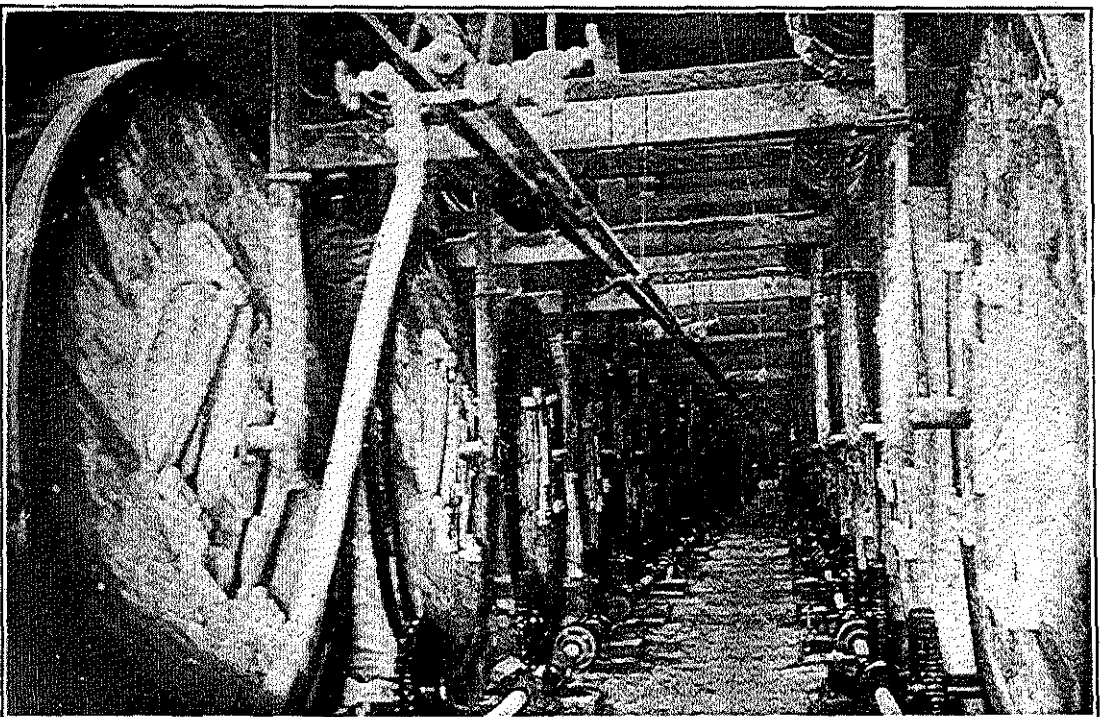


FIG. 23. — CORRODING ROOM. — CARTER PROCESS.

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agitated with water and then washed through a rotary screen to remove coarse particles, the finer material is then passed through a drag and float system to remove the last trace of blue lead and as much of the crystalline lead as possible. The separated white lead is washed thoroughly to free it from acetic acid, and the more or less insoluble acetates of lead, which are afterwards precipitated from the wash waters with carbonate of soda. The washed lead is allowed to settle in large tanks, the supernatant water drawn off, and the thick paste pumped onto copper drying pans and dried in the usual manner.

95. **Chemical Composition.** In chemical composition the ratio of carbonate to hydroxide is fairly constant, the following table showing the composition every two weeks for a period of twelve months.

	Carbonate.	Hydroxide.
May 31, 1906.....	73.59	26.41
June 15, 1906.....	75.23	24.77
June 30, 1906.....	76.26	23.74
July 15, 1906.....	71.89	28.11
July 31, 1906.....	73.23	26.77
Aug. 15, 1906.....	69.65	30.35
Aug. 31, 1906.....	72.86	27.14
Sept. 15, 1906.....	71.16	28.84
Sept. 30, 1906.....	73.84	26.16
Oct. 15, 1906.....	75.11	24.89
Oct. 31, 1906.....	72.50	27.50
Nov. 15, 1906.....	75.29	24.71
Nov. 30, 1906.....	74.68	25.32
Dec. 15, 1906.....	77.41	22.59
Dec. 31, 1906.....	76.81	23.19
Jan. 15, 1907.....	74.44	25.56
Jan. 31, 1907.....	74.93	25.07
Feb. 15, 1907.....	75.77	24.23
Feb. 28, 1907.....	77.11	22.89
Mar. 15, 1907.....	75.65	24.35
Mar. 31, 1907.....	74.62	25.38
Apr. 15, 1907.....	76.32	23.68
Apr. 30, 1907.....	77.72	22.28
Average.....	74.61	25.39

THE CARTER PROCESS.

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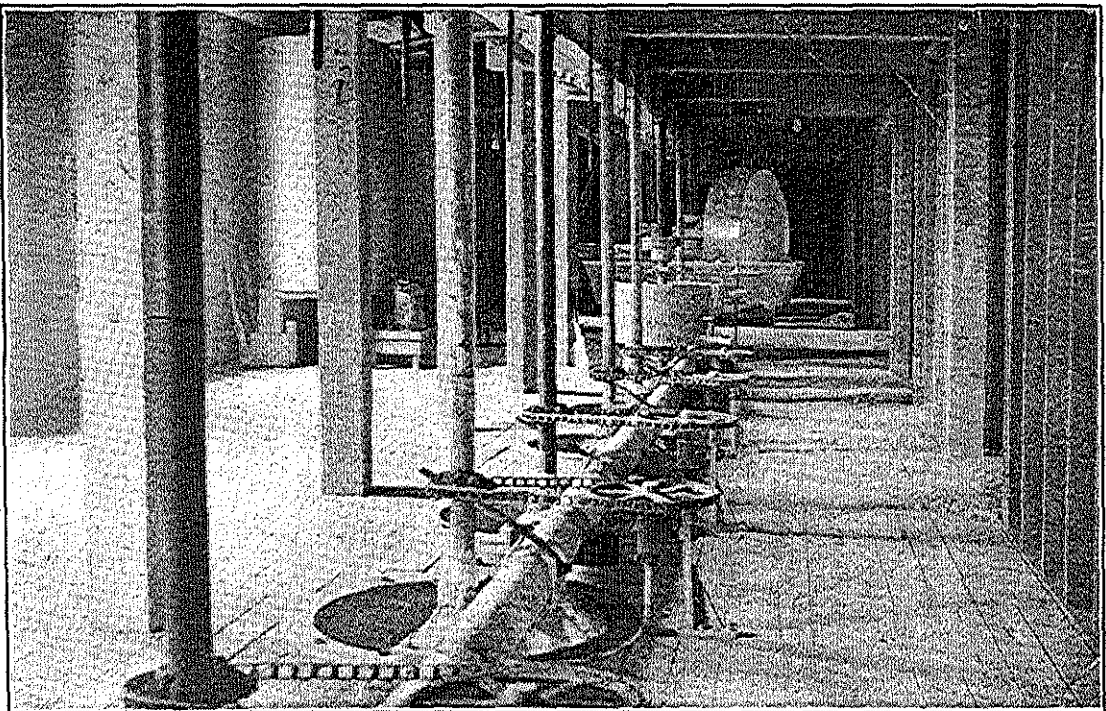


FIG. 29.—CHASER AND MIXERS.—CARTER PROCESS.

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It will be noted that the percentage of carbonate is slightly higher than in the average grades of old Dutch white lead, which together with its freedom from blue lead explains its clearness of tone. In the practical paint tests, made by the writer, little or no difference has been observed in its wearing or service value, as compared with the best brands of old Dutch lead; in application it works slightly easier under the brush, and remains in suspension better in the oil.

96. Characteristics. As produced by this process, Carter lead is usually whiter than old Dutch white lead, the particles are much finer and of a more nearly uniform size, and, therefore, 100 pounds of Carter lead in oil will cover a considerable larger area of surface than 100 pounds of old Dutch lead when reduced alike with oil. The body or hiding power, however, is not at all times quite equal to that of the older lead, although the surface is distinctly a cleaner, clearer white.

97. Success. This process having proven very successful financially, a plant was built along similar lines by Harrison Brothers & Company, Philadelphia, in which the Carter Company was interested in a way, and assisted towards the construction of the plant. Shortly afterwards another plant was built at Buffalo, by Kellogg & McDougall, of about three thousand tons capacity, with the assistance of the same engineer who constructed the Harrison plant. Both of these plants have been eminently successful.

Filling and heading up barrels.

Emptying and cleaning the dust collectors.

In a carelessly managed and crowded factory there may not be one room free from dust and really safe to work in, and in the absence of legislative control it is hardly to be hoped that all the evils described above will be done away with. As can readily be seen from the instances of bad management that were given, it is not a matter so much of raising the standard of factory construction by legislation as of raising the standard of factory control.

Before leaving the old Dutch process factories it is necessary to state that a certain modification in method has been introduced and is now in an experimental stage. This consists in eliminating the wet grinding and substituting dry grinding in a cyclone mill, where the heavier particles fall to the bottom and the light powder is driven on by fans into proper receptacles. The lead is corroded in the usual way and passed through the usual form of separator, but the dry-pan room with its dangers is eliminated. On the other hand the fact that the white lead is dry throughout opens the door for many possible risks. In the two factories where this process was seen in use it was evident that the machinery was still in the experimental stage, involving much repairing and alteration and therefore quantities of dust, but that is of course a temporary evil. Such a factory will, however, always need an extensive dust-collecting system, which is a disadvantage, but with satisfactory machinery and care it should be possible to control the dust, and the method has the advantage of requiring a smaller working force.

CARTER PROCESS.

The description just given of the white-lead industry in the United States applies to the 19 factories east of the Pacific coast that use the old Dutch process. In order to make it complete, a description must be given of the three factories using a rapid modification of the old Dutch process, known as the Carter process, the one using the so-called Matheson process, and the one which uses a nonacid or Mild process.

The Carter process is a rapid way of producing the basic carbonate from pig lead by the action of acetic acid, water vapor, and carbon dioxide. That is, it is essentially the same as the old Dutch process but it is so modified as to do away with the use of tanbark and reduce the corroding time from 90 days to 12 or 15 days. Corrosion is also said to be more complete than by the old Dutch process.

The process begins in the blowing room. Pig lead is melted in a large kettle, from which it flows in a little stream to a receptacle where it is met by a blast of superheated steam that atomizes it to a

fine powder and drives it on into receptacles so arranged as to throw the powdered lead to the bottom. It is this fine, more or less fluffy powder that takes the place of the blue buckles in the old Dutch process and, therefore, there is at the outset a new element of danger in the Carter process. This powder was, at the time the inspection of these three factories was made, shoveled out from the receptacle or allowed to fall from it to the floor where it lay in a great heap from which open trucks were filled. These trucks were then wheeled by hand for some distance, in one instance across the yard, and emptied. The atomized lead is light and blows about easily, and it was admitted by the foremen that the men who did this work, "blue truckers" they are called, suffered as much from lead poisoning as the men in the white-lead departments. It is only fair to say that after the unnecessary dangers inherent in this work were brought to the attention of the manager of the best of these factories, he succeeded in eliminating much of the danger by allowing the blue lead to fall directly into a truck instead of on the floor. As there is a strong air exhaust in the vent of the atomizer the powder which rises is partly drawn back into it. The full truck is also well sprinkled with water so as to keep the dust from blowing back into the trucker's face. A second factory using the Carter process has promised to introduce this last precaution.

The atomized lead is then wheeled into the corroding room and emptied into a cylinder or reel. This room is filled with cylinders, which are large barrels placed on the side and revolving very slowly so that the blue powder is turned over and over. Streams of carbon dioxide are driven into the cylinder and a spray of acetic acid is introduced from time to time through the opening in the front of the cylinder by a man known as the "sprinkler." The lead tends to cake on the sides of the cylinder, and must be removed by pounding with wooden hammers on the outer surface, either by hand or mechanically. The first corroding period lasts five or six days, and the lead is then in little balls of carbonate with uncorroded particles in the center. This must now be ground and corroded again. The cylinder is stopped and the lead allowed to run through a hole in the bottom into a truck and then taken off to the "thresher" or "thrasher."

The room containing the cylinders or reels is not necessarily dusty, and in the best of the three Carter process factories it is fairly clean. It all depends upon the care taken in handling the lead as it goes into and comes out of the cylinders. In all three factories the blue lead is poured into the cylinders through a canvas bag which extends from the vent in the bottom of the truck to the dump in the top of the cylinder, and which is designed to prevent the escape of dust. There is, however, no such device in two of the factories to prevent the

WHITE-LEAD INDUSTRY IN UNITED STATES.

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escape of dust when the half-corroded and the fully corroded lead is taken out of the cylinders, and these two factories have a great deal of dust in their corroding rooms. It would not be possible to wet down the first corrosions, for the thrasher would get clogged with the wet lead, but the fully corroded lead is to be ground in water and there is no reason why it should not be removed from the cylinders already wet and thus one source of dust be avoided. This is already the practice in the best Carter process factory.

The greatest danger in the corroding room comes from the necessity of scraping off the lead which sticks to the inside of the cylinders when they are being emptied. For this purpose a man must climb in through the manhole in the front of the cylinder and stand inside while he scrapes the sides clean. This is looked upon as about the most dangerous piece of work in the factory, and in two of the three these cylinder cleaners enjoy special protection and are given short hours of work. In the third no special care is taken of them.

The thrasher rooms in all these factories are dusty and are bad places to work in, though the evil is in large part avoidable. The work consists in emptying half-corroded dry lead into the thrasher, where it is ground to a fine powder, and then conveying it back to the cylinders. The danger is at the dump into the thrasher, at the vent from the thrasher, and in wheeling open trucks of dry powder back to the cylinders and discharging it into the latter. There is also a more or less elaborate dust-collecting system connected with the thrasher, which must be emptied from time to time.

The following is a description of the method used in the best of these factories: Under the corroding room is a cement-floored basement, very clean. From the ceiling are suspended small hoppers with pipes which lead, each one, to a cylinder on the floor above. When a cylinder is in course of being emptied a truck with a strong canvas bag attached to the edges is brought under the pipe, an opening in the bag is fastened to the end of the pipe, and thus the lead falls down without any escape of dust. Another pipe beside this one runs up to the dust collector and carries off the air which is displaced by the falling white lead. The threshing machine runs through four stories, all with wooden floors which are clean. Covered trucks from the corroding room with half-corroded lead are pushed into a closed iron compartment which has an exhaust connected with the dust collector, the door of the compartment is drawn down to within a couple of feet of the floor, and by means of a handle the valve in the bottom of the truck is opened and the lead discharged into the thrasher. In the first floor of the thrasher building is the opening of the hopper where the pulverized, semicorroded lead is caught and from which it is discharged through a canvas bag into trucks and taken back to the corroding room.

A contrast to this is the method in use in another factory: At the end of the first corroding period the semicorroded lead is discharged dry into trucks which are run under the cylinder. There is no canvas bag used here, consequently there must be some escape of dust. The trucks with the semicorroded lead go to a building which is old and extremely dusty. Accumulations of old white-lead dust lie everywhere. The trucks go on an elevator to the top of the thresher and are dumped into an opening in the floor which has absolutely no protection. In this thresher the lead is ground to a fine powder for its second corrosion. The fine dry powder is discharged in a small, frightfully dusty room. There is an air exhaust in this room, but in spite of this fine dust flies everywhere. A man rolls a truck into this room, waits until it has been filled from the thresher, then rolls it out again.

The fully corroded lead is discharged dry or wet, as the case may be, into trucks and taken to the water mills. From here on, the lead which is undergoing grinding and drying is handled in essentially the same way as in an old Dutch process factory, and no further description is needed.

This process is more dangerous for the workmen than the old Dutch process because it is dustier. This fact has been recognized in two of these factories, where greater care is taken of the men than in any other white-lead factories in the United States. The result is that the men in these two factories do not shift as much as in most old Dutch process factories, partly because they are better taken care of, partly because the work requires more skill and the pay is higher. A comparison of the records kept by physicians in charge of two of the Carter process factories with those kept by physicians in charge of two old Dutch process factories shows that while the Carter process factories have a higher percentage of lead poisoning the length of exposure of the lead-poisoned men is much greater in the former than in the latter.¹

Recently these two Carter process factories have adopted the English and German system of care for their workmen, including compulsory use of washing facilities, lunch room, and overalls. They have also made a great effort to instruct their men, and the following is a copy of the rules displayed in these factories in the languages used by the 13 different nationalities of workmen:

FACTORY RULES.

1. Respirators must always be worn where there is dust. Keep them clean. Shave frequently so that respirator fits snugly.
2. Washing: Before eating and before leaving factory at night, employees must thoroughly scrub their hands, clean their finger nails and brush their teeth.

¹ See p. 225.

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3. Clothes: Employees must make a complete change of clothing, including hat and shoes, upon coming to work and again at the close of the day's work. Working clothes must not be worn outside the factory grounds.

4. Baths shall be taken daily (on the company's time) before changing into street clothes.

5. Complaints: The company furnishes, free of charge, respirators, sponges, tooth and nail brushes, soap, towels, and individual lockers, and has equipped the plant with bathing facilities and sanitary devices. Any failure to furnish the above supplies, and any defect in the operation or sanitary condition of the machinery or equipment of the factory observed by any employee shall be called at once to the attention of the foreman in charge, and if not remedied in 24 hours complaint shall be made directly to the superintendent.

6. Company's doctor: Employees shall report to the company's doctor every ailment, no matter how slight, as soon as discovered, and shall be present at the weekly examination. The company's doctor will attend to employees for all ailments without charge.

7. It is forbidden to eat in any part of the factory except the lunch room; to bring beer or alcoholic liquors on the premises; to smoke in or about any factory building.

8. Recommendations: Eat a hearty breakfast before coming to work.

Milk, eggs and onions are the best food for workers in lead.

Whisky, gin, wine, beer and other alcoholic drinks are especially harmful to workers in lead.

Do not get lead in your mouth from dirty hands or dusty clothes.

Never carry chewing tobacco in your working clothes, or touch it with dirty or dusty hands.

Keep clean.

By obeying the above rules, and keeping lead, which is a poison, from entering the mouth and nose, employees can keep well and lessen the risk of lead poisoning, which they assume in entering the employ of this company.

The third Carter process factory, one of the dustiest factories seen, has not as yet adopted any precautions in the care of its men beyond offering them milk free during the noon hour and paying 5 cents to each man who takes a bath. There is no medical inspection, although 17 hospital cases of lead poisoning were found occurring since January, 1910. The manager believes in hiring the men for short periods only, hoping to be able to discharge them before they have been injured by the work. Suggestions for improving conditions were requested by the manager and were submitted, but the company is apparently not yet impressed with the importance of the reforms.

MATHESON PROCESS.

What is known as the Matheson process is used on a large scale in only one factory, though a process very similar to it may be seen on a small scale in an oxide factory where the white lead needed for the production of orange mineral is corroded in practically this way. It is a rapid precipitation process, depending upon the action of acetic

Omaha Lead Site

Articles from the Historical Society of Douglas County and the Omaha Public Library Archives

Company	Article Name	Date	Business Locations	Names, Titles	Comments
Carter White Lead Company	Omaha's Great Smelting Works	NA			Carter White's Chicago plant produced more white lead than any other factory in the world; Carter White Lead company incorporated in 1886; Owned by Levi Carter, who died in 1904, succeeded by Edward Cornish; Firm was competitor of National Lead Co. (Lead Trust)
	History of the City of Omaha, Nebraska	1894			Started business about August 1, 1878; successor to Omaha White Lead Company; Grant Smelting & Refining Co. sold Carter White pig lead
	Levi Carter Pioneer Capitalist Is Dead	11/8/1903		Levi Carter, president	Levi, company president, died; Company owned another plant in Chicago
	Omaha: The Gate City and Douglas County Nebraska - A Record of Settlement, Organization, Progress and Achievement	1917		Levi Carter, president; H.W. Yates, vice president; S.B. Hayden, secretary	Producer of large amounts of white lead; Omaha Lead Works purchased by Levi Carter in 1886; Building destroyed by fire on June 14, 1890; Works absorbed by White Lead Trust and closed in 1916
	(Letter from National Lead Company to Omaha World Herald)	3-10-1936		Edward J. Cornish, chairman of the board	Carter White Lead company moved main office from Omaha to Chicago because there was no advantage in the price of pig lead
Central Plains Steel Co.	Central Plains to build plant in Kansas	7/24/1987	Donavan Road & Fairfax	Richard F. Owen, vice president & general manager	Company headquartered in Omaha, to build plant in Kansas City, KS, to supply just-in-time steel delivery to the nearby GM stamping operation; 141,000 sq ft plant on an 11 acre site
Champion Iron & Wire Works	Good Fences Make Good Neighbors	5/20/1928	15th & Jackson Sts		Manufacturer of iron and wire fences and gates for lawns, gardens and homes; ornamental iron entrance gates; steel fence posts; wire flower bed borders; window and door guards; chain-link fences
Cloverdale Manufacturing Company	Cloverdale expands services, increases business by 20 percent	1/1997		Rick Krejci, owner	Cloverdale took steps to expand services in response to a shortage of welders and fabrication manufacturers; 65% of business was in building 20 varieties of hydraulic reservoirs for trucks; Founded in 1950
Continental Can Company	Cans, Bags, Boxes Long an Important Industry	4/25/1954		C.I. Dwyer, general foreman	Can types include flat top beer cans, coffee cans, open top cans for fruit, etc.; Company planned production of a new plant in Omaha; In 1931, company bought the Gordon Can Co. at 8th and Dodge Sts, and later decided to build a plant on the Omaha Industrial Foundation site near 72nd and L Sts
Crown Cork & Seal Co., Inc.	Omaha, Other Crown Plants Idled	4-22/1996	4133 S. 72nd St		Production at local can manufacturing plants halted as result of strikes
	Crown Cork Sells Davies Can	4/30/1996	4133 S. 72nd St		A Philadelphia, PA, manufacturer of beverage and other containers; Company planned to sell its paint and oblong can business, called Davies Can Division, to Bway Corp. of Atlanta, GA
Davis & Cowgill Foundry	Will Try Eight Hours	8/3/1891			Employees required to work eight hour days; Employed 50 workers

File: NEN000704909
Former Carter white Lead Facility



Steve.Kemp@NDEQ.State.N
E.US

03/31/2006 05:18 PM

To Brian Mitchell/SUPR/R7/USEPA/US@EPA

cc

bcc

Subject Carter White Lead area is very close to a former landfill that has very high lead concentrations in the soils.

Brian:

I'm attaching a map that shows the proximity of the former Carter White Lead facility to a former landfill that has very high lead concentrations in the soil. The former landfill has been the subject of at least one and perhaps more redevelopment efforts, that's why we know the soils are very high for lead. I'll get you more info if you are interested.

(See attached file: Map of Carter White Lead Area.doc)

Steve Kemp, P.G.
Unit Supervisor
Remediation Section
Nebraska Dept. of Environmental Quality
Phone 402.471.0803
Fax 402.471.2909



Map of Carter White Lead Area.doc

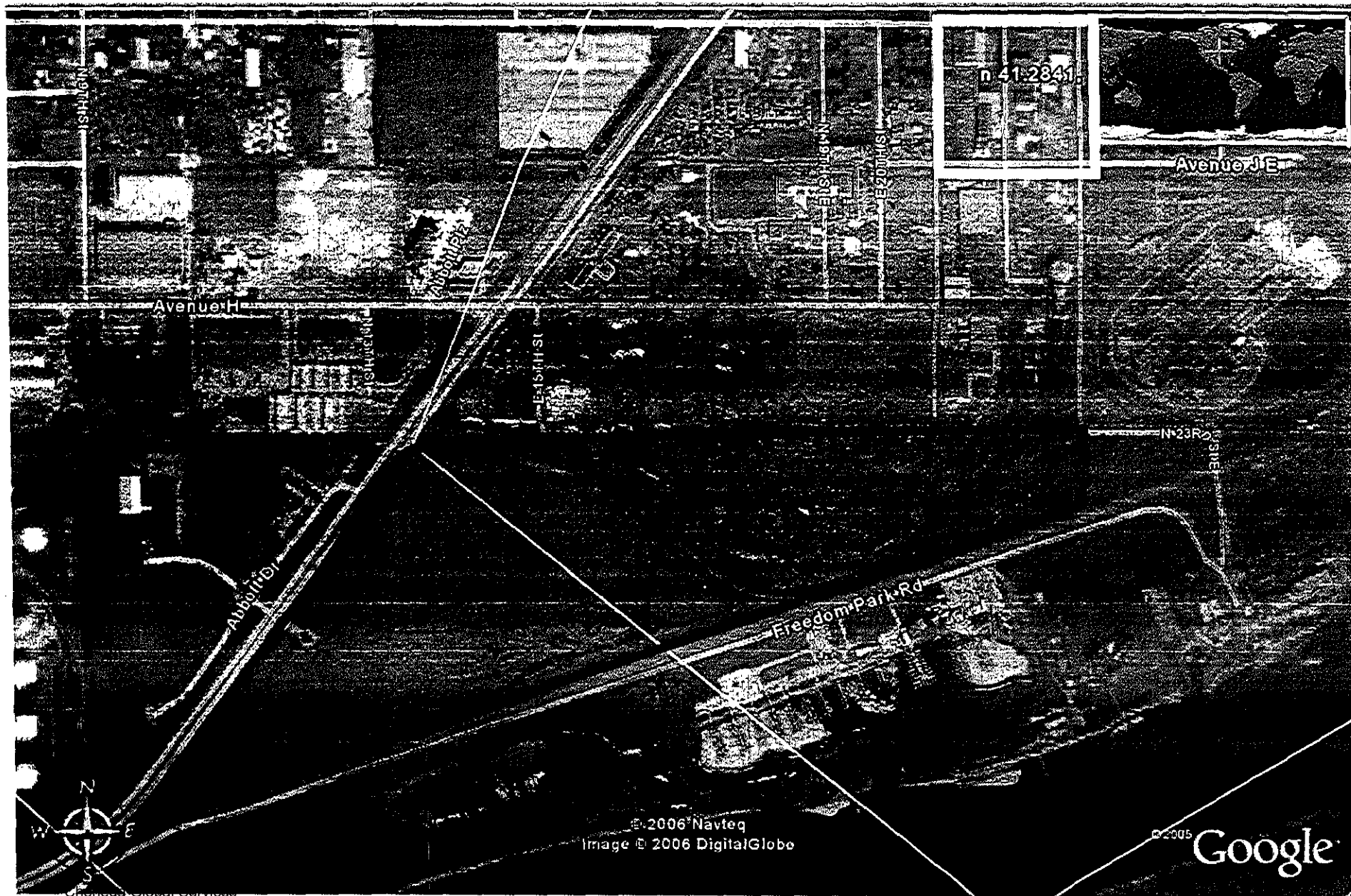
Site:	Former Carter White
ID #	NEN 000 704909
Phase:	1.0
Other:	3-31-06

[Signature]



Yellow area is general vicinity of the Carter White Lead Site

Blue area is area of the former Frank Sillick Landfill now owned by Omaha Steel Castings. The soils in the blue area have lead concentrations in excess of 10,000 ppm.



Carter White Lead Company (Omaha, Neb.)

RG4098.AM: Carter White Lead Company (Omaha, Neb.)

Records: 1877-1938

Omaha, Douglas County, Neb.: Manufacturer of white and red leads, etc.

Size: 2 boxes

BACKGROUND NOTE

The Omaha White Lead Works were established by W.A. Paxton, Levi Carter, C. Hartman, W.B. Royal, C.W. Mead, N. Shelton, D.O. Clarke, and S.E. Lock in August of 1878 with a capacity of 600 tons a year and capital of \$60,000. The plant was built at 20th Street and the Union Pacific tracks. At the time of its establishment, it was the largest white lead works west of St. Louis.

In 1881 the capacity was increased to 1200 tons a year and the capital to \$90,000. The low price of lead in 1885 forced the plant to shut down in that year. Until then the process of making white lead was known as the "Dutch process." Sheets of lead were placed in vats where they underwent an extensive and time-consuming corroding process. Levi Carter, freighter and cattleman, experimented with a new process whereby the lead was reduced to atoms instead of being allowed to remain in large sheets. The corroding process then took a comparatively small amount of time.

Carter reorganized the company in 1886 under the name Carter White Lead Works. The capital was set at \$150,000 but was increased to \$500,000 in 1889. The capacity of the plant reached 4000 tons as Carter's new atomizing process proved that better white lead could be produced at a smaller cost and in less time than by the old process.

On June 14, 1890, the lead works plant was destroyed by fire. Before year's end, a new \$200,000 plant had been constructed in East Omaha and within a couple of years the plant's output reached 7000 tons. Under Carter's management, the company became the largest corroder of white lead in the U.S., with factories in Omaha and Chicago. The Chicago plant was the largest single white lead factory in the world.

Levi Carter died on November 7, 1903. Five years after his death, the Carter White Lead Company still claimed to be the largest independent manufacturer of lead in the U.S., with a capital of \$750,000, and a yearly capacity of 30,000 tons.

The Carter White Lead Company dissolved in 1936. All of its property was distributed to the National Lead Company, which was headquartered in New Jersey. The new owner continued to operate the Chicago plant as the Carter Brand of the National Lead Company.

SCOPE AND CONTENT NOTE

This collection consists of two boxes of manuscript material arranged in eight series: 1) Legal Documents, 1877-1936; 2) Minutes, 1905-1936; 3) Correspondence, 1898-1938; 4) Financial Statements, 1889-1907; 5) Stock Certificates, 1886-1936; 6) Payrolls, 1897-1901; 7) Plant Appraisals, 1907 and 1910; and 8) Miscellany.

This material relates to the business conducted by the Carter White Lead Company of Omaha, Nebraska, manufacturer of white and red leads, litharge, paint, and varnish. The Legal Documents, 1877-1936, of **Series 1** include articles of incorporation and amended articles. Legal agreements within this series include contracts, leases, deeds, stock and patent assignments, and promissory notes.

Series 2 is comprised of the minutes of the Carter White Lead Company stockholders' and board of directors' meetings, 1905-1936. Entries pertain to stock ownership, financial status, officer elections, proxy assignments, salaries, dividends declared, plant alterations, and employee care in cases of lead poisoning. The Correspondence of **Series 3** covers the years 1898-1908 and 1919-1938. Many of the letters of the early years relate to the efforts of various lead producers to form a combination that would control the pig lead market by contracting to manufacture the entire output of the American Smelting and Refining Company. Other letters provide information on sales, stock transfers, cost estimates, factory additions, new plants, lead market analyses, real estate sales, and liquidation proceedings.

Series 4 consists of Financial Statements of the Carter White Lead Company for the years 1889-1907. These monthly, annual, and comparative reports provide figures on sales, expenses, inventory, shipments, assets, and liabilities. Information on sales comes from various branch offices of the company and are sometimes broken down by state. The Stock Certificates, 1886-1936, of **Series 5** show name of purchaser, number of shares bought, and date of purchase. Some of the actual certificates are missing, but lists of stock purchases provide the same

information. One folder contains an undated list which notes whether outstanding stock has been transferred or cancelled.

Series 6 is comprised of Payrolls, 1897-1901 which show dates, employee names, occupation, hours or number of days worked, pay rate, and total amount paid. The Plant Appraisal records of **Series 7** provide valuation information on the East Omaha Plant of the Carter White Lead Company. A 1907 report appraises building and plant equipment as a basis for insurance. A 1910 report goes into much greater detail, providing valuations of buildings, equipment, and all furnishings, including specification of all material. Both appraisals were prepared by Coats and Burchard Company, Public Appraisers and Engineers. The Miscellany of **Series 8** includes information on the white lead manufacturing process, notes and figures, newspaper clippings, blueprints, plat maps, and brochures from other companies.

DESCRIPTION

Series 1 - Legal Documents, 1877-1936

Box 1
Folder

1. Articles of Incorporation and Amendments, 1877-1925
2. Legal Agreements, 1882-1886
3. Legal Agreements, 1890-1900
4. Legal Agreements, 1919-1936

Series 2 - Minutes, 1905-1936

Box 1
Folder

1. 1905-1907
2. 1908-1909
3. 1910-1911
4. 1912-1913
5. 1914-1917
6. 1918-1922
7. 1923-1927
8. 1928-1936

Series 3 - Correspondence, 1898-1938

Box 1
Folder

1. 1898-1899, Mar.
2. 1899, Apr.-Dec.
3. 1900-1902, Apr.
4. 1902, May-Dec.
5. 1903-1905, Feb.
6. 1905, Mar.-1906, July
7. 1906, Aug.-1907, Jan.
8. 1907, Feb.-1908, Feb.
9. 1919-1925
10. 1926-1928
11. 1929-1930
12. 1933-1936
13. 1937-1938 and undated

Series 4 - Financial Statements, 1889-1907

Box 2

Folder

1. 1889-1896
2. 1897-1898
3. 1899
4. 1900
5. 1901-1902, May
6. 1902, June-Dec.
7. 1903
8. 1904-1907 and undated

Series 5 - Stock Certificates, 1886-1936

Box 2

Volume

1. 1886-1893, July
2. 1893, July-1895, May
3. 1895, June-1936

Folder

1. Disposition of Stock, undated

Series 6 - Payrolls, 1897-1901

Box 2

Folder

1. 1897, Oct.; 1900, Aug.-Oct.
2. 1900, Nov.-1901, Jan.
3. 1901, Feb.-Apr.
4. 1901, May-July

Series 7 - Plant Appraisals, 1907 and 1910

Box 2

Folder

1. Appraisal of building and plant equipment, 1907
2. 1910 Appraisal; Introduction; Engine and Boiler Rooms
3. Mill and Drying Building
4. Corroding House
5. Thresher House, Blow House, and Warehouse
6. Keg Warehouse, Wash House, Outside properties and Summaries

Series 8 - Miscellany

Box 2

Folder

1. Information on white lead manufacturing, notes and figures, blueprints, plat maps, clippings, and brochures
2. Information on white lead manufacturing, notes and figures, blueprints, plat maps, clippings, and brochures

ADDED ENTRIES:

Carter White Lead Company (Omaha, Neb.)

Carter, Levi, 1830-1903

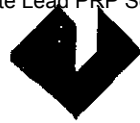
Douglas County (Neb.) -- Businesses

Lead industry and trade

Omaha (Neb.) -- Businesses

Revised 08-24-2007 TMM

For additional information about this collection, please [contact our Library Staff](#).

**Project Resources Inc.**

December 23, 2005



Site: Former Carter WLF
ID #: NEN000704909
Break: 1.0
Date: 12-23-05
RF

Mr. Roy Crossland
TA Project Officer
U.S. Environmental Protection Agency, Region 7
901 North 5th Street
Kansas City, Kansas 66101

Subject: Preliminary Assessment
Former Carter White Lead Facility Report, Omaha, Nebraska
CERCLIS No.: NEN000704909
EPA Region 7, TA Contract No. 68-R7-02-05 Task Order No. 011
Task Monitor: Brian Mitchell, Site Assessment Manager

Dear Mr. Crossland:

The Project Resources Inc. (PRI) Technical Assistance (TA) team is submitting the enclosed preliminary assessment report for the above-referenced site. A hazard ranking system (HRS) scoring memorandum will be submitted separately. If you have any questions or comments regarding this submittal, please call the project manager at (913) 485-0443.

Sincerely,

Matthew Fohlmeister
TA Project Manager

Michelle Smith
TA Program Manager

Enclosure

**PRELIMINARY ASSESSMENT
FORMER CARTER WHITE LEAD FACILITY
OMAHA, NEBRASKA**

CERCLIS No.: NEN000704909

Superfund Technical Assistance (TA) Contract

Contract No. 68-R7-02-05, Task Order No. 011

Prepared For:

**U.S. Environmental Protection Agency
Region 7
901 North 5th Street
Kansas City, Kansas 66101**

December 23, 2005

Prepared By:

**Project Resources Inc.
8238 Marshall Drive
Lenexa, Kansas 66214
(913) 859-0005**

&

**Team Subcontractor
Seagull Environmental Technologies
11905 Gillett Street
Overland Park, Kansas 66213**

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- B PHOTOGRAPHIC LOG
- C FIELD SHEETS AND CHAIN-OF-CUSTODY RECORDS
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1.0 INTRODUCTION

Project Resources Inc. (PRI) was tasked by the U.S. Environmental Protection Agency (EPA) Region 7 Superfund Division, under Superfund Technical Assistance (TA) Contract Number 68-R7-02-05, Task Order Number 011, to conduct a preliminary assessment (PA) of the Former Carter White Lead Facility site, located at East 21st & Locust Streets in Omaha, Douglas County, Nebraska. Although the primary contaminant of concern at the site is lead, the presence of cadmium and zinc were also assessed during this PA.

The Former Carter White Lead Facility manufactured lead paint from 1881 to 1926, when the company ceased operations. The primary objective of the PA was to determine whether any threats to human health or the environment exist due to the potential impact of past manufacturing activities.

The activities were conducted under authority of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) and the Superfund Amendments and Reauthorization Act (SARA) of 1986. The PA report was written according to guidelines included in the following EPA documents: Guidance for Performing Preliminary Assessments Under CERCLA (EPA 1991), Guidance for Performing Site Inspections Under CERCLA (EPA 1992), and Hazardous Ranking System (HRS) Final Rule (EPA 1990).

2.0 SITE DESCRIPTION AND HISTORY

The location, climate, general description, operational history, waste characteristics, and previous investigations of the Former Carter White Lead Facility site are discussed below.

2.1 SITE LOCATION

The Former Carter White Lead Facility site is located at East 21st & Locust Streets in Omaha, Nebraska, in the southwest ¼ of Section 12, Township 15 North, Range 13 East (U.S. Geological Survey [USGS] 1994). The approximate latitude and longitude of the subject property are 41.2841° north and 95.9032° west, respectively (see Figure 1 in Appendix A).

2.2 CLIMATE

The average precipitation in Omaha, Nebraska, is 30.22 inches per year, and the average temperature is 50.7 degrees Fahrenheit (Wikipedia 2005).

2.3 SITE DESCRIPTION

The site was utilized for lead-based paint manufacturing from 1881 to 1926. The site encompasses all lots on Block 5 in the East Omaha Subdivision. Lots 1-5, 18-22, A-1, A-2, and P (north) are currently owned by Mr. Robert McDermott. One building, a former grocery store, located on the north-central side of the site, is currently being used by the Open Door Mission as a thrift store. Fleetpride, a truck and trailer parts distribution center, occupies lots 6-11. Lots 12-17 and lot P are vacant. Debris is scattered throughout these vacant lots, and the soil is devoid of vegetation. Lots 16-17 and lot P (south) are currently owned by Moweco, Inc. The area surrounding the site is primarily composed of light industrial and residential properties.

2.4 WASTE CHARACTERISTICS

The primary contaminant of concern associated with the site is lead; however, cadmium and zinc were also assessed as secondary contaminants of concern for this PA. The characteristics of the contaminants of concern are summarized below.

2.4.1 Lead

Lead is a naturally occurring bluish-gray metal found in small amounts in the earth's crust. It is used in production of batteries, ammunition, and metal products. It has also been used in gasoline, paints, caulking, and pipe solder, but its use has been reduced in recent years because of health concerns. Exposure to lead can occur through ingestion of food or water that contains lead. Lead can affect the central nervous system, kidneys, and reproductive system. At high levels, lead may decrease reaction time; cause weakness in fingers, wrists, or ankles; and possibly affect memory. Children are more vulnerable to lead poisoning than adults. (Agency for Toxic Substances and Disease Registry [ATSDR] 1999).

2.4.2 Cadmium

Cadmium is a naturally occurring element in the earth's crust. It is usually found as a mineral combined with other elements such as oxygen (cadmium oxide), chlorine (cadmium chloride), or sulfur (cadmium sulfate, cadmium sulfide). All soils and rocks, including coal and mineral fertilizers, contain some cadmium. Most cadmium used in the United States is extracted during the production of other metals like zinc, lead, and copper. Cadmium does not corrode easily and has many uses, including batteries, pigments, metal coatings, and plastics. Breathing high levels of cadmium can severely damage the lungs and can cause death. Eating food or drinking water with very high levels may irritate the stomach, leading to vomiting and diarrhea. Long-term exposure to lower levels of cadmium in air, food, or water may lead to a buildup of cadmium in the kidneys and possible kidney disease. Other potential long-term effects are lung damage and fragile bones. Skin contact with cadmium is not known to cause health effects in humans or animals (ATSDR 2003a).

2.4.3 Zinc

Zinc is a naturally occurring element in the earth's crust, and is essential for human health. It is found in the air, soil, water, and all foods. Pure zinc is a bluish-white shiny metal. Zinc is used as a rust preventor and as a component of dry cell batteries, alloys, and pennies. It can be released to the environment by human activities such as mining, coal and waste combustion, and steel processing. Exposure to too much zinc can cause stomach cramps, skin irritants, vomiting, nausea, and anemia (ATSDR 2003b).

2.5 PREVIOUS INVESTIGATIONS

A records search was conducted at the Nebraska Department of Environmental Quality (NDEQ) by the Tetra Tech EM Inc. Superfund Technical Assessment and Response Team (START). The search did not find any recorded inspections of the property or any violations by former and/or current occupants. However, it should be noted that there is an ongoing investigation and remedial action to address widespread lead contamination in the general vicinity of the site (referred to as the Omaha Lead Site [OLS]). The OLS (Comprehensive Environmental Response, Compensation, and Liability Information System [CERCLIS] Identification Number NESFN0703481) is composed of a large area of contaminated soil, resulting from historic air emissions from lead smelting/refining operations. Two former lead processing facilities, American Smelting and Refining Company, Inc. (ASARCO), and Gould, Inc. (Gould), operated near the downtown Omaha area. Both facilities released lead-containing particulates to the atmosphere from their smokestacks, contaminating soils in the surrounding areas. The OLS

encompasses approximately 20 square miles in the eastern portion of the greater metropolitan area in Omaha, Nebraska. The site is bounded by Ames Avenue to the north, L Street to the south, 45th Street to the west, and the Missouri River to the east. Previous investigations determined that soils at 34 percent of all residential properties in this area contained lead concentrations above 400 parts per million (ppm) (EPA 2004a). Both source areas, ASARCO and Gould, are approximately 2.5 miles southwest of the Former Carter White Lead Facility site.

3.0 PRELIMINARY ASSESSMENT ACTIVITIES

Section 3.0 discusses the PA field sampling and quality assurance (QA)/quality control (QC) activities performed at the Former Carter White Lead Facility site.

3.1 SITE ASSESSMENT SAMPLING

The general objective of the PA was to determine whether any threats to human health or the environment exist as a result of releases of lead, cadmium, and zinc. TA team members Gretchen Peterson and Jason Lynch conducted field screening and sampling activities for the PA on October 6 through 13, 2005.

A site-specific Quality Assurance Project Plan (QAPP) for PA activities was developed by PRI, submitted to EPA, and approved in September 2005 (PRI 2005). Field activities, which were conducted in accordance with the approved QAPP, included in situ field screening of metals with a portable x-ray fluorescence (XRF) analyzer. A portion of the samples was also submitted to the EPA Region 7 laboratory in Kansas City, Kansas, for confirmation analysis. Photographs documenting the site activities are included in Appendix B. Field sheets and chain-of-custody records are included in Appendix C, and analytical results are included in Appendix D.

3.2 QUALITY ASSURANCE/QUALITY CONTROL

To ensure the credibility of sample collection and preparation, and analytical data, QA/QC procedures were followed according to protocols approved by EPA Region 7 for work at hazardous waste sites, in accordance with the site-specific QAPP submitted to EPA Region 7 in September 2005. For the PA, one field duplicate sample was collected to evaluate total method precision of the laboratory data.

For interpreting analytical results, laboratory data were compared to applicable health-based benchmarks, as published in the Superfund Chemical Data Matrix (SCDM) (EPA 2004b). The analytical data were also compared to EPA Region 9 preliminary remediation goals (PRG) for industrial soils (EPA 2004c).

3.3 DEVIATIONS FROM THE QUALITY ASSURANCE PROJECT PLAN

In situ field screening, as well as sample collection, preparation, and delivery for laboratory analysis, were in accordance with the QAPP, with the following exception:

- Because the site had paved parking areas and buildings, fewer XRF readings were taken of surface soils than anticipated, and consequently fewer samples were collected for laboratory analysis, than specified in the QAPP.

4.0 SOURCE SAMPLING

Section 4.0 discusses the sampling locations, analytical results, and conclusions drawn from the field screening data and laboratory results for soil samples collected from the site.

4.1 FIELD SCREENING AND SAMPLING SUMMARY

Based on site reconnaissance observations and background information about the site, field screening and sampling locations were selected to represent comprehensive coverage of all accessible areas of the property, while avoiding drip zones of any buildings on the site. For the PA, 111 in situ XRF readings for lead, cadmium, and zinc were taken of surface soils throughout the site (see Table 1). At 11 of those locations, soil samples were collected from 0 to 2 inches below ground surface (bgs) with disposable stainless steel spoons for laboratory confirmation analysis. Three separate XRF readings were taken of each homogenized sample collected for laboratory analysis. These readings were recorded on a field sheet, along with the average of these readings. The 11 samples (2753-1 through 2753-11), along with one duplicate (2753-11FD), were placed into a cooler containing ice, where they were stored at a temperature at or below 4 degrees Celsius (°C) pending submittal to the EPA Region 7 laboratory for analysis of lead, cadmium, and zinc. Locations of the field screening readings and samples collected for laboratory analysis are illustrated on Figure 2 in Appendix A.

TABLE 1
XRF SCREENING SUMMARY
FORMER CARTER WHITE LEAD FACILITY—OMAHA, NEBRASKA
OCTOBER 2005

Sample Number	Lead (ppm)	Cadmium (ppm)	Zinc (ppm)	Sample Number	Lead (ppm)	Cadmium (ppm)	Zinc (ppm)
1	339	<92	<360	31*	193	<51	105
2	219	<62	117	32	116	<35	243
3	226	<59	116	33	1,640	<66	209
4	786	<73	175	34	1,700	<72	220
5	760	<58	<140	35	526	<59	<130
6	354	<70	<110	36	274	<87	<130
7	364	<62	123	37	207	<90	<140
8	290	<39	124	38	180	<106	<190
9	1,380	<57	316	39	4,160	<67	1,210
10	1,040	<40	178	40	2,150	<88	568
11*	387	<41	135	41	16,100	<58	605
12	1,310	<90	351	42*	4,177	<47	226
13	1,120	<63	802	43	2,840	<101	387
14	1,650	<65	2,680	44	432	<46	160
15	898	<52	554	45	2,680	<43	<210
16	1,330	<71	771	46	1,540	<110	185
17	489	<87	<330	47	1,560	<96	<180
18	1,140	<57	369	48	3,250	<55	302
19	1,550	<57	540	49	3,180	<56	328
20	488	<52	225	50	2,580	<35	260
21*	435	<49	233	51	891	<44	452
22	291	<60	216	52	677	<39	360
23	261	<62	<120	53*	8,357	<57	239
24	407	<52	145	54	7,190	<110	<240
25	308	<74	150	55	3,450	<96	450
26	<61	<43	<210	56	3,810	<54	251
27	247	<53	219	57	323	<63	162
28	85.8	<56	<110	58	3,500	<76	434
29	301	<76	176	59	3,800	<87	438
30	230	<87	<190	60	2,170	<110	271

Sample Number	Lead (ppm)	Cadmium (ppm)	Zinc (ppm)	Sample Number	Lead (ppm)	Cadmium (ppm)	Zinc (ppm)
61	152	<44	272	87	1,930	<56	393
62	6,780	<83	329	88	998	<88	490
63*	441	<49	138	89	3,700	<55	284
64	3,250	<99	274	90	2,350	<96	406
65	337	<42	345	91	3,090	<75	<210
66	277	<56	365	92*	9,410	<42	281
67	2,340	<120	513	93	346	<42	157
68	1,480	<69	<190	94	590	<38	346
69	667	<47	<180	95	492	<56	337
70	1,520	<58	326	96	1,800	<110	<180
71*	1,027	<45	341	97	6,330	<99	190
72	527	<83	123	98	2,160	<96	<180
73	660	<64	141	99	1,060	<55	<120
74	688	<55	616	100	2,110	<46	<210
75	178	<90	752	101	836	<91	<100
76	791	<76	800	102*	931	<44	153
77	563	<64	914	103	850	<51	251
78	1,570	<50	721	104	834	<68	304
79	8,920	<105	1,170	105	350	<90	773
80	1,080	<85	190	106	899	<119	399
81	1,050	<76	530	107	1,020	<150	256
82*	869	<46	135	108	407	<53	173
83	564	<92	150	109	1,530	<96	415
84	904	<47	<210	110	104	<40	303
85	2,950	<44	<180	111*	2,180	<55	299
86	264	<93	<140				

Notes:

ppm Parts per million

Bold values are above non-detect (background) levels.

* Denotes location where sample was also collected for laboratory confirmation analysis.

4.2 ANALYTICAL DATA SUMMARY

All but one (110) of the in situ readings for lead was above non-detect (background) levels. All in situ XRF readings for cadmium were below detection limits. Eighty-five in situ readings for zinc were above non-detect (background) levels. The majority of the highest readings were located in the southern portion of the site, encompassing an area of approximately 90,900 square feet (see Figure 2 in Appendix A).

Table 2 presents a summary of lead, cadmium, and zinc concentrations detected in the soil samples submitted for laboratory confirmation of the XRF screening results. The averages of the corresponding XRF readings are included in Table 2 for comparison. The health-based standard values are also included in Table 2. Nine laboratory results exceeded the EPA Region 9 PRG of 800 ppm for lead in industrial soils. None of the laboratory results for cadmium or zinc were above health-based standard values.

A regression coefficient (r^2) of 0.90 was calculated for a comparison of lead concentrations reported for the laboratory samples and the corresponding XRF readings. Because this value is above 0.7, the remaining XRF readings for lead at the site can be considered acceptable screening level data. Regression coefficients for cadmium and zinc were not calculated, because of the limited range of concentrations obtained at the site.

TABLE 2
ANALYTICAL DATA SUMMARY FOR SOIL SAMPLES
FORMER CARTER WHITE LEAD FACILITY—OMAHA, NEBRASKA
OCTOBER 2005

EPA Sample Number	Field Sample Number	Lead (ppm)		Cadmium (ppm)		Zinc (ppm)	
		Laboratory Result	XRF Average	Laboratory Result	XRF Average	Laboratory Result	XRF Average
2753-1	11	442	389	1.07	<41	125	164
2753-2	21	614	435	0.954	<49	141	233
2753-3	31	327	193	1.50	<51	182	105
2753-4	42	9,190	4,177	1.64	<47	227	226
2753-5	53	17,800	8,357	3.39	<57	330	239
2753-6	63	837	441	0.888	<49	125	138
2753-7	71	1,940	1,027	2.87	<45	334	341
2753-8	82	1,390	869	1.55	<46	148	135
2753-9	92	12,000	9,410	1.75	<42	187	281
2753-10	102	942	931	1.19	<44	111	153
2753-11	111	2,990	2,180	2.57	<55	456	299
2753-11FD	111	2,780	2,180	2.58	<55	454	299
SCDM Reference Dose		None		39		23,000	
SCDM Cancer Risk Value		None		None		None	
EPA Region 9 PRG for Industrial Soil		800		450		100,000	

Notes:

EPA U.S. Environmental Protection Agency
 FD Field duplicate
 ppm Parts per million
 PRG Preliminary remediation goal
 SCDM Superfund Chemical Data Matrix
 XRF X-ray fluorescence
 Shaded results exceed at least one of the listed health-based standards.

4.3 CONCLUSIONS

Based on field screening data and laboratory results, an area of contaminated soil has been identified at the site where elevated concentrations of lead have been detected above the EPA Region 9 PRG for industrial

soil. This contamination, encompassing an approximate area of 90,900 square feet, may be associated with past manufacturing activities conducted at the site.

5.0 GROUNDWATER PATHWAY

Section 5.0 discusses the hydrogeologic setting, groundwater targets, and conclusions for the groundwater exposure pathway.

5.1 GEOLOGIC AND HYDROGEOLOGIC SETTING

The site is located in the floodplain of the Missouri River. Soils at the site belong to the Albaton-Haynie-Sarpy Association. This association consists of soils that are deep, nearly level, and formed in alluvium on bottomlands. Albaton soils are poorly drained clayey soils, while Haynie soils are well-drained silty soils, and Sarpy soils are excessively drained sandy soils (University of Nebraska-Lincoln [UNL] 2005).

Unconsolidated material underlying the soils is composed primarily of Quaternary river-deposited (alluvial) sand and gravel, comprising the principal aquifer in this area. These deposits are generally less than 100 feet thick and consist of fine- to medium-grained sand and fine-grained gravel interlayered with lesser amounts of silt and clay. In some areas, deposits associated with glacial activity occur beneath the more recent river deposits; these mostly consist of clay-rich glacial till and fine- to coarse-grained sediments washed out of glaciers and/or alluvium. The glacial deposits occur mostly in ancient valleys (paleovalleys) that cut into bedrock under the Missouri River valley. Depth to groundwater is usually less than 50 feet, and the saturated thickness is typically less than 100 feet (UNL 1996). The recharge rate for this area ranges from 5 to 200 millimeters per year (mm/yr), and yields range from 0.2 to 3 cubic meters per minute (m³/min) (Back, Rosenshein, and Seaber 1988).

5.2 GROUNDWATER TARGETS

Most residential households within the area of concern receive their drinking water from a municipal water supply and are not served by private wells (EPA 2004a). According to the Nebraska Department of Natural Resources (NDNR) and Iowa Department of Natural Resources (IDNR) registered well databases (NDNR 2005, IDNR 2005), approximately 73 private wells are within 4 miles of the site (Figure 3 in Appendix A). The average number of people per household in Nebraska is 2.42 and 2.49 in Iowa (Wikipedia 2005); therefore, approximately 181 individuals are potentially using private drinking water wells within 4 miles of the site. In addition, two municipal drinking water wells are within 4 miles of the

site that serve approximately 61,145 people. Potential human receptors would be individuals using those private and municipal wells for drinking water purposes. Three additional public water supply wells are located within 4 miles of the site; however, those wells are classified as transient non-community wells. Two commercial wells are also located within 4 miles of the site.

5.3 CONCLUSIONS

No groundwater samples were collected for this PA; however, due to the nature of the suspected contaminants (lead, cadmium, and zinc), no release to the groundwater pathway is suspected to have occurred.

6.0 SURFACE WATER PATHWAY

Section 6.0 discusses the hydrology, targets, and conclusions of the assessment of the surface water pathway.

6.1 HYDROLOGY

The site is located on the flat-lying floodplain of the Missouri River, approximately 3,300 feet north of the Missouri River and 1,050 feet south-southeast of Carter Lake. According to the Nebraska Department of Environmental Quality (NDEQ), Carter Lake is an oxbow lake utilized for recreation, aquatic life, an agricultural water supply, and for aesthetics. The Missouri River is utilized for recreation, aquatic life, and as an agricultural and industrial water supply (NDEQ 2004). The construction of Abbott Drive created a topographical divide between the site and Carter Lake. The mean annual stream flow of the Missouri River at Omaha, Nebraska, was 26,179 cubic feet per second (cfs) in 2003 (USGS 2005). There are no well-defined surface water runoff routes from the site.

6.2 TARGETS

Potential human receptors that could be impacted via the surface water pathway are recreational users of Carter Lake, the Missouri River, and Sandpiper Cove (along the Missouri River). No drinking water intakes are located within 15 miles downstream of the probable point of entry (PPE) to the Missouri River (EPA 2004a); however, recreational fishing is likely to occur along that portion of the river.

Ecological receptors at or near the site include: wildlife, threatened or endangered species, and potential special or critical habitats (i.e., wetlands and riparian areas, among others). These ecological receptors could be impacted via either the surface water or soil exposure pathways.

The following federally endangered or threatened species are known to occur in Douglas County, Nebraska (United States Fish & Wildlife Service [USFWS] 2005a):

- Bald Eagle – threatened
- Piping Plover – threatened
- Pallid Sturgeon – endangered
- Least Tern – endangered

Wetland areas are located along Carter Lake, the Missouri River, and Sandpiper Cove. Wetlands around Carter Lake belong to the Palustrine system, classed as unconsolidated bottom, emergent, and forested. Along the inner curve of the lake, wetlands are of the Lacustrine system (Linmetric subsystem, unconsolidated bottom class). Wetlands along the Missouri River are of the Palustrine system and classed as forested, lower perennial, emergent, scrub shrub, and scrub shrub. Sandpiper Cove is along the west bank of the Missouri River and is of the Palustrine system (unconsolidated bottom class) (USFWS 2005b).

6.3 CONCLUSIONS

Surface water and sediment samples were not collected for the PA; consequently, a release of contaminants from the site to the surface water exposure pathway has not been established. This segment of the Missouri River is not classified for use as a public drinking water supply (NDEQ 2004); therefore, public health is not likely to be threatened by potential site impacts on surface water quality. In addition, dilution provided by the high flow of the Missouri River would reduce concentrations of any contaminants released from the site to insignificant levels. Also, no elevated levels of lead were detected in surface water and sediment samples collected from the Missouri River during previous investigations at the OLS (EPA 2004a). Therefore, the potential threat to the surface water pathway is believed to be minimal.

7.0 SOIL EXPOSURE AND AIR MIGRATION PATHWAYS

Section 7.0 discusses the physical conditions, soil and air targets, soil sampling summary, analytical data summary, and conclusions drawn from the field screening data and laboratory results for soil samples collected from the site. Air samples were not collected, because actual or potential contamination to the air migration pathway was not considered significant.

7.1 PHYSICAL CONDITIONS

Portions of the site are currently being utilized by the Open Door Mission as a thrift store, and by Fleetpride as a truck and trailer parts distribution center. The majority of the site is paved. The thrift store, which occupies the northern portion of the site, has small areas of grass on the east, west, and south sides. The Fleetpride building and parking lot occupies the southeast portion of the site. The majority of the field screening for the PA was conducted in the southwest portion of the site, which is vacant.

Soils at the site belong to the Albaton-Haynie-Sarpy Association. This association consists of soils that are deep, nearly level, and formed in alluvium on bottomlands. Albaton soils are poorly drained clayey soils, while Haynie soils are well-drained silty soils, and Sarpy soils are excessively drained sandy soils (UNL 2005). The soil was stained and appeared to be fill material in the northwest portion of the site. Stained soil was not observed in any other areas of the site during the PA.

7.2 SOIL AND AIR TARGETS

The total population within 4 miles of the site is approximately 81,373. Of these, 88 residents live within 0.25 mile of the site; 758 are between 0.25 and 0.5 mile; 3 are between 0.5 and 1 mile; 4,280 are between 1 and 2 miles; and 21,242 are between 2 and 3 miles of the site. The population between 3 and 4 miles of the site is 55,002 (Geocorr 2005). No schools or daycare facilities are within 200 feet of the site. Nobody lives on the site. There are currently four employees and three volunteers working at the Open Door Mission and 15 employees at Fleetpride.

7.3 SOIL SAMPLING SUMMARY

As previously described in Section 4.1, 111 in situ XRF readings for lead, cadmium, and zinc were taken of surface soils throughout the site. In addition, 11 soil samples (from depths of 0 to 2 inches) were submitted to the EPA Region 7 laboratory for confirmation analysis of lead, cadmium, and zinc. Descriptions of field screening techniques and sample collection methods were included in Section 4.1.

7.4 ANALYTICAL DATA SUMMARY

All but one (110) of the in situ readings for lead was above non-detect (background) levels. All in situ XRF readings for cadmium were below detection limits. Eighty-five in situ readings for zinc were above non-detect (background) levels. The majority of the highest readings were located in the southern portion of the site, encompassing an area of approximately 90,900 square feet (see Figure 2 in Appendix A).

Table 2 presents a summary of lead, cadmium, and zinc concentrations detected in the soil samples submitted for laboratory confirmation of the XRF screening results. Nine laboratory results exceeded the EPA Region 9 PRG of 800 ppm for lead in industrial soils. None of the laboratory results for zinc or cadmium were above health-based standard values.

7.5 CONCLUSIONS

Based on field screening data and laboratory results, an area of contaminated soil has been identified at the site where elevated concentrations of lead have been detected above the EPA Region 9 PRG for industrial soil. This contamination, encompassing an approximate area of 90,900 square feet, may be associated with past manufacturing activities conducted at the site.

8.0 SUMMARY AND CONCLUSIONS

The Former Carter White Lead Facility site is located in Omaha, Nebraska, in Douglas County, where lead paint was manufactured from 1881 to 1926, when the company ceased operations. The site is currently being used by the Open Door Mission as a thrift store, and Fleetpride as a truck and trailer parts distribution center. Vacant lots also occupy part of the site.

During the PA, only the soil exposure pathway was assessed. This investigation was performed to evaluate the presence and general extent of site-related contaminants and to determine the impact of the contamination on human health and the environment. For the PA, 111 in situ XRF readings for lead, cadmium, and zinc were taken of surface soils throughout the site. At 11 of those locations, soil samples were collected for laboratory confirmation analysis. All but one (110) of the in situ readings for lead was above non-detect (background) levels. All in situ XRF readings for cadmium were below detection limits. Eight-five in situ readings for zinc were above non-detect (background) levels. The majority of the highest readings were located in the southern portion of the site, encompassing an area of approximately 90,900 square feet. Nine laboratory results exceeded the EPA Region 9 PRG of 800 ppm for lead in industrial soils. None of the laboratory results for zinc or cadmium were above health-based standard values.

Based on the field screening data and laboratory results obtained during this investigation, it was determined that lead has been released to surface soils at the site, resulting in concentrations above the EPA Region 9 PRG for industrial soil. The contamination possibly originated from previous operations conducted at the former paint manufacturing facility.

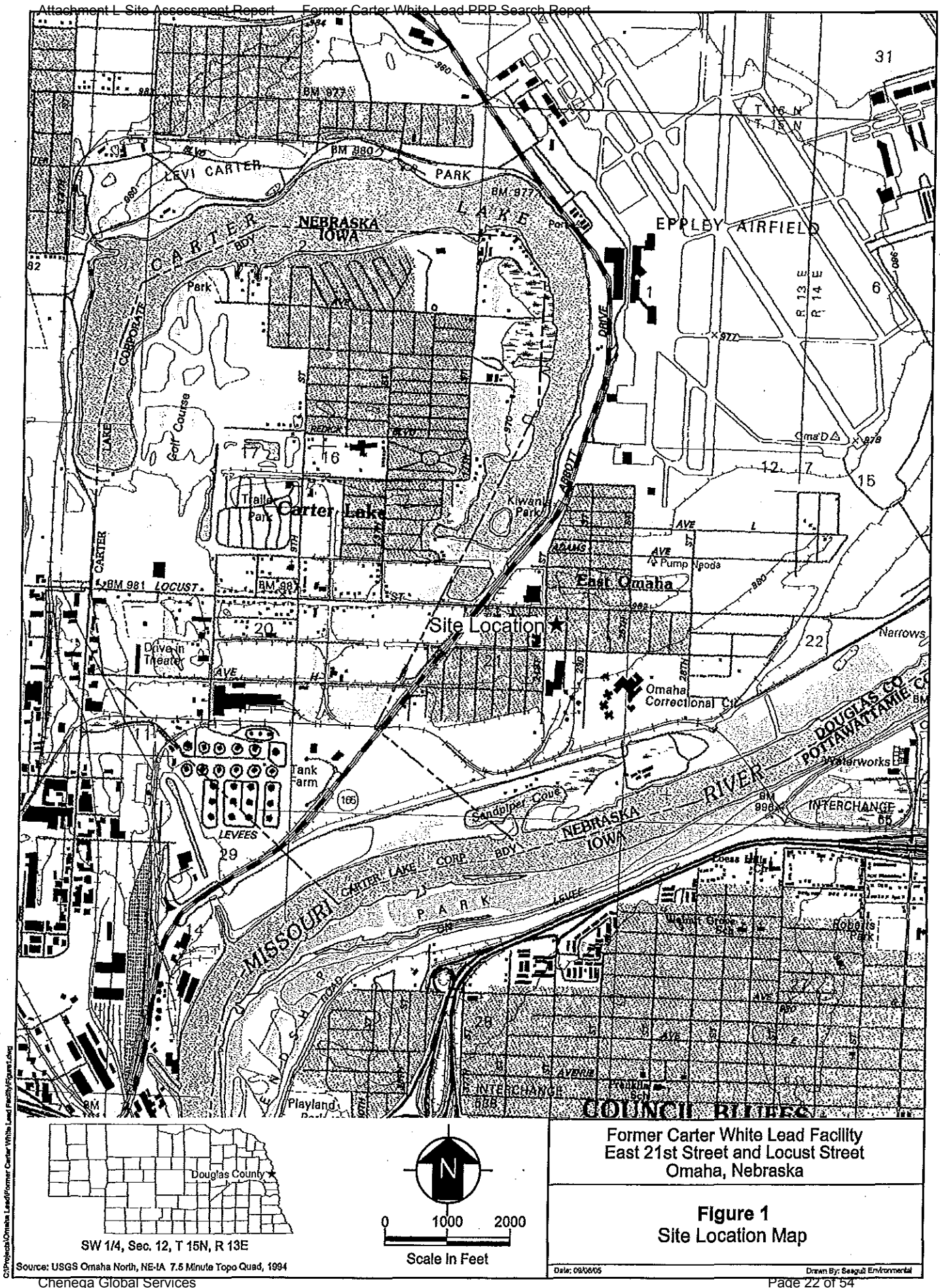
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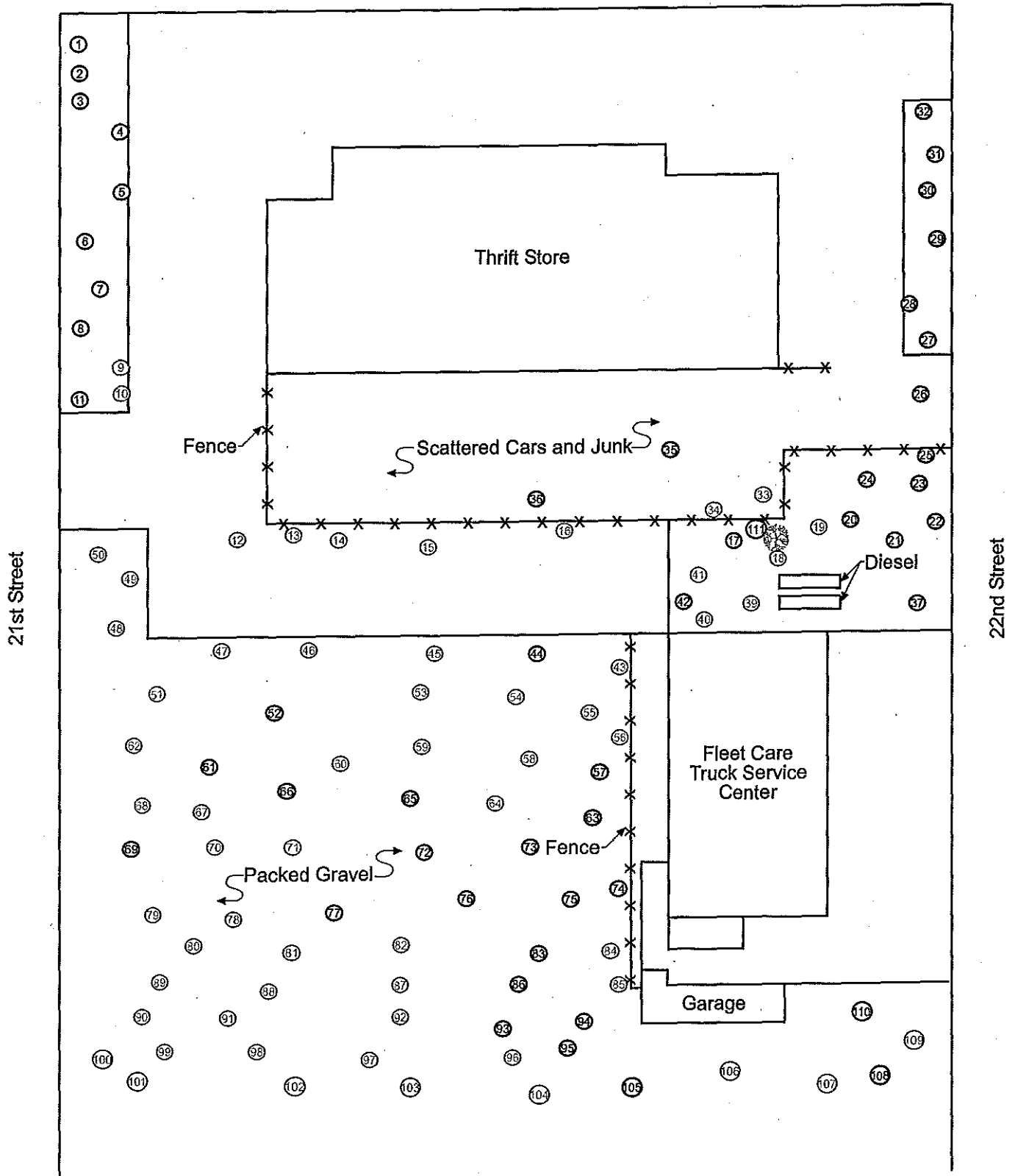
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APPENDIX A

FIGURES



East Locust Street



Legend

- ⑦ Sample location and ID with result less than 800 ppm for lead
- ⑧ Sample location and ID with result exceeding 800 ppm for lead

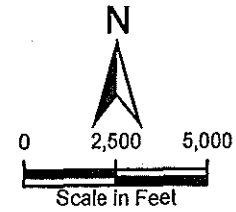


Former Carter White Lead Facility
East 21st Street and Locust Street
Omaha, Nebraska

Figure 2
Site Layout and Sample Location Map

Date: 12/21/05

Drawn By: Sotgull Environmental



Legend

Nebraska Wells

- ⊗ Commercial well location
- ⊕ Domestic well location

Iowa Wells

- ⊗ Public water supply well
- ⊕ Domestic well location
- Radius ring

Source: Council Bluffs North, IA-NE NE and SE DOQQ, 2003 FSA Imagery
 Council Bluffs South, IA-NE NW DOQQ, 2003 FSA Imagery
 Irvington, NE NE and SE DOQQ, 2003 FSA Imagery
 Omaha North, NE NE, NW, SE and SW DOQQ, 2003 FSA Imagery
 Omaha South, NE-IA NE and NW DOQQ, 2003 FSA Imagery
 Ralston, NE NE DOQQ, 2003 FSA Imagery
 NDNR Registered Groundwater Wells Database, August 8, 2005
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Former Carter White Lead Facility
 East 21st Street and Locust Street
 Omaha, Nebraska

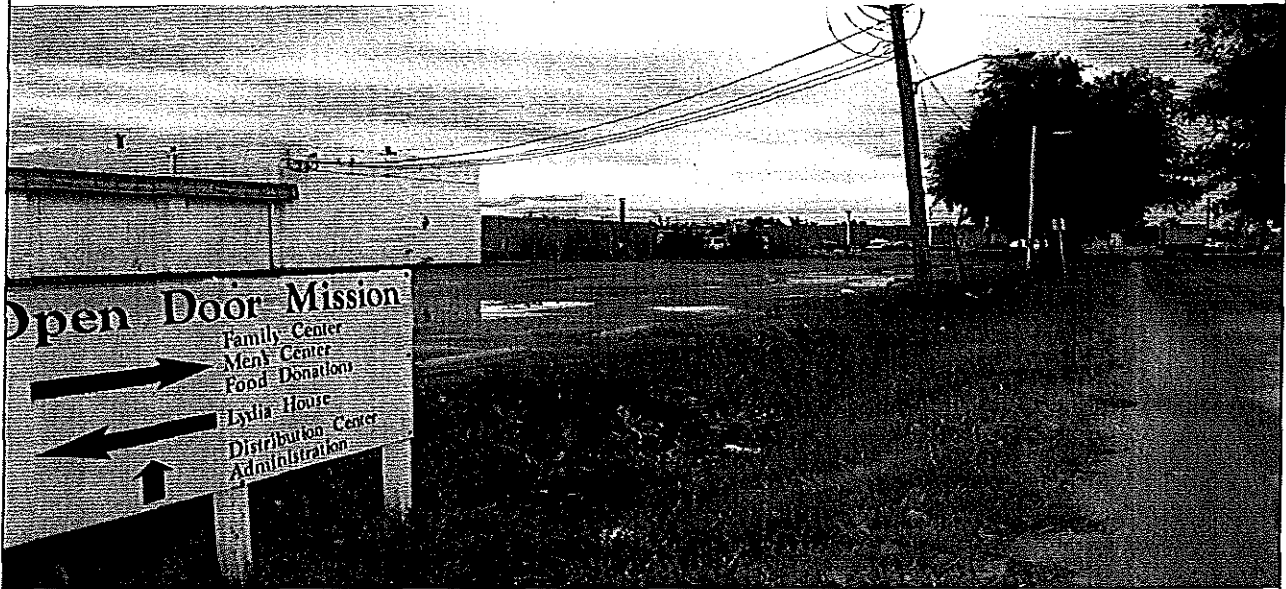
Figure 3
4-Mile Radius Map

Date: 11/08/05

Drawn By: Seagull Environmental

APPENDIX B
PHOTOGRAPHIC LOG

Former Carter White Lead Facility Omaha, Nebraska



PRI Contract Number 68-R7-02-05 Task Order #0011 Direction: S	DESCRIPTION	Picture taken from the northwest corner of the site facing south along 21 st Street. A thrift store owned by the Open Door Mission is visible in the picture.	1
	CLIENT	U. S. Environmental Protection Agency Region 7	Date
	PHOTOGRAPHER	Gretchen Peterson	10/5/05



PRI Contract Number 68-R7-02-05 Task Order #0011 Direction: E	DESCRIPTION	Picture taken from 21 st Street of the paved parking area and back side of the thrift store owned by the Open Door Mission.	2
	CLIENT	U. S. Environmental Protection Agency Region 7	Date
	PHOTOGRAPHER	Gretchen Peterson	10/5/05

**Former Carter White Lead Facility
Omaha, Nebraska**



PRI Contract Number 68-R7-02-05 Task Order #0011 Direction: SE	DESCRIPTION	Picture taken from the western edge of the site along 21 st Street. This portion of the property consists mainly of a packed dirt and gravel parking area. The back of Fleet Care Truck Service Center is visible in the photo.	3
	CLIENT	U. S. Environmental Protection Agency Region 7	Date
	PHOTOGRAPHER	Gretchen Peterson	10/5/05



PRI Contract Number 68-R7-02-05 Task Order #0011 Direction: SE	DESCRIPTION	Picture taken from the western edge of the site along 21 st Street. This portion of the property consists mainly of a packed dirt and gravel parking area. The back of Fleet Care Truck Service Center is visible in the photo.	4
	CLIENT	U. S. Environmental Protection Agency Region 7	Date
	PHOTOGRAPHER	Gretchen Peterson	10/5/05

**Former Carter White Lead Facility
Omaha, Nebraska**



PRI Contract Number 68-R7-02-05 Task Order #0011 Direction: NE	DESCRIPTION	Picture taken from the southwest corner of the site of the packed dirt and gravel parking area located behind Fleet Care Truck Service Center.	5
	CLIENT	U. S. Environmental Protection Agency Region 7	Date
	PHOTOGRAPHER	Gretchen Peterson	10/5/05.

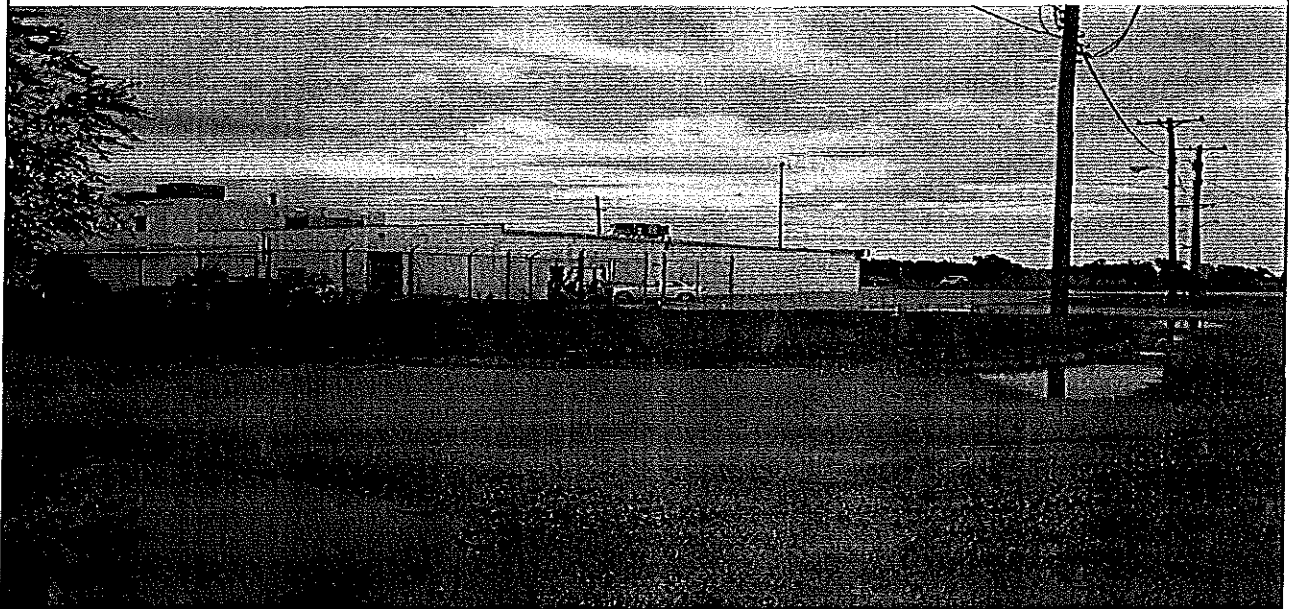


PRI Contract Number 68-R7-02-05 Task Order #0011 Direction: NE	DESCRIPTION	Picture taken from J Avenue of the back of the Fleet Care Truck Service Center building. A portion of the packed dirt and gravel parking area is visible in the picture.	6
	CLIENT	U. S. Environmental Protection Agency Region 7	Date
	PHOTOGRAPHER	Gretchen Peterson	10/5/05

Former Carter White Lead Facility Omaha, Nebraska



PRI Contract Number 68-R7-02-05 Task Order #0011 Direction: N	DESCRIPTION	Picture taken from the southeast corner of the site along 22 nd Street. The front of Fleet Care Truck Service Center is visible in the picture. The majority of this portion of the site is paved.	7
	CLIENT	U. S. Environmental Protection Agency Region 7	Date
	PHOTOGRAPHER	Gretchen Peterson	10/5/05



PRI Contract Number 68-R7-02-05 Task Order #0011 Direction: NE	DESCRIPTION	Picture taken from 22 nd Street along the eastern portion of the site. A gravel drive and grassy area located behind the thrift store are visible in the picture.	8
	CLIENT	U. S. Environmental Protection Agency Region 7	Date
	PHOTOGRAPHER	Gretchen Peterson	10/5/05

Former Carter White Lead Facility Omaha, Nebraska



PRI Contract Number 68-R7-02-05 Task Order #0011 Direction: N	DESCRIPTION	Picture taken from 22 nd Street along the eastern portion of the site. A gravel drive and grassy median are visible in the picture. The white building is the eastern side of the thrift store.	9
	CLIENT	U. S. Environmental Protection Agency Region 7	Date
	PHOTOGRAPHER	Gretchen Peterson	10/5/05



PRI Contract Number 68-R7-02-05 Task Order #0011 Direction: W	DESCRIPTION	Picture taken from the northeast corner of the site facing down East Locust Street. The front side of the thrift store is visible in the picture.	10
	CLIENT	U. S. Environmental Protection Agency Region 7	Date
	PHOTOGRAPHER	Gretchen Peterson	10/5/05

APPENDIX C
FIELD SHEETS AND CHAIN-OF-CUSTODY RECORDS

Sample Collection Field Sheet

US EPA Region 7

Kansas City, KS

ASR Number: 2753 **Sample Number:** 1 **QC Code:** __ **Matrix:** Solid **Tag ID:** 2753-1-__

Project ID:	BMFCWLF	Project Manager:	Brian Mitchell
Project Desc:	Former Carter White Lead Facility sampling		
City:	Omaha	State:	Nebraska
Program:	Superfund		
Site Name:	Multi-Site - General	Site ID:	07ZZ
		Site OU:	00

Location Desc: Open Door Mission

External Sample Number: _____

Expected Conc: (or Circle One: Low Medium High) Date Time(24 hr)

Latitude: 41° 17' 3.9" Sample Collection: Start: 10/06/05 12:45

Longitude: 95° 51' 12.7" End: 10/06/05 12:50

Laboratory Analyses:

Container	Preservative	Holding Time	Analysis
1 - 8 oz glass	4 Deg C	180 Days	1 Metals in Solids by ICP

Sample Comments:

(N/A)

$\text{Pb: } 328, 399, 433 = 388.7$
 $\text{Zn: } <110, <130, 164 = 134.7$
 $\text{Cd: } <41, <54, <54 = 49.7$

Sample Collected By: LP

Sample Collection Field Sheet

US EPA Region 7

Kansas City, KS

ASR Number: 2753 Sample Number: 2 QC Code: ___ Matrix: Solid Tag ID: 2753-2-___

Project ID: BMFCWLF Project Manager: Brian Mitchell
Project Desc: Former Carter White Lead Facility sampling
City: Omaha State: Nebraska
Program: Superfund
Site Name: Multi-Site - General Site ID: 07ZZ Site OU: 00

Location Desc: Open DoorExternal Sample Number: 21Expected Conc: (or Circle One: Low Medium High) Date Time(24 hr)Latitude: 41° 17' 34"Sample Collection: Start: 10/06/05 13:55Longitude: 95° 54' 92"End: 10/06/05 14:00**Laboratory Analyses:**

Container	Preservative	Holding Time	Analysis
1 - 8 oz glass	4 Deg C	180 Days	1 Metals In Solids by ICP

Sample Comments:

(N/A)

Pb: 467, 454, 384 = 435ppm

Zn: 410, 125, 164 = 233ppm

Cd: <57, <84, <49 = 63.3ppm

Sample Collected By: LP

Sample Collection Field SheetUS EPA Region 7
Kansas City, KSASR Number: 2753 Sample Number: 4 QC Code: Matrix: Solid Tag ID: 2753 3 ^{GP}

Project ID: BMFCWLF Project Manager: Brian Mitchell
Project Desc: Former Carter White Lead Facility sampling
City: Omaha State: Nebraska
Program: Superfund
Site Name: Multi-Site - General Site ID: 07ZZ Site OU: 00

Location Desc: Open Door MissionExternal Sample Number: 31

Expected Conc: (or Circle One: Low Medium High) Date Time(24 hr)
Latitude: 41° 17' 4.9" Sample Collection: Start: 10/10/05 08:53
Longitude: 95° 54' 9.0" End: 10/10/05 08:58

Laboratory Analyses:

Container	Preservative	Holding Time	Analysis
1 - 8 oz glass	4 Deg C	180 Days	1 Metals in Solids by ICP

Sample Comments:

(N/A)

Pb: 193, 191, 194 = 192.7 ppm
Zn: 107, 125, 83.1 = 105.03 ppm
Cd: 461, 451, 454 = 55.3 ppm

Sample Collected By: LP

Sample Collection Field Sheet

US EPA Region 7

Kansas City, KS

ASR Number: 2753 Sample Number: 5 QC Code: Matrix: Solid Tag ID: 2753-~~X-4~~ 6P

Project ID: BMFCWLF Project Manager: Brian Mitchell
Project Desc: Former Carter White Lead Facility sampling
City: Omaha State: Nebraska
Program: Superfund
Site Name: Multi-Site - General Site ID: 07ZZ Site OU: 00

Location Desc: MOWECO Inc.External Sample Number: 42Expected Conc: (or Circle One: Low Medium High) Date Time(24 hr)Latitude: 41° 17' 2.4"
Longitude: 95° 54' 10.5"Sample Collection: Start: 10/10/05 10:10
End: 10/10/05 10:15

Laboratory Analyses:

Container	Preservative	Holding Time	Analysis
1 - 8 oz glass	4 Deg C	180 Days	1 Metals In Solids by ICP

Sample Comments:

(N/A)

Soil is dis-colored.
Diesel trucks were parked
near this location
chunky material in sample
soil looks like fill material

Pb: 4330, 3680, 4520 = 4176.66ppm

Zn: 187, 316, 175 = 226ppm

Cd: <61, <58, <47 = 55.3ppm

Sample Collected By: LP

Sample Collection Field Sheet
US EPA Region 7
Kansas City, KS

ASR Number: 2753 Sample Number: 6 QC Code: ____ Matrix: Solid Tag ID: 2753-~~A~~5 GP

Project ID: BMFCWLF Project Manager: Brian Mitchell
Project Desc: Former Carter White Lead Facility sampling
City: Omaha State: Nebraska
Program: Superfund
Site Name: Multi-Site - General Site ID: 07ZZ Site OU: 00

Location Desc: Moweco Inc.

External Sample Number: 53

Expected Conc: (or Circle One: Low Medium High) Date Time(24 hr)

Latitude: 41 17 02

Sample Collection: Start: 10/10/05 11:22

Longitude: 95 54 11.8

End: 10/10/05 11:28

Laboratory Analyses:

Container	Preservative	Holding Time	Analysis
1 - 8 oz glass	4 Deg C	180 Days	1 Metals in Solids by ICP

Sample Comments:

(N/A)

Fill material
Bricks present
Dark rocks

Pb: 8410, 8280, 8380 = 8356.7 ppm
Zn: 180, 248, 289 = 239 ppm
Cd: <62, <70, <57 = 63 ppm

Sample Collected By: LP

Sample Collection Field Sheet**US EPA Region 7
Kansas City, KS****ASR Number:** 2753 **Sample Number:** 7 **QC Code:** ____ **Matrix:** Solid **Tag ID:** 2753-~~X-4~~

Project ID: BMFCWLF **Project Manager:** Brian Mitchell
Project Desc: Former Carter White Lead Facility sampling
City: Omaha **State:** Nebraska
Program: Superfund
Site Name: Multi-Site - General **Site ID:** 07ZZ **Site OU:** 00

Location Desc: MOWELD Inc.**External Sample Number:** 63

Expected Conc: (or Circle One: Low Medium High) **Date** **Time(24 hr)**
Latitude: 41° 17' 15" **Sample Collection: Start:** 10/10/05 13:36
Longitude: 95° 51' 10.9" **End:** 11/10/05 13:41

Laboratory Analyses:

Container	Preservative	Holding Time	Analysis
1 - 8 oz glass	4 Deg C	180 Days	1 Metals in Solids by ICP

Sample Comments:

(N/A) *Soil has a queen east to it*
Pb : 449; 460; 413 = 440.7ppm
Zn : 130; 146; 139 = 138.3ppm
Cd : <56; <49; <47 = 57.3ppm

Sample Collected By: LP

Sample Collection Field SheetUS EPA Region 7
Kansas City, KSASR Number: 2753 Sample Number: 3 QC Code: Matrix: Solid Tag ID: 2753-⁷~~X~~

Project ID: BMFCWLF Project Manager: Brian Mitchell
Project Desc: Former Carter White Lead Facility sampling
City: Omaha State: Nebraska
Program: Superfund
Site Name: Multi-Site - General Site ID: 07ZZ Site OU: 00

Location Desc: Moweco Inc.External Sample Number: 71

Expected Conc: (or Circle One: Low Medium High) Date Time(24 hr)
Latitude: 41° 17' 13" Sample Collection: Start: 10/10/05 14:21
Longitude: 95° 54' 11.8" End: 10/10/05 14:26

Laboratory Analyses:

Container	Preservative	Holding Time	Analysis
1 - 8 oz glass	4 Deg C	180 Days	1 Metals In Solids by ICP

Sample Comments:

(N/A)

Pb: 1080, 1020, 981 = 1027 ppm
Zn: 354, 456, 212 = 340.7 ppm
Cd: <51, <57, <45 = 51 ppm

Sample Collected By: LP

Sample Collection Field Sheet**US EPA Region 7
Kansas City, KS****ASR Number:** 2753 **Sample Number:** 8 **QC Code:** ____ **Matrix:** Solid **Tag ID:** 2753-8-____

Project ID: BMFCWLF **Project Manager:** Brian Mitchell
Project Desc: Former Carter White Lead Facility sampling
City: Omaha **State:** Nebraska
Program: Superfund
Site Name: Multi-Site - General **Site ID:** 07ZZ **Site OU:** 00

Location Desc: Moweco Inc.**External Sample Number:** 82

Expected Conc: (or Circle One: Low Medium High) **Date** **Time(24 hr)**
Latitude: 41° 17' 0.9" **Sample Collection: Start:** 10/10/05 15:08
Longitude: 95° 54' 115" **End:** 10/10/05 15:13

Laboratory Analyses:

Container	Preservative	Holding Time	Analysis
1 - 8 oz glass	4 Deg C	180 Days	1 Metals In Solids by ICP

Sample Comments:

(N/A)

Pb: 779, 1050, 779 = 869.3ppm

Zn: 175, 123, 106 = 134.7ppm

Cd: <55, <46, <57 = 52.7ppm

Sample Collected By: LP

Sample Collection Field Sheet**US EPA Region 7
Kansas City, KS****ASR Number:** 2753 **Sample Number:** 9 **QC Code:** **Matrix:** Solid **Tag ID:** 2753-9- **Project ID:** BMFCWLF **Project Manager:** Brian Mitchell
Project Desc: Former Carter White Lead Facility sampling
City: Omaha **State:** Nebraska
Program: Superfund
Site Name: Multi-Site - General **Site ID:** 07ZZ **Site OU:** 00**Location Desc:** MOWECO Inc.**External Sample Number:** 92**Expected Conc:** (or Circle One: Low Medium High) **Date** **Time(24 hr)****Latitude:** 41° 17' 03"**Sample Collection: Start:** 10/10/05 16:00**Longitude:** 95° 54' 11.4"**End:** 10/10/05 16:05**Laboratory Analyses:**

Container	Preservative	Holding Time	Analysis
1 - 8 oz glass	4 Deg C	180 Days	1 Metals in Solids by ICP

Sample Comments:

(N/A)

pB: 10.K; 9020; 9210 = 9410ppm

Zn: 255; 301; 287 = 281ppm

Cd: 452; 474; 442 = 56ppm

Sample Collected By: LP

Sample Collection Field Sheet

US EPA Region 7

Kansas City, KS

ASR Number: 2753 Sample Number: 10 QC Code: ___ Matrix: Solid Tag ID: 2753-10-___

Project ID: BMFCWLF Project Manager: Brian Mitchell
Project Desc: Former Carter White Lead Facility sampling
City: Omaha State: Nebraska
Program: Superfund
Site Name: Multi-Site - General Site ID: 07ZZ Site OU: 00

Location Desc: MOWECO INC.External Sample Number: 102Expected Conc: (or Circle One: Low Medium High) Date Time(24 hr)Latitude: 41° 16' 59.4"Sample Collection: Start: 10/10/05 16:36Longitude: 95° 54' 11.7"End: 10/10/05 16:41**Laboratory Analyses:**

Container	Preservative	Holding Time	Analysis
1 - 8 oz glass	4 Deg C	180 Days	1 Metals In Solids by ICP

Sample Comments:

(N/A)

Pb: 910, 982, 902 = 931.3 ppm

Zn: 150, 157, 152 = 153 ppm

Cd: 444, 452, 450 = 48.7 ppm

Sample Collected By: LP

Sample Collection Field Sheet
US EPA Region 7
Kansas City, KS

ASR Number: 2753 Sample Number: 11 QC Code: ____ Matrix: Solid Tag ID: 2753-11-____

Project ID: BMFCWLF Project Manager: Brian Mitchell
Project Desc: Former Carter White Lead Facility sampling
City: Omaha State: Nebraska
Program: Superfund
Site Name: Multi-Site - General Site ID: 07ZZ Site OU: 00

Location Desc: Moweco Inc.

External Sample Number: 111

Expected Conc: (or Circle One: Low Medium High) Date Time(24 hr)
Latitude: 41° 17' 3.2" Sample Collection: Start: 10/13/05 14:30
Longitude: 95° 54' 10.0" End: 10/13/05 14:35

Laboratory Analyses:

Container	Preservative	Holding Time	Analysis
1 - 8 oz glass	4 Deg C	180 Days	1 Metals in Solids by ICP

Sample Comments:

(N/A)

Pb: 2310, 2030, 2200 = 2180 ppm
Zn: 351, 279, 268 = 299.3 ppm
Cd: 455, 482, 479 = 72 ppm

Sample Collected By: LP

Sample Collection Field Sheet

US EPA Region 7

Kansas City, KS

ASR Number: 2753 Sample Number: 12 QC Code: Matrix: Solid Tag ID: 2753-~~X~~-¹¹ED

Project ID: BMFCWLF Project Manager: Brian Mitchell
Project Desc: Former Carter White Lead Facility sampling
City: Omaha State: Nebraska
Program: Superfund
Site Name: Multi-Site - General Site ID: 07ZZ Site OU: 00

Location Desc: Monard Inc.External Sample Number: 111Expected Conc: (or Circle One: Low Medium High) Date Time(24 hr)Latitude: 41° 17' 3.2"
Longitude: 95° 54' 10.0"Sample Collection: Start: 10/13/05 14:30
End: 10/13/05 14:35**Laboratory Analyses:**

Container	Preservative	Holding Time	Analysis
1 - 8 oz glass	4 Deg C	180 Days	1 Metals in Solids by ICP

Sample Comments:

(N/A)

Pb: 2310, 2030, 2200 = 2180 ppm

Zn: 351, 279, 268 = 299.3 ppm

Cd: <55, <82, <79 = 72 ppm

Sample Collected By: LP

ACTIVITY LEADER(Print) BRIAN MITCHELL		NAME OF SURVEY OR ACTIVITY NEBRASKA D.A.'S		DATE OF COLLECTION 6-13-2001 DAY MONTH YEAR			SHEET 2 of 2			
CONTENTS OF SHIPMENT										
SAMPLE NUMBER	TYPE OF CONTAINERS				SAMPLED MEDIA				RECEIVING LABORATORY REMARKS/OTHER INFORMATION (condition of samples upon receipt, other sample numbers, etc.)	
	CUBITAINER	BOTTLE	BOTTLE	BOTTLE	VOA SET (2 VIALS EA)	water	soil	sediment		dust
NUMBERS OF CONTAINERS PER SAMPLE NUMBER										
2793-1		X				X				Analyze for Pb, Zn, Cd
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
11 FD										
DESCRIPTION OF SHIPMENT					MODE OF SHIPMENT					
PIECE(S) CONSISTING OF BOX(ES)					COMMERCIAL CARRIER:					
X ICE CHEST(S); OTHER					COURIER					
					X SAMPLER CONVEYED (SHIPPING DOCUMENT NUMBER)					
PERSONNEL CUSTODY RECORD										
RELINQUISHED BY (SAMPLER)		DATE	TIME	RECEIVED BY		REASON FOR CHANGE OF CUSTODY				
[X] SEALED [] UNSEALED		6/14/01	1420	[X] SEALED [] UNSEALED		[X] ANAL				
RELINQUISHED BY		DATE	TIME	RECEIVED BY		REASON FOR CHANGE OF CUSTODY				
[] SEALED [] UNSEALED				[] SEALED [] UNSEALED						
RELINQUISHED BY		DATE	TIME	RECEIVED BY		REASON FOR CHANGE OF CUSTODY				
Chenega Global Services										
[] SEALED [] UNSEALED				[] SEALED [] UNSEALED						

APPENDIX D

ANALYTICAL RESULTS

**United States Environmental Protection Agency
Region 7
901 N. 5th Street
Kansas City, KS 66101**

Date:

Subject: Transmittal of Sample Analysis Results for ASR #: 2753

Project ID: BMFCWLF

Project Description: Former Carter White Lead Facility sampling

From: Dale I. Bates, Director
Regional Laboratory, Environmental Services Division

To: Brian Mitchell
SUPR/EFLR

Enclosed are the analytical data for the above-referenced Analytical Services Request (ASR) and Project. The Regional Laboratory has reviewed and verified the results in accordance with procedures described in our Quality Manual (QM). In addition to all of the analytical results, this transmittal contains pertinent information that may have influenced the reported results and documents any deviations from the established requirements of the QM.

Please contact us within 14 days of receipt of this package if you determine there is a need for any changes. Please complete the enclosed Customer Satisfaction Survey and Data Disposition memo for this ASR.

If you have any questions or concerns relating to this data package, contact our customer service line at 913-551-5295.

Enclosures

cc: Analytical Data File.

ASR Number: 2753

Summary of Project Information

11/10/2005

Project Manager: Brian Mitchell

Org: SUPR/EFLR

Phone: 913-551-7633

Project ID: BMFCWLF

Project Desc: Former Carter White Lead Facility sampling

Location: Omaha

State: Nebraska

Program: Superfund

Site Name: Multi-Site - General

Site ID: 07ZZ **Site OU:** 00

Purpose: Site Characterization

Explanation of Codes, Units and Qualifiers used on this report

Sample QC Codes: QC Codes identify the type of sample for quality control purpose.

Units: Specific units in which results are reported.

___ = Field Sample

mg/kg = Milligrams per Kilogram

FD = Field Duplicate

Data Qualifiers: Specific codes used in conjunction with data values to provide additional information on the quality of reported results, or used to explain the absence of a specific value.

(Blank)= Values have been reviewed and found acceptable for use.

ASR Number: 2753**Sample Information Summary****11/10/2005****Project ID: BMFCWLF****Project Desc: Former Carter White Lead Facility sampling**

Sample No	QC Code	Matrix	Location Description	External Sample No	Start Date	Start Time	End Date	End Time	Receipt Date
1 - ___		Solid	Open Door Mission sample	11	10/06/2005	12:45	10/06/2005	12:50	10/17/2005
2 - ___		Solid	Open Door sample	21	10/06/2005	13:55	10/06/2005	14:00	10/17/2005
3 - ___		Solid	Open Door Mission sample	31	10/10/2005	08:53	10/10/2005	08:58	10/17/2005
4 - ___		Solid	Moweco Inc.	42	10/10/2005	10:10	10/10/2005	10:15	10/17/2005
5 - ___		Solid	Moweco Inc.	53	10/10/2005	11:22	10/10/2005	11:28	10/17/2005
6 - ___		Solid	Moweco Inc.	63	10/10/2005	13:36	10/10/2005	13:41	10/17/2005
7 - ___		Solid	Moweco, Inc.	71	10/10/2005	14:21	10/10/2005	14:26	10/17/2005
8 - ___		Solid	Moweco Inc.	82	10/10/2005	15:08	10/10/2005	15:13	10/17/2005
9 - ___		Solid	Moweco Inc.	92	10/10/2005	16:00	10/10/2005	16:05	10/17/2005
10 - ___		Solid	Moweco Inc.	102	10/10/2005	16:36	10/10/2005	16:41	10/17/2005
11 - ___		Solid	Moweco Inc.	111	10/13/2005	14:30	10/13/2005	14:35	10/17/2005
11 - FD		Solid	Moweco Inc.	111FD	10/13/2005	14:30	10/13/2005	14:35	10/17/2005

ASR Number:2753**RLAB Approved Analysis Comments****11/10/2005****Project ID:** BMFCWLF**Project Desc:** Former Carter White Lead Facility sampling

Analysis Comments About Results For This Analysis

1 Metals in Solids by ICP**Lab:** Contract Lab Program (Out-Source)**Method:** CLP Statement of Work

Samples: 1-__ 2-__ 3-__ 4-__ 5-__ 6-__ 7-__
 8-__ 9-__ 10-__ 11-__ 11-FD

Comments:

ASR Number: 2753**RLAB Approved Sample Analysis Results****11/10/2005****Project ID:** BMFCWLF**Project Desc:** Former Carter White Lead Facility sampling

Analysis/ Analyte	Units	1-__	2-__	3-__	4-__
1 Metals in Solids by ICP					
Cadmium	mg/kg	1.07	0.954	1.50	1.64
Lead	mg/kg	442	614	327	9190
Zinc	mg/kg	125	141	182	227

ASR Number: 2753**RLAB Approved Sample Analysis Results****11/10/2005****Project ID:** BMFCWLF**Project Desc:** Former Carter White Lead Facility sampling

Analysis/ Analyte	Units	5-__	6-__	7-__	8-__
1 Metals in Solids by ICP					
Cadmium	mg/kg	3.39	0.888	2.87	1.55
Lead	mg/kg	17800	837	1940	1390
Zinc	mg/kg	330	125	334	148

ASR Number: 2753**RLAB Approved Sample Analysis Results****11/10/2005****Project ID: BMFCWLF****Project Desc: Former Carter White Lead Facility sampling**

Analysis/ Analyte	Units	9-__	10-__	11-__	11-FD
1 Metals in Solids by ICP					
Cadmium	mg/kg	1.75	1.19	2.57	2.58
Lead	mg/kg	12000	942	2990	2780
Zinc	mg/kg	187	111	456	454