

*Mr. A. Scullin
Info BJK*

W. Mackey

Ford Motor Company

OFFICE OF THE GENERAL COUNSEL

THE AMERICAN ROAD
DEARBORN, MICHIGAN

*1/7/65
RS
9/15*

September 9, 1965

Liberty Mutual Insurance Co.
97-45 Queens Boulevard
Forest Hills 74, New York

Attention: Richard R. Bauman, Supervisor
Claims Department

Re: Montgomery Elevator Company
Your File No. P 216-1987 & PD 459-1459

Dear Mr. Bauman:

Our file indicates no response to my letter of July 22, 1965. Are you presently in a position to advise whether Liberty Mutual is prepared to recognize a legal obligation to Ford Motor Company without the bringing of a lawsuit?

Yours very truly,

Robert M. Johnson
Staff Attorney

RMJ:mec

bcc: Mr. William Mackey ✓

SEP 13 3 42 PM '65

ACCOUNTING
CENTRAL OFFICE

**LIBERTY
MUTUAL**



87-45 Queens Boulevard, Forest Hills, L. I., New York 11374 • BRowning 5-8000

September 16, 1965

Ford Motor Company
The American Road
Dearborn, Michigan

Attention: Robert M. Johnson, Staff Attorney

RE: FORD MOTOR COMPANY - MONTGOMERY ELEVATOR COMPANY
P216-1987
PD459-1459

Gentlemen:

This will acknowledge our receipt of your letters of July 22, and September 9, 1965. I regret that we do not have a definitive answer as to our intentions regarding your claim as this matter is still being investigated. We will apprise you as soon as possible of our intentions.

Very truly yours,

Richard R. Bauman

Richard R. Bauman, Supervisor
Claims Department

RRB;eh

SEP 22 1965

NEW YORK
WORLD'S FAIR PROGRAM

Ford Motor Company

OFFICE OF THE GENERAL COUNSEL

2001 - 500 THE AMERICAN ROAD
FARBORN, MICHIGAN

October 8, 1955

Mr. Richard R. Bauman, Supervisor
Claims Department
Liberty Mutual Insurance Company
97-45 Queens Boulevard
Forest Hills, L. I., New York 11374

Re: Montgomery Elevator Company

Dear Mr. Bauman:

This will acknowledge receipt of your letter of October 4, 1955, which is somewhat confusing.

I deduce that you have the Purchase Order in your possession. You will note on Page 2 thereof in the first paragraph a reference to certain clauses and attached Exhibit "B" and one of these clauses is "J". I assume further that you must have a copy of Exhibit "B", and Section "J" thereof makes reference to the "Buyers General Conditions". When I referred to "Section 31", that was one of the sections of the "Buyers General Conditions". Thus, Section 31 is incorporated by reference into the interstitches of the Purchase Order.

Possibly your assured has not made the General Conditions available to you and I am attaching that page which includes Section 31, as well as Exhibit B.

As I am being pressed by management for a prompt resolution, I will appreciate your prompt review of the matter so that I can advise my management whether this must be litigated. Frankly, I see no reason why it should be litigated and I think you will agree with our position, once you have reviewed the several interrelated portions of the applicable contract of purchase. As I have previously indicated, we are looking to Montgomery Elevator, rather than the Staley Elevator, since it is with the former that we have the purchase order indemnity protection.

I look forward to hearing from you at your earliest convenience.

Very truly yours,

Robert H. Johnson
Staff Attorney

FORD MOTOR COMPANY
FACILITIES AND GENERAL SUPPLIES PURCHASING

EXHIBIT B
PURCHASE ORDER CLAUSES FOR CONSTRUCTION

- A. THE COST OF PREMIUM OR OVERTIME REQUIRED BY SELLER, IN ORDER TO MEET THE AFOREMENTIONED COMPLETION DATE (S), SHALL BE BORNE BY SELLER. IN THE EVENT THE BUYER SHALL REQUEST, IN WRITING, THAT SUCH COMPLETION DATE (S) BE ADVANCED, BUYER SHALL REIMBURSE SELLER FOR THE PREMIUM PORTION OF THE OVERTIME COST INCURRED BY SELLER IN COMPLYING WITH SUCH REQUEST, PLUS PAYROLL TAXES AND INSURANCE COSTS APPLICABLE THERETO. NO OVERHEAD, PROFIT, PERCENTAGE FEES, OR WAGES OR SALARIES OF SUPERVISORY EMPLOYEES (OTHER THAN THOSE OF FOREMEN), WILL BE ALLOWED WITH RESPECT THERETO.
- B. SAID UNIT PRICES INCLUDE ALL CHARGES FOR INCIDENTAL EXPENSES, SUPERVISION, TAXES (EXCEPT SALES AND/OR USE TAXES), INSURANCE, OVERHEAD AND PROFIT.
- C. SAID UNIT PRICES SHALL BE APPLICABLE TO THE PRICING OF DELETIONS FROM OR ADDITIONS TO THE WORK SHOWN ON THE PURCHASE ORDER DRAWINGS OR CALLED FOR IN THE PURCHASE ORDER SPECIFICATIONS, AND SHALL NOT BE ADJUSTED IN RESPECT TO WORK (AUTHORIZED IN WRITING BY BUYER) WHICH, ALTHOUGH DIFFERENT FROM WORK SHOWN ON SAID DRAWINGS OR SPECIFICATIONS, IS REASONABLY SIMILAR THERETO. SUCH ADDITIONAL UNIT PRICES AS MAY BE REQUIRED FROM TIME TO TIME SHALL BE RELATED, SO FAR AS PRACTICABLE, TO UNIT PRICES PREVIOUSLY NEGOTIATED.
- D. SELLER'S COST COMPUTATIONS OF ADDITIONS TO OR DEDUCTIONS FROM THE WORK SHALL SHOW AS SEPARATE ITEMS, PAYROLL TAXES, AND PAYROLL INSURANCE COSTS, WHICH ITEMS SHALL BE EXCLUDED FROM THE AMOUNTS TO WHICH PERCENTAGE FEES, IF ANY, SHALL BE APPLIED. SALES AND/OR USE TAXES ARE TO BE EXCLUDED FROM ALL SUCH ADDITIONS AND/OR DEDUCTIONS.
- E. THE SELLER'S WORK HEREUNDER SHALL CONFORM TO THE REGULATIONS OF THE NATIONAL BOARD OF FIRE UNDERWRITERS AND SHALL PASS THE INSPECTION OF THE FACTORY INSURANCE ASSOCIATION. SELLER SHALL OBTAIN SUCH AGENCIES' APPROVALS ON ALL DRAWINGS, AND SHALL SUBMIT SAID DRAWINGS, FOR BUYER'S APPROVAL, PRIOR TO THE BEGINNING OF ANY INSTALLATION WORK.
- F. SELLER GUARANTEES ALL WORK AGAINST DEFECTIVE WORKMANSHIP OR MATERIAL FOR THE PERIOD AS SPECIFIED IN PURCHASE ORDER FROM THE COMPLETION AND ACCEPTANCE THEREOF, AND SUCH DEFECTIVE WORKMANSHIP OR MATERIAL, AND ANY OTHER WORK AFFECTED IN THE CORRECTION THEREOF, SHALL BE MADE GOOD BY SELLER AT HIS OWN EXPENSE.
- G. NO CLAIM BY SELLER FOR INCREASED COMPENSATION FOR ALTERATIONS OR ADDITIONS (EXCEPT WHEN DONE IN PURSUANCE OF WRITTEN AUTHORIZATION FROM BUYER'S CONSTRUCTION & EQUIPMENT PURCHASING DEPARTMENT) WILL BE CONSIDERED UNLESS WRITTEN NOTICE OF CLAIM IS MADE TO BUYER BEFORE COMMENCEMENT OF SUCH WORK. DRAWINGS WITHOUT A WRITTEN ORDER SHALL NOT CONSTITUTE SUCH AUTHORITY.
- H. PAYMENTS HEREUNDER SHALL BE MADE UPON SELLER'S APPROVED REQUESTS FOR PAYMENT AS FOLLOWS:
NINETY PER CENT (90%) OF THE VALUE OF THE WORK COMPLETED IN THE MONTH FOR WHICH THE REQUEST IS MADE, WHICH AMOUNT SHALL BE PAID ON OR BEFORE THE 20TH DAY OF THE MONTH FOLLOWING THAT FOR WHICH THE REQUEST WAS PRESENTED. THE FINAL PAYMENT, INCLUDING THE TEN PER CENT (10%) PREVIOUSLY WITHHELD, SHALL BE PAID WITHIN THIRTY (30) DAYS AFTER COMPLETION AND WRITTEN ACCEPTANCE BY BUYER OF ALL WORK. THE ACCEPTANCE OF THE FINAL PAYMENT SHALL CONSTITUTE A WAIVER BY THE SELLER OF ALL CLAIMS AGAINST THE BUYER ARISING OUT OF OR IN CONNECTION WITH THIS PURCHASE ORDER. CR. 184 (10%)
- I. ALL MATERIALS COVERED BY THIS ORDER SHALL BE DELIVERED F.O.B. JOB SITE, FREIGHT PREPAID (UNLESS OTHERWISE SPECIFIED IN THIS ORDER), AND SELLER SHALL CAUSE ALL MATERIALS INTENDED FOR USE ON THIS PURCHASE ORDER TO BE CONSIGNED DIRECTLY TO SELLER AS CONSIGNEE, AND SHALL HANDLE ALL MATTERS PERTAINING TO FREIGHT CHARGES FOR DEMURRAGE DIRECTLY WITH THE CARRIER INVOLVED.
- J. *BUYER'S GENERAL CONDITIONS FOR LUMP SUM CONSTRUCTION CONTRACTS DATED 1/57, ATTACHED HERETO ARE MADE A PART OF THE TERMS AND CONDITIONS OF THIS PURCHASE ORDER. IN THOSE CASES WHERE THIS ATTACHMENT MAY BE IN CONFLICT WITH THE TERMS AND CONDITIONS APPEARING ON THE REVERSE SIDE OF THIS ORDER, THE GENERAL CONDITIONS SHALL PREVAIL.
- K. FORM 3618 REVISED 6/55 ATTACHED HERETO IS MADE A PART OF THE TERMS AND CONDITIONS OF THIS PURCHASE ORDER. IN THOSE CASES WHERE THIS ATTACHMENT MAY BE IN CONFLICT WITH THE TERMS AND CONDITIONS APPEARING ON THE REVERSE SIDE OF THIS ORDER, THE FORM #3618 SHALL APPLY.
- L. THE ATTACHED "TAX CLAUSE FOR USE IN CONSTRUCTION CONTRACTS TO BE PERFORMED IN THE STATE OF MICHIGAN" REVISED 1-25-60 FORMS AN INTEGRAL PART OF THIS PURCHASE ORDER.

PUR. OFC. 4770-B
MARCH, 1962

* REQUIRES EACH PAYMENT REQUEST BE ACCOMPANIED BY SWORN STATEMENT (FORM 1154) PLUS WAIVER OF LIENS AND AN AFFIDAVIT. REFER TO CM 66-10-16

Ford Motor Company

OFF. 4376C-M

PURCHASE ORDER NUMBER
(SHOW THIS NUMBER ON ALL SHIPPING AND BILLING DOCUMENTS)

AP-236579-3

THE FORD MOTOR COMPANY, OF DEARBORN, MICHIGAN
BUYER, HEREBY AGREES TO PURCHASE AND RECEIVE, AND

Montgomery Elevator Company
30 20th. Street
Moline, Illinois

DATE OF ORDER
11/20/62

DELIVERY DATE
Completion By:
6/18/63

SHIPPING POINT
Moline, Illinois

SELLER, AGREES TO SELL AND DELIVER SUPPLIES OR SERVICES SPECIFIED HEREIN,
SUBJECT TO THE TERMS AND CONDITIONS ON THE FACE AND REVERSE SIDE HEREOF.

SHIP TO:
FORD MOTOR COMPANY
Ford Exhibit Building
New York World's Fair
1964-1965
Flushing Meadow Pl. N.Y.

SALES - USE TAX STATUS
IF SHIPMENT IS TO ANY LOCATION IN ALABAMA - SEE CLAUSE A
BELOW; KENTUCKY - SEE CLAUSE B BELOW; MICHIGAN -
SEE CLAUSE C BELOW; OHIO - SEE CLAUSE D BELOW.
IF SHIPMENT IS TO ANY STATE OTHER THAN ABOVE, DO NOT
BILL SALES OR USE TAXES IN CONNECTION WITH TANGIBLE
PERSONAL PROPERTY SHIPPED PURSUANT TO THE PROVISIONS
OF THIS ORDER. FORD CONSIGNEE LOCATIONS WILL ACCRUE
TAX, IF ANY IS LEGALLY DUE, AND REMIT SUCH TAX DIRECT-
LY TO THE APPROPRIATE TAXING JURISDICTIONS.

CHARGE AND MAIL INVOICE TO:
FORD MOTOR COMPANY
Central Office Acct'g.
P.O. Box 118
Dearborn, Michigan
Attn. F. Donovan

F. O. D. (TITLE TRANSFER POINT)

DESTINATION
 CARRIER, SELLER'S PLANT
 Job-Site

TRANSPORTATION TERMS

PREPAID
 COLLECT
 PREPAID TO

ROUTING

Seller's Delivery

PROJECT NUMBER
CO-2280

ITEM NUMBER
6X (B2)

ACCOUNT CLASSIFICATION
25U-2280B2-C2

FORD WORK ORDER

PAYMENT TERMS
See Body of Order

QUANTITY	SHOW THIS CODE ON ALL SHIPPING PAPERS	DESCRIPTION OF SUPPLIES OR SERVICES	UNIT	UNIT PRICE
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The Seller shall furnish all labor, material, tools, equipment and supervision required for the construction of two passenger elevators, one freight elevator and one dumbwaiter at Buyer's Ford Exhibit Building, New York World's Fair, 1964-1965 for the lump sum firm price set forth in the price column, which sum includes all applicable Federal, State and Local Taxes of whatever character and description except sales and/or use taxes on property to be transferred to Buyer.

\$85,391.00

All work shall be performed in strict accordance with the following, all of which are incorporated herein and made a part of this Purchase Order:

Specifications dated 9/12/62, as prepared by Wolton Becket & Associates, copies of which Seller acknowledges he has received.

JAD:JJS:hj

(Continued on Page 2)

SALES-USE TAX STATUS—Appropriate clause applicable as indicated above.
(A) Bill no sales or use tax. Under Regulation A, Ford (Permit No. 83) remits applicable sales and use taxes direct to the State of Alabama and Colbert County, Alabama.
(B) Bill no sales or use tax. Under its direct payment authorization, Ford (Permit No. 8449) remits applicable sales and use taxes direct to the Commonwealth of Kentucky.
(C) Ford Motor Company, holder of license number T-011588 issued by the Michigan Department of Revenue, agrees to account for and pay all Michigan sales or use

tax as may arise by reason of this sale or purchase, and further agrees to assume the obligation of the seller to pay or collect such tax.
(D) The Department of Taxation of Ohio has issued Direct Payment Permits to all Ohio locations of Ford Motor Company. These permits authorize purchases of tangible personal property without payment of tax at the time of purchase. We have agreed to maintain adequate records of all purchases and pay tax on the taxable items directly to the Treasurer of State.

NOTE: AP PREFIXED ORDERS ONLY

THE SIGNING AND RETURNING TO BUYER BY SELLER OF THE ACKNOWLEDGMENT COPY SHALL CONSTITUTE ACCEPTANCE BY SELLER OF THIS PURCHASE ORDER AND OF ALL OF ITS TERMS AND CONDITIONS.

Ford Motor Company

BY

L. Love

PURCHASING

3519 CM

Ford Motor Company

DATE 11/20/62

CONTINUED FROM PAGE NO. 1

Montgomery Elevator Co.

PURCHASE ORDER NO. AP-236579-0

DESCRIPTION OF MATERIAL

UNIT PRICE

Clauses A, F, H, I, and J included in the attached Exhibit "B" (Form 4770-B) dated March, 1962, are incorporated and made a part of the terms and conditions of this Purchase Order.

Clause B on the attached Tax Addendum is part of this Purchase Order.

Guarantee - One Year

The agreed lump-sum contract price includes all applicable federal, state, and local taxes of whatever character and description attributable to or arising from this agreement of the personal property, title to which is transferred to Ford Motor Company as part of real estate, or which is or becomes an exhibit, or part thereof, is exempted from New York City sales and use taxation by sections N41-2.0.d and M41-17.0.6, respectively, of the Administrative Code for the City of New York. Contractor certified that the agreed lump-sum price includes no provision for the said sales and use taxes with respect to such property, whether furnished by Contractor, its subcontractors, or the materialmen or suppliers of any of them.

Confirming wire to J. E. Martin dated 11/20/62.

JAD:MS:hj
J. O. Schrot
PN-051047; 10/15/62
J. A. MacAlarney
12/7/62

cc: J. A. MacAlarney's Plant Engineering Office (3)
G. Mullyaly
A. Scalic

PURCHASE ORDER NUMBER

LIBERTY
MUTUAL



97-45 Queens Boulevard, Forest Hills, L. I., New York 11374 • BRowning 5-8000
October 20, 1965

Robert M. Johnson, Esq.
Office of the General Counsel
Ford Motor Company
The American Road
Dearborn, Michigan

RE: FORD MOTOR COMPANY - MONTGOMERY ELEVATOR COMPANY
P216-1987 HOD
PD459-1459

Dear Mr. Johnson:

Your further letter of October 8, 1965, has been received.

In order to avoid any further delay in stating our position to you, we must disclaim liability on behalf of Montgomery Elevator Company. As previously stated to you, our investigation has revealed that the Staley Elevator Company was responsible for the installation and maintenance of the elevator equipment involved, and therefore the responsibility for this accident, if any, would rest with them.

As it is evident that you refuse to pursue your claim against them directly, I would suggest that you institute litigation against the Montgomery Elevator Company and we in turn will commence a third party action against Staley Elevator Company. Of course, the resolution of this problem will be prolonged if such litigation ensues. This is a less than satisfactory solution, but unfortunately appears to be the only one available. Therefore, we await your proceedings.

Very truly yours,

Richard R. Bauman
Richard R. Bauman, Supervisor
Claims Department

RRB:eh