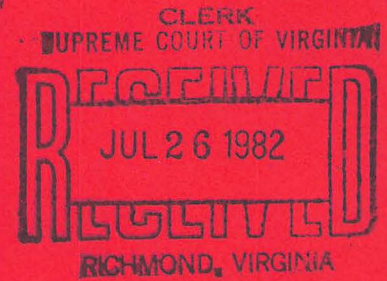


227 VA 485

IN THE  
SUPREME COURT OF VIRGINIA  
AT RICHMOND



---

Record No. 811288

---

DAN RIVER, INC.,

Appellant,

v.

COMMERCIAL UNION INSURANCE  
COMPANY,

Appellee.

---

EXHIBIT VOLUME

---

Michael P. Regan  
Dan River, Inc.  
2291 Memorial Drive  
Danville, Virginia 24541

G. H. Gromel, Jr.  
Hunton & Williams  
P.O. Box 1535  
Richmond, Virginia 23212

Counsel for Appellant

Frank O. Meade  
Meade, Tate & Daniel  
116 South Ridge Street  
Danville, Virginia 24541

Counsel for Appellee

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF VIRGINIA

Clerk's Office U. S. Dist. Court  
AT DANVILLE, VA.  
FILED  
OCT 24 1969  
VICTORIA M. AYERS  
By *Barbara H. Gibson*  
CLERK

JULIOUS ADAMS  
LEROY BARKSDALE  
WILLIAM C. BARKSDALE  
HOPE BREEDLOVE  
MARY L. BROOKS  
BESSIE MAE BURRELL  
GRACIE CHILDRESS  
EDWARD CREWS  
HELEN CREWS  
MAE CREWS  
RUSSELL V. DODSON  
ERMA GARLAND  
JOSEPH R. GRAVES  
ROBERT HAIRSTON  
TOMMIE L. HAIRSTON  
BENDIE HALL  
LORETTA HARRIS  
ROBERT W. HEREFORD  
WILLIAM HEREFORD  
LEROY JOHNSON  
JAMES MONTGOMERY  
WILLIE RICHARDSON  
BERNARD LEE ROBERTSON  
HARRY SLADE  
CHARLIE SMITH  
WILLIAM STOKES  
HENRY WILSON,

Individually and on behalf  
of all persons similarly  
situated,

Plaintiffs

versus

DAN RIVER MILLS, INC.,

Defendant

CIVIL ACTION  
NO.

69-CA-58-18

COMPLAINT

1. This action is brought by the plaintiffs on their own behalf and on behalf of the class they represent to enforce the provisions of Title VII of the Civil Rights Act of 1964, 42 U.S.C. §2000e et seq., and Section 1 of the Civil Rights Act of 1866, 42 U.S.C. §1981. Injunctive and other appropriate equitable and legal relief, including back pay, are sought. Jurisdiction is conferred on this Court by §706(f) of the Civil Rights Act of 1964, 42 U.S.C. §2000-5(f), and by 28 U.S.C. §1343(4).

2. (a) Plaintiffs Hope Breedlove, Mary L. Brooks, Bessie Mae Burrell, Bendie Hall, Loretta Harris and Willie Richardson are Negro citizens of the

Pl. Ex. 1

CIRCUIT COURT OF DANVILLE

*Dan River, Inc.* Plaintiff

v. 77-251

*Communal Union Insurance Co.* Defendant

EXHIBIT PLAINTIFF NO. 1

6-4-80 M.E. Dwyer  
J.F.L. JUDGE

29 February 23rd

FILED IN CLERK'S OFFICE CIRCUIT COURT.  
DANVILLE, VIRGINIA

ATTEST: *Deborah Damara* DEPUTY CLERK

United States and residents of Pittsylvania County, Virginia. Each of these plaintiffs applied for employment at Dan River Mills, Inc. in Danville, Virginia at various times in 1968 and 1969 and was refused employment.

(b) Plaintiffs Julious Adams, Leroy M. Barksdale, William C. Barksdale, Edward Crews, Helen Crews, Mae Crews, Russell Dodson, Erma Garland, Joseph R. Graves, Robert J. Hairston, Tommie Hairston, Robert W. Hereford, William Hereford, Leroy Johnson, James Montgomery, Bernard Lee Robertson, Harry Slade, Charlie Smith, William Stokes and Henry Wilson are Negro citizens of the United States and residents of Pittsylvania County, Virginia. Each of these plaintiffs is an employee of Dan River Mills, Inc. at that company's facility in Danville, Virginia.

(c) Plaintiff Gracie Childress is a Negro citizen of the United States and a resident of Pittsylvania County, Virginia. She was recently employed by Dan River Mills, Inc. for a short period of time and was thereafter laid off and not recalled for work.

(d) This action is brought by the plaintiffs as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all Negro employees, all Negro applicants for employment and all potential Negro employees and applicants for employment at all the plants operated by Dan River Mills, Inc. in Virginia, North Carolina, South Carolina, Georgia and Alabama. The class is so numerous that joinder of all members is impracticable; there are questions of law or fact common to the class; the plaintiffs will fairly and adequately protect the interests of the class. The defendant has acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief with respect to the class as a whole.

3. Defendant Dan River Mills, Inc. (hereafter "Dan River") is a corporation incorporated under the laws of Virginia. It has plants for the manufacture of textile products in Danville, Virginia; Burlington, North Carolina; Fountain Inn, Clifton, Converse, Easley, Liberty, Cateechee, Anderson, Greenville and Simpsonville, South Carolina; White, Georgia; and Benton, Clanton, Dadeville, Greenville, and Wetumpka, Alabama. The defendant

employs more than twenty-five persons and is engaged in an industry affecting commerce.

4. Dan River has discriminated and is continuing to discriminate against the plaintiffs and the class they represent on the grounds of race. The methods of discrimination include, but are not limited to, the following:

(a) the refusal to hire Negro applicants, and particularly Negro women applicants, on grounds of race;

(b) the discriminatory application of purported medical or physical requirements for employment as a basis for rejecting Negro applicants;

(c) reliance, as a condition of employment, on personnel tests that disqualify a disproportionately large number of Negro as compared to white applicants and that do not accurately predict performance on the jobs to which new employees are assigned;

(d) the discriminatory application of test requirements as a basis for rejecting Negro and accepting white applicants;

(e) the refusal to allow persons who "fail" personnel tests to take them again or otherwise to be reconsidered for employment;

(f) the disqualification of applicants who have an arrest record;

(g) the discriminatory application of employment criteria relating to prior arrest records as a basis for rejecting black and accepting white applicants;

(h) the maintenance of restroom and other facilities segregated as to race;

(i) laying off, on grounds of race, Negro employees after they have been employed only a short time;

(j) the exclusion of Negro employees from certain well-paid job categories and departments and the restriction to Negro employees of certain of the lowest paid job categories and departments;



(k) the discriminatory denial to Negro employees of initial assignment, promotion or transfer to higher level and more desirable jobs in the plant, including supervisory jobs;

(l) the discriminatory allocation of training opportunities as between Negro and white employees;

(m) the failure adequately to inform Negro employees of openings in traditionally white jobs or in more desirable jobs;

(n) reliance on occupational grouping seniority in determining the promotional rights of employees to the detriment of Negro employees wishing to transfer to occupational groups formerly restricted to whites;

(o) the refusal to allow Negro employees who transfer to jobs from which they were formerly excluded on the grounds of race from returning to their old job in the event of a curtailment in the new job;

(p) the different application of seniority practices upon transfer to white and black employees, in a manner disadvantageous to black employees;

(q) reliance on the subjective decision of supervisory personnel in the selection of employees for transfer;

(r) reliance on length of service in making promotions and lay-offs, where presently employed Negroes were prevented, by virtue of Dan River's history of racial discrimination in hiring, from securing employment with the company at an earlier date;

(s) the temporary assignment of Negro employees to higher paying jobs without compensating them at the higher rate;

(t) the classification of Negro jobs at a lower rate of compensation than equal or equivalent jobs done by white employees;

(u) the discriminatory assignment of Negro employees to more work than is performed by white employees in the same job classification;

(v) the assignment of Negro women to arduous work to which white women are not assigned;

(w) the discriminatory distribution of work as between white and Negro applicants within a job category;

(x) discrimination in the allocation of overtime work and production pay work between Negro and white employees;

(y) the failure to adopt an affirmative recruitment program that would overcome the continued racially discriminatory effect of Dan River's history of discrimination against Negroes in hiring.

5. The employment practices described in Paragraph 4 hereof are in violation of Section 703(a)(1),(2) of the Civil Rights Act of 1964, 42 U.S.C. §2000e 2(a)(1),(2).

6. The employment practices described in Paragraph 4 hereof are violative of the rights of the plaintiffs and the class they represent under the Civil Rights Act of 1866, 42 U.S.C. §1981.

7. Plaintiffs and the class they represent are suffering irreparable injury by virtue of the practices described in Paragraph 4 hereof. They are without an adequate remedy at law.

8. Neither the State of Virginia nor the City of Danville has a law prohibiting the practices alleged herein. All of the named plaintiffs, except Joseph R. Graves, have filed charges of racial discrimination against Dan River with the Equal Employment Opportunity Commission, pursuant to Section 706(a) of the Civil Rights Act of 1964, 42 U.S.C. §2000e. By letters dated October 10, October 15, and October 22, 1969 all of the charging parties, except plaintiffs Breedlove and Hall have received notification from the Commission, pursuant to Section 706(e), that the Commission has been unable to secure voluntary compliance within sixty days. The remaining plaintiffs have not yet received any notification from the Commission.

Wherefore, the plaintiffs pray that this Court:

(a) Issue a preliminary and permanent injunction enjoining the defendant, its agents, successors, employees, attorneys, and those acting in concert with them from engaging in each of the unlawful employment practices set forth in Paragraph 4 hereof, and from continuing other practices shown to be in violation of applicable law;

(b) Grant such other and further relief as may be just and proper, including promotion, back pay, and compensatory seniority to the plaintiffs and the members of the class they represent;

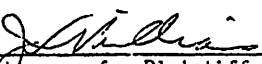
(c) Award plaintiffs the costs of this action and reasonable attorneys' fees as provided in §706(k) of the Civil Rights Act of 1964, 42 U.S.C. §2000e-5(k).

Respectfully submitted,

WILLIAMS & LUCK  
216 N. Ridge Street  
Danville, Virginia

RICHARD B. SOBOL  
ELIZABETH MOLODOVSKY  
1823 Jefferson Place, N.W.  
Washington, D. C. 20036

JACK GREENBERG  
JAMES M. NABRIT III  
10 Columbus Circle  
New York, New York 10019

BY   
Attorneys for Plaintiffs

Dated: October 24, 1969

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF VIRGINIA

JULICUS ADAMS, et al.,  
Plaintiffs

versus

DAN RIVER MILLS, INC.,  
Defendant

\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*

CIVIL ACTION  
NO.

INSTRUCTIONS FOR SERVICE

Serve defendant through its registered agent, Harlan H. Huntley, Dan  
River Mills, Inc., 2291 Memorial Drive, Danville, Virginia.



UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF VIRGINIA

JULIOUS ADAMS  
LEROY BARKSDALE  
WILLIAM C. BARKSDALE  
HOPE BREEDLOVE  
MARY L. BROOKS  
BESSIE MAE BURRELL  
GRACIE CHILDRESS  
EDWARD CREWS  
HELEN CREWS  
MAE CREWS  
RUSSELL V. DODSON  
ERMA GARLAND  
JOSEPH R. GRAVES  
ROBERT HAIRSTON  
TOMMIE L. HAIRSTON  
BENDIE HALL  
LORETTA HARRIS  
ROBERT W. HEREFORD  
WILLIAM HEREFORD  
LEROY JOHNSON  
JAMES MONTGOMERY  
WILLIE RICHARDSON  
BERNARD LEE ROBERTSON  
HARRY SLADE  
CHARLIE SMITH  
WILLIAM STOKES  
HENRY WILSON

Individually and on  
behalf of all persons  
similarly situated,

Plaintiffs

v.

DAN RIVER MILLS, INC.,

Defendant

CIVIL ACTION  
NO. 69-C-58-D

AMENDED COMPLAINT

1. This action is brought by the plaintiffs on their own behalf and on behalf of the class they represent to enforce the provisions of Title VII of the Civil Rights Act of 1964, 42 U.S.C. §2000e et seq., and Section I of the Civil Rights Act of 1866, 42 U.S.C. §1981. Injunctive and other appropriate equitable and legal relief, including back pay, are sought. Jurisdiction is

FILED IN CLERK'S OFFICE CIRCUIT COURT,  
DANVILLE, VIRGINIA  
79 February 23rd  
DEPUTY CLERK  
ARRESTED *[Signature]*

conferred on this Court by §706(f) of the Civil Rights Act of 1964, 42 U.S.C. §2000e-5(f), and by 28 U.S.C. §1345(4).

2. (a) Plaintiffs Hope Breedlove, Mary L. Brooks, Bessie Mae Burrell, Bendie Hall, Loretta Harris and Willie Richardson are Negro citizens of the United States and residents of Pittsylvania County, Virginia. Each of these plaintiffs applied for employment at Dan River Mills, Inc. in Danville, Virginia at various times in 1968 and 1969 and was refused employment.

(b) Plaintiffs Julious Adams, Leroy M. Barksdale, William C. Barksdale, Edward Crews, Helen Crews, Mac Crews, Russell Dodson, Erma Garland, Joseph R. Graves, Robert J. Hairston, Tommie Hairston, Robert W. Hereford, William Hereford, Leroy Johnson, James Montgomery, Bernard Lee Robertson, Harry Slade, Charlie Smith, William Stokes and Henry Wilson are Negro citizens of the United States and residents of Pittsylvania County, Virginia. Each of these plaintiffs is an employee of Dan River Mills, Inc. at that company's facilities in Danville, Virginia.

(c) Plaintiff Gracie Childress is a Negro citizen of the United States and a resident of Pittsylvania County, Virginia. She was recently employed by Dan River Mills, Inc. twice for a short period of time and thereafter laid off.

(d) This action is brought by the plaintiffs as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all Negro employees, all Negro applicants for employment and all potential Negro employees and applicants for employment at all the plants operated by Dan River Mills, Inc. in Alabama, Georgia, North Carolina, South Carolina, and Virginia. The class is so numerous that joinder of all members is impracticable; there are questions of law or fact common to the class; the plaintiffs will fairly and adequately protect the interests of the class. The defendant has acted or refused to

act on grounds generally applicable to the class, thereby making appropriate final injunctive and compensatory relief with respect to the class as a whole.

3. Defendant Dan River Mills, Inc. (hereafter "Dan River") is a corporation incorporated under the laws of Virginia. It has plants for the manufacture of textile products in Benton, Clanton, Dadeville, Greenville, and Wetumpka, Alabama; White, Georgia; Burlington, North Carolina; Anderson, Catechee, Clifton, Converse, Easley, Fountain Inn, Greenville, Liberty and Simpsonville, South Carolina; and Danville, Virginia. The defendant employs more than twenty-five persons and is engaged in an industry affecting commerce.

4. Dan River has discriminated and is continuing to discriminate against the plaintiffs and the class they represent on the grounds of race. The methods of discrimination include, but are not limited to, intentionally engaging in the following practices:

(a) the refusal to hire Negro applicants, and particularly Negro women applicants, on grounds of race;

(b) the discriminatory application of purported medical or physical requirements for employment as a basis for rejecting Negro applicants;

(c) reliance, as a condition of employment, on personnel tests that disqualify a disproportionately large number of Negro as compared to white applicants and that do not accurately predict performance on the jobs to which new employees are assigned;

(d) the discriminatory application of test requirements as a basis for rejecting Negro and accepting white applicants

(e) the refusal to allow persons who "fail" personnel tests to take them again or otherwise to be reconsidered for employment.

(f) the disqualification of applicants who have an arrest record;

(g) the discriminatory application of employment criteria relating to prior arrest records as a basis for rejecting Negro and accepting white applicants, or discharging Negro and retaining white employees;

(h) the maintenance of rest room and other facilities segregated as to race;

(i) laying off, on grounds of race, Negro employees after they have been employed only a short time;

(j) the exclusion of Negro employees from certain well-paid job categories and departments and the restriction to Negro employees of certain of the lowest-paid job categories and departments;

(k) the discriminatory denial to Negro employees of initial assignment, promotion or transfer to higher level and more desirable jobs, including supervisory jobs;

(l) the discriminatory allocation of training opportunities as between Negro and white employees;

(m) the failure adequately to inform Negro employees of openings in traditionally white jobs or in more desirable jobs;

(n) reliance on occupational grouping seniority in determining the promotional rights of employees to the detriment of Negro employees wishing to transfer to occupational groups formerly restricted to whites;

(o) the refusal to allow Negro employees who transfer to jobs from which they were formerly excluded on the grounds of race to return to their old job in the event of a curtailment in the new job;

(p) the different application of seniority practices upon transfer to white and Negro employees, in a manner disadvantageous to Negro employees;

(q) reliance on the subjective decision of supervisory personnel in the selection of employees for promotion and transfer;

(r) reliance on length of service in making promotions and lay-offs, where presently employed Negroes were prevented, by virtue of Dan River's history of racial discrimination in hiring, from securing employment with the company at an earlier date;

(s) the temporary assignment of Negro employees to higher paying jobs without compensating them at the higher rate;

(t) the classification of Negro jobs at a lower rate of compensation than that made for equal or equivalent work done by white employees;

(u) the discriminatory assignment of Negro employees to more work than is performed by white employees in the same job classification;

(v) the assignment of Negro women to arduous work to which white women are not assigned;

(w) the discriminatory distribution of work as between white and Negro employees within a job category;

(x) discrimination in the allocation of overtime work and production pay work between Negro and white employees;

(y) the failure to adopt an affirmative recruitment program that would overcome the continued effect of Dan River's history of racial discrimination against Negroes in hiring.

5. The employment practices described in Paragraph 4 hereof are violations of Section 703(a)(1),(2) of the Civil Rights Act of 1964, 42 U.S.C. §2000e 2(a)(1),(2).

6. The employment practices described in Paragraph 4 hereof are violative of the rights of the plaintiffs and the class they represent under the Civil Rights Act of 1966, 42 U.S.C. §1981.

7. Plaintiffs and the class they represent are suffering irreparable injury by virtue of the practices described in Paragraph 4 hereof. They are without an adequate remedy at law.

8. Neither the State of Virginia nor the City of Danville has a law prohibiting the practices alleged herein. All of the named plaintiffs, except Joseph R. Graves, have filed charges of racial discrimination against Dan River with the Equal Employment Opportunity Commission, pursuant to Section 706(a) of the Civil Rights Act of 1964, 42 U.S.C. §2000e. By letters dated October 10, October 15, and October 22, 1969, all of the charging parties, except plaintiffs Breedlove and Hall have received notification from the Commission, pursuant to Section 706(e), that the Commission has been unable to secure voluntary compliance within sixty days. The remaining plaintiffs have not yet received any notification from the Commission.

Wherefore, the plaintiffs pray that this Court:

(a) Issue a preliminary and permanent injunction enjoining the defendant, its agents, successors, employees, attorneys, and those acting in concert with them from engaging in each of the unlawful practices set forth in Paragraph 4 hereof, and from continuing other practices shown to be in violation of applicable law;

(b) Grant such other and further relief as may be just and proper, including promotion, back pay, and compensatory seniority to the plaintiffs and the members of the class they represent;

(c) Award plaintiff s the costs of this action  
and reasonable attorneys' fees as provided in §706(k)  
of the Civil Rights Act of 1964, 42 U.S.C. §2000e-  
5(k).

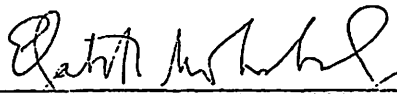
Respectfully submitted,

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216 N. Ridge Street  
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RICHARD B. SOBOL  
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1825 Jefferson Place, N.W.  
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JACK GREENBERG  
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SYLVIA DREW  
10 Columbus Circle  
New York, New York 10019

BY

  
Attorneys for Plaintiffs

DATED: January 17, 1970



UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF VIRGINIA  
DANVILLE DIVISION

JULIOUS ADAMS, et al.,

Plaintiffs

v.

DAN RIVER MILLS, INC.

Defendant

CIVIL ACTION FILE NO.

69-C-58-D

ORDER

Upon consideration of plaintiffs' motion for leave to  
amend their complaint, it is hereby

ORDERED that plaintiffs are granted leave to file an  
amended complaint.

\_\_\_\_\_  
UNITED STATES DISTRICT JUDGE

Dated:

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF VIRGINIA

JULIOUS ADAMS :  
LEROY BARKSDALE :  
WILLIAM C. BARKSDALE :  
MARY L. BROOKS :  
BESSIE MAE BURRELL :  
EDWARD CREWS :  
RUSSELL V. DODSON :  
JOSEPH R. GRAVES :  
TOMMIE L. HAIRSTON :  
LORETTA HARRIS :  
ROBERT W. HEREFORD :  
WILLIAM HEREFORD :  
LEROY JOHNSON :  
JAMES MONTGOMERY :  
BERNARD LEE ROBERTSON :  
HARRY SLADE :  
CHARLIE SMITH :  
HENRY WILSON :

Individually and  
on behalf of all persons  
similarly situated,

Plaintiffs,

v.

DAN RIVER MILLS, INC.,  
Defendant.

CIVIL ACTION  
No. 69-C-58-D

SECOND AMENDED COMPLAINT

I. JURISDICTION

1. This action is brought by the plaintiffs on their own behalf and on behalf of the class they represent to enforce the provisions of Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e et seq., and the provisions of Section I of the Civil Rights Act of 1866, 42 U.S.C. § 1981. Injunctive and other appropriate equitable relief, including back pay, are sought.

86-79 February 23rd  
FILED IN CLERK'S OFFICE CIRCUIT COURT.  
DANVILLE, VIRGINIA

DEPUTY  
CLERK  
ATTEST: Delores J. Cameron

Jurisdiction is conferred on this Court by § 706(f) of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-5(f), and by 28 U.S.C. § 1343(4).

## II. PARTIES

2. (a) Plaintiffs Mary L. Brooks, Bessie Mae Burrell, and Loretta Harris are black citizens of the United States and residents of Pittsylvania County, Virginia. Each of these plaintiffs applied for employment at Dan River Mills, Inc., in Danville, Virginia at various times in 1968 and 1969 and was refused employment. Each was thereafter hired, but is no longer employed by the company.

(b) Plaintiffs Julious Adams, Leroy M. Barksdale, William C. Barksdale, Edward Crews, Russell Dodson, Joseph R. Graves, Tommie Hairston, Robert W. Hereford, William Hereford, Leroy Johnson, James Montgomery, Bernard Lee Robertson, Harry Slade, Charlie Smith and Henry Wilson are black citizens of the United States and residents of Pittsylvania County, Virginia. Each of these plaintiffs is an employee of Dan River Mills, Inc. at that company's facilities in Danville, Virginia.

(c) This action is brought by the plaintiffs as a class action pursuant to Rule 23 of the federal Rules of Civil Procedure.

(i) With respect to the allegations of subparagraph 4(a), infra, the subclass represented by the plaintiffs is comprised of black applicants for employment and potential black applicants for employment at the plants operated by Dan River in the Danville Division.

(ii) With respect to the allegations of subparagraph 4(b), infra, the subclass represented by the plaintiffs is comprised of all black persons who have been or who in the future might be disqualified or disadvantaged from employment in any position at any plants operated by Dan River in Alabama, Georgia, North Carolina, South Carolina and Virginia, by virtue of the results of the administration of the Form Board test, the Henmon-Nelson test, the Kuder Preference Record, the Otis Employment test, the Johnson Temperament Analysis, or any similar personnel tests or devices.

(iii) With respect to the allegations of subparagraphs 4(c) and (d), infra, the subclasses represented by the plaintiffs are comprised of black employees in the Danville Division of Dan River.

(iv) With respect to the allegations of subparagraph 4(e), infra, the subclass represented by the plaintiffs is comprised of black employees in the Danville Division of Dan River, who were prevented or discouraged, directly or indirectly, from securing employment in the Danville Division of Dan River at an earlier point in time by virtue of the company's practice of racial discrimination.

(v) With respect to the allegations of subparagraph 4(f), infra, the subclass represented by the plaintiffs is comprised of all black employees at any of the plants operated by Dan River in Alabama, Georgia, North Carolina, South Carolina and Virginia who are disqualified or disadvantaged from promotion or assignment to any job by virtue of formal educational requirements.

(vi) With respect to the allegations of paragraph 4(g), infra, the subclass represented by the plaintiffs is comprised of all black employees in the Danville Division who are, by virtue of formal educational requirements, disqualified or disadvantaged from promotion or assignment to any job where any of the incumbents do not meet the educational requirement.

Each subclass is so numerous that joinder of all its members is impracticable; there are questions of law or fact common to the class; the claims of the plaintiffs are typical of the claims of the class; the plaintiffs will fairly and adequately protect the interests of the class. The defendant has acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief with respect to the class as a whole. Questions of law and fact common to the members of the class predominate over any questions affecting only individual members. A class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Defendant Dan River Mills, Inc. (hereinafter "Dan River") is a corporation incorporated under the laws of Virginia. It has plants for the manufacture of textile products in Benton, Clanton, Dadeville, Greenville, and Wetumpka, Alabama; White, Georgia; Burlington, North Carolina; Anderson, Cateechee, Clifton, Converse, Easley, Fountain Inn, Greenville, Liberty and Simpsonville, South Carolina; and Danville, Virginia. The defendant

employs more than twenty-five persons and is engaged in an industry affecting commerce.

### III. STATEMENT

4. Dan River has discriminated, and is continuing to discriminate, against the plaintiffs and the class they represent on the grounds of race. The methods of discrimination include, but are not limited to, intentionally engaging in the following practices:

(a) the refusal to hire black applicants, and particularly black women applicants, on grounds of race. Plaintiffs Brooks, Burrell and Harris have been directly aggrieved by this practice;

(b) reliance, as a condition of employment, or of employment or assignment to certain jobs, on personnel tests that disqualify a disproportionately large number of black as compared to white applicants and that have not been shown to, and do not, predict performance on the jobs to which new employees are assigned. Plaintiffs Adams, Leroy Barksdale, William Barksdale, Dodson, Graves, Robert Hereford, William Hereford, Montgomery, Robertson, Slade, Smith and Wilson have been directly aggrieved by this practice;

(c) the discriminatory denial to black employees of initial assignment, promotion or transfer to higher level, better paid or more desirable job assignments, including supervisory jobs, clerical jobs and administrative jobs. Among the

policies that contribute to this result are (i) the failure to adequately inform black employees of openings in traditionally white jobs or in more desirable jobs, (ii) the company's reliance on the subjective discretion of supervisory personnel in the selection of employees for training and transfer; (iii) the restriction of certain of the lowest paid and least desirable job categories to black employees; and (iv) the discrimination in testing referred to in subparagraph 4(b), supra. Plaintiffs Adams, Leroy Barksdale, William Barksdale, Edward Crews, Dodson, Graves, Hairston, Robert Hereford, William Hereford, Johnson, Montgomery, Robertson, Slade, Smith and Wilson have been directly aggrieved by these practices;

(d) the discriminatory allocation of training opportunities as between black and white employees. The failure of the company to post training opportunities has contributed to this result. Plaintiff Hairston has been directly aggrieved by this practice;

(e) reliance on length of service in making promotions and layoffs, where presently employed black workers were prevented, by virtue of Dan River's history of racial discrimination, from securing employment with the company at an earlier date. Plaintiff Burrell has been directly aggrieved by this practice;

(f) reliance, as a condition of assignment to certain desirable jobs, on formal educational requirements that operate to disqualify a disproportionately large percentage of black candidates and that have not been shown to, and do not, predict



performance on these jobs. Plaintiffs Adams, Leroy Barksdale, Robert Hereford, Robertson, Slade, Smith and Wilson have been directly aggrieved by this practice;

(g) reliance, as a condition of assignment to certain jobs from which blacks were traditionally excluded, on educational requirements that are not met by the white incumbents in those positions. Plaintiffs Adams, Leroy Barksdale, William Barksdale, Robert Hereford, Robertson, Slade, Smith and Wilson have been aggrieved by this practice.

#### IV. VIOLATIONS OF LAW

5. The employment practices described in Paragraph 4 hereof are violative of the rights of the plaintiffs and the class they represent secured by Section 703(a)(1), (2) of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-2(a)(1), (2).

6. The employment practices described in Paragraph 4 hereof are violative of the rights of the plaintiffs and the class they represent secured by the Civil Rights Act of 1866, 42 U.S.C. § 1981.

#### V. EQUITY

7. Plaintiffs and the class they represent are suffering irreparable injury by virtue of the practices described in Paragraph 4 hereof. They are without an adequate remedy at law.

## VI. EXHAUSTION

8. Neither the State of Virginia nor the City of Danville has a law prohibiting the practices alleged herein. All of the named plaintiffs have filed charges of racial discrimination against Dan River with the Equal Employment Opportunity Commission, pursuant to Section 706(a) of the Civil Rights Act of 1964, 42 U.S.C. § 2000e. By letters dated October 10, October 15 and October 22, 1969, all of the charging parties, except Joseph R. Graves, have received notification from the Commission, pursuant to Section 706(e), that the Commission was unable to secure voluntary compliance with the Act.

## VII. PRAYER

WHEREFORE, the plaintiffs pray that this Court:

- (a) Issue a preliminary and permanent injunction enjoining the defendant, its agents, successors employees, attorneys, and those acting in concert with them from engaging in each of the unlawful practices set forth in Paragraph 4 hereof, and from continuing other practices shown to be in violation of applicable law;
- (b) Grant such other and further relief as may be just and proper, including promotion, back pay, and compensatory seniority to the plaintiffs and the members of the class they represent;

(c) Award plaintiffs the costs of this action  
and reasonable attorneys' fees as provided in  
§ 706(k) of the Civil Rights Act of 1964, 42  
U.S.C. § 20003-5(k).

Respectfully submitted,

WILLIAMS & LUCK  
216 N. Ridge Street  
Danville, Virginia

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JACK GREENBERG  
10 Columbus Circle  
New York, New York 10019

BY: 

Attorneys for Plaintiffs

Dated: February 16 , 1972

CERTIFICATE OF SERVICE

I certify that on February 16, 1972, I mailed postage prepaid copies of the foregoing Motion to Amend and Second Amended Complaint to Frank Talbott, III, Esq., Dan River Mills, Inc., 2291 Memorial Drive, Danville, Virginia 24541; Homer L. Deakins, Jr., Esq., Thompson, Ogletree, Haynsworth and Deakins, The Daniel Building, Greenville, South Carolina 29602; and David W. Zugschwerdt, Esq. Office of General Counsel, Equal Employment Opportunity Commission, 1800 G Street, N. W., Washington, D. C.



RICHARD B. SOBOL

Attorney for Plaintiffs

Dated: February 16, 1972

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF VIRGINIA

JULIOUS ADAMS, LEROY BARKSDALE,  
WILLIAM C. BARKSDALE, MARY L.  
BROOKS, BESSIE MAE BURRELL,  
EDWARD CREWS, RUSSELL V. DODSON,  
JOSEPH R. GRAVES, TOMMIE L.  
HAIRSTON, LORETTA HARRIS, ROBERT  
W. HEREFORD, WILLIAM HEREFORD,  
LEROY JOHNSON, JAMES MONTGOMERY,  
BERNARD LEE ROBERTSON, HARRY SLADE,  
CHARLIE SMITH, HENRY WILSON,

Plaintiffs,

JANIE A. HUNT, ROBERT CHANEY,  
JOEL MARABLE,

Plaintiffs-Intervenors,

v.

DAN RIVER MILLS, INC.,

Defendant.

CIVIL ACTION

No. 69-C-58-D

THIRD AMENDED COMPLAINT AND AMENDED  
COMPLAINT IN INTERVENTION

I. JURISDICTION

1. This action is brought by the plaintiffs and the plaintiffs-intervenors on their own behalf and on behalf of the class they represent to enforce the provisions of Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e et seq., and the provisions of Section I of the Civil Rights Act of 1866, 42 U.S.C. § 1981. Injunctive and other appropriate equitable relief, including back pay, are sought. Jurisdiction is conferred on this Court by § 706(f) of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-5(f), and by 28 U.S.C. § 1343(4).

1979 February 23<sup>rd</sup>

FILED IN CLERK'S OFFICE CIRCUIT COURT,  
DANVILLE, VIRGINIA

ATTEST: Julius Adams DEPUTY CLERK

## II. PARTIES

2. (a) Plaintiffs Mary L. Brooks, Bessie Mae Burrell, and Loretta Harris are black citizens of the United States and residents of Pittsylvania County, Virginia. Each of these plaintiffs applied for employment at Dan River Mills, Inc., in Danville, Virginia at various times in 1968 and 1969 and was refused employment. Each was thereafter hired, but is no longer employed by the company.

(b) Plaintiffs Julious Adams, Leroy M. Barksdale, William C. Barksdale, Edward Crews, Russell Dodson, Joseph R. Graves, Tommie Hairston, Robert W. Hereford, William Hereford, Leroy Johnson, James Montgomery, Bernard Lee Robertson, Harry Slade, Charlie Smith and Henry Wilson are black citizens of the United States and residents of Pittsylvania County, Virginia. Each of these plaintiffs, other than Julious Adams, is an employee of defendant Dan River Mills, Inc. at that company's facilities in Danville, Virginia. Plaintiff Julious Adams was an employee of Dan River Mills, Inc. at these same facilities until January 26, 1972 when he was discharged.

(c) Plaintiff-intervenor Janie A. Hunt is a black citizen of the United States and a resident of Pittsylvania County, Virginia. He is an employee (presently on sick leave) of Dan River Mills, Inc. in Danville, Virginia.

(d) Plaintiffs-intervenors Robert Chaney and Joel Marable are black citizens of the United States and residents of Pittsylvania County, Virginia. Each was employed by Dan River Mills, Inc. at its facilities in Danville, Virginia until they were discharged in 1966.

(c) This action is brought by the plaintiffs and the plaintiffs-intervenors as a class action pursuant to Rule 23(a), (b)(2), (3) of the Federal Rules of Civil Procedure. The class represented by the plaintiffs and the plaintiffs-intervenors is comprised of all black persons who have unsuccessfully sought employment by Dan River Mills, Inc. in the Danville Division, all future black applicants for employment by Dan River Mills, Inc. in the Danville Division, and all present and future black employees in the Danville Division, and all former black employees in the Danville Division. The class is so numerous that joinder of all its members is impracticable; there are questions of law or fact common to the class; the claims of the plaintiffs are typical of the claims of the class; the plaintiffs will fairly and adequately protect the interests of the class. The defendant has acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief with respect to the class as a whole. Questions of law and fact common to the members of the class predominate over any questions affecting only individual members. A class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Defendant Dan River Mills, Inc. (hereinafter "Dan River") is a corporation incorporated under the laws of Virginia. It has plants for the manufacture of textile products in Danville, Virginia. The defendant employs more than twenty-five persons and is an employer engaged in an industry affecting commerce.



### III. STATEMENT

4. Dan River has discriminated, and is continuing to discriminate, against the plaintiffs, ~~plaintiffs-intervenors~~, and the class they represent on the grounds of race. The methods of discrimination include, but are not limited to, intentionally engaging in the following practices:

(a) the refusal to hire black applicants, and particularly black women applicants, on grounds of race. Plaintiffs Brooks, Burrell and Harris have been directly aggrieved by this practice;

(b) reliance, as a condition of employment, or of employment or assignment to certain jobs, on personnel tests (i.e., the Otis Test, the Henmon-Nelson Test, the Kuder Preference Record Test) that disqualify a disproportionately large number of black as compared to white applicants and that have not been shown to, and do not, predict performance on the jobs to which new employees are assigned. Plaintiffs Adams, Leroy Barksdale, William Barksdale, Dodson, Graves, Robert Hereford, William Hereford, Montgomery, Robertson, Slade, Smith and Wilson have been directly aggrieved by this practice;

(c) the discriminatory denial to black employees of initial assignment, promotion or transfer to higher level, better paid or more desirable job assignments, including supervisory jobs, clerical jobs and administrative jobs. Among the policies that contribute to this result are: (i) the failure to adequately inform black employees of openings in traditionally

white jobs or in more desirable jobs; (ii) the company's reliance on the subjective discretion of supervisory and personnel officials in making these decisions; (iii) the restriction of certain of the lowest paid and least desirable job categories to black employees; and (iv) the discrimination in testing referred to in subparagraph 4(b), supra. Plaintiffs Adams, Leroy Barksdale, William Barksdale, Edward Crews, Dodson, Graves, Hairston, Robert Hereford, William Hereford, Johnson, Montgomery, Robertson, Slade, Smith and Wilson have been directly aggrieved by these practices;

(d) reliance on length of service in making layoffs and consideration of length of service in making promotions and transfers, where many presently employed black workers were prevented, by virtue of Dan River's history of racial discrimination, from securing employment with the company at an earlier date. Plaintiff Burrell has been directly aggrieved by this practice;

(e) reliance, as a factor in connection with assignment to certain desirable jobs, on formal educational requirements that operate to disqualify a disproportionately large percentage of black candidates and that have not been shown to, and do not, predict performance on these jobs. Plaintiffs Adams, Leroy Barksdale, Robert Hereford, Robertson, Slade, Smith and Wilson have been directly aggrieved by this practice;

(f) reliance, as a condition of assignment to certain jobs from which blacks were traditionally excluded, on educational requirements that are not met by the white incumbents in those positions. Plaintiffs Adams, Leroy Barksdale, William Barksdale, Robert Hereford, Robertson, Slade, Smith and Wilson have been directly aggrieved by this practice.

(g) the discriminatory discharge of black employees on grounds of race. Plaintiff Adams and plaintiffs-intervenors Chaney and Marable have been directly aggrieved by this practice.

5. On January 26, 1972, after the original filing of this suit, Dan River discharged plaintiff Julious Adams, under circumstances in which he would not have been discharged had he not filed charges of racial discrimination against the company with the Equal Employment Opportunity Commission and had he not filed this action. Dan River has discriminated in employment against other plaintiffs and against other persons in retaliation for their institution of suit or their filing of charges against the company under Title VII of the Civil Rights Act of 1964..

#### IV. VIOLATIONS OF LAW

6. The employment practices described in Paragraph 4 hereof are violative of the rights of the plaintiffs and the class they represent secured by Section 703(a)(1), (2) of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-(a)(1), (2).

7. The employment practices described in Paragraph 4 hereof are violative of the rights of the plaintiffs and the class they represent secured by the Civil Rights Act of 1866, 42 U.S.C. § 1981.

8. The discharge of plaintiff Adams and the discrimination against other persons on account of their filing EEOC charges and instituting suit against the defendant violates rights secured by Section 704 of the Civil Rights Act of 1964, 42 U.S.C. § 2000e-3.

#### V. EQUITY

9. Plaintiffs and the class they represent are suffering irreparable injury by virtue of the practices described in Paragraph 4 hereof. They are without an adequate remedy at law.

#### VI. EXHAUSTION

10. Neither the State of Virginia nor the City of Danville has a law prohibiting the practices alleged herein. All of the named plaintiffs have filed charges of racial discrimination against Dan River with the Equal Employment Opportunity Commission, pursuant to Section 706(a) of the Civil Rights Act of 1964, 42 U.S.C. § 2000e. By letters dated October 19, October 15 and October 22, 1969, all of the charging parties, except Joseph R. Graves, have received notification from the Commission, pursuant to Section 706(e), that the Commission was unable to secure voluntary compliance with the Act. Plaintiffs-intervenors Robert Chaney and Joel Marable filed charges of racial discrimination against Dan River within ninety days of their discharge in 1966. By letter dated December 23, 1969, they received notification from the Commission of its inability to secure voluntary compliance with the Act. In February, 1972, plaintiff Adams filed a charge under Section 704 of the Act with the Commission. Adams was notified of his right to sue on this charge on December 14, 1972.

VII. PRAYER

WHEREFORE, the plaintiffs pray that this Court;

(a) Issue a preliminary and permanent injunction enjoining the defendant, its agents, successors, employees, attorneys, and those acting in concert with them from engaging in each of the unlawful practices set forth in Paragraph 4 hereof, and from continuing other practices shown to be in violation of applicable law;

(b) Grant such other and further relief as may be just and proper, including reinstatement, promotion, back pay, and compensatory seniority to the plaintiffs and the members of the class they represent;

(c) Reinstate plaintiff Adams with back pay from the date of his discharge and enjoin the defendant from further discriminating against any person because of their participation in proceedings against the company under Title VII of the Civil Rights Act of 1964; and

(d) Award plaintiffs the costs of this action and reasonable attorneys' fees as provided in § 706(k) of the Civil Rights Act of 1964, 42 U.S.C. § 20003-5(k).

Respectfully submitted,

WILLIAMS & LUCK  
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JACK GREENBERG  
10 Columbus Circle  
New York, New York 10019

Dated: January 26, 1973

By: 

Attorneys for Plaintiffs &  
Plaintiffs-Intervenors

## DECLARATIONS

is: Dan River Mills, Incorporated  
 (As per Endorsement #1)  
 Danville, Virginia

EXHIBIT PLAINTIFF NO. 2

6-4-50 M.E., Spty.  
JFI JUDGE

The Insurance Company Whose Name Appears on the Declarations Page Forming a Part of This Policy  
110 Milk St. BOSTON, MASSACHUSETTS 02107  
 (A stock insurance company herein called the company)

Agrees with the insured, named in the declarations made a part hereof, in consideration of the payment of the premium and in reliance upon the statements in the declarations and subject to the limits of liability, exclusions, conditions and other terms of this policy:

## INSURING AGREEMENTS

**COVERAGES:** To indemnify the insured for all sums which the insured shall be obligated to pay by reason of the liability imposed upon him by law or liability assumed by him under contract or agreement for damages, and expenses, all as included in the definition of "ultimate net loss", because of:

- (a) personal injuries, as hereinafter defined;
- (b) property damage, as hereinafter defined;
- (c) advertising liability, as hereinafter defined.

**II. DEFINITIONS:****1. Insured.**

The unqualified word "insured" includes the named insured and also includes:

- (a) except with respect to liability arising out of the ownership, operation, maintenance, use, loading and unloading of automobiles, aircraft and watercraft—any director, stockholder, officer, or other employee of the named insured, while acting within the scope of his duties as such, and any organization or proprietor with respect to real estate management for the named insured. If the named insured is a partnership, any partner therein but only with respect to his liability as such;
- (b) any other person or organization who is an additional insured under any underlying policy of insurance subject to all the limitations upon coverage under such policy other than the limits of the underlying insurer's liability;
- (c) with respect to any automobile owned by the named insured or hired for use by or on behalf of the named insured, or to any aircraft hired for use by or on behalf of the named insured, any person while using such automobile or such aircraft and any person or organization legally responsible for the use thereof, provided the actual use thereof is with the permission of the named insured. The insurance afforded by this sub-division (c), with respect to any person or organization other than the named insured does not apply—

- 1. to any person or organization, or to any agent or employee thereof, operating an automobile repair shop, public garage, sales agency, service station or public parking place, with respect to any occurrence arising out of the operation thereof;
- 2. to (i) any manufacturer of aircraft engines or component parts of aircraft or aviation accessories, or (ii) any aircraft sales or service or repair organization, or (iii) any seller of aircraft supplies, accessories, equipment or component parts of aircraft or (iv) any airport or hangar operator or (v) the respective employees or agents of any of the aforementioned, with respect to any occurrence arising out of the operations of any of the aforementioned;
- 3. with respect to any hired automobile or aircraft, to the owner or lessee thereof, other than the named insured, or any employee of such owner or lessee.

Except with respect to sub-paragraph 2 hereof, this sub-division (c) shall not apply if it restricts the insurance granted under sub-division (b) above.

**2. Personal Injuries.**

The term "personal injuries" shall mean bodily injury, sickness or disease, mental injury, mental anguish, shock, disability, false arrest, false imprisonment, wrongful eviction, detention, malicious prosecution, discrimination, humiliation, invasion of right of privacy, libel, slander or defamation of character, including death at any time resulting therefrom.

**3. Property Damage.**

The term "property damage" shall mean (a) physical injury to, or physical destruction of, tangible property, including the loss of use thereof but excluding all other consequential damages, or (b) injury to or destruction of property, including the loss of use thereof, caused by accident.

ok-eb-  
 same as prev  
 policy.

#### 4. Advertising Liability.

The term "advertising liability" shall mean (1) libel, slander or defamation, (2) any infringement of copyright or of title or of slogan, piracy or unfair competition or idea misappropriation under an implied contract, or (3) any invasion of right of privacy—all committed or alleged to have been committed in any advertisement, publicity article, broadcast or telecast and arising out of the named insured's advertising activities.

#### 5. Ultimate Net Loss.

The term "ultimate net loss" shall mean the total sum which the insured, or any company as his insurer, or both, becomes legally obligated to pay as damages because of personal injury, property damage, or advertising liability claims, either through adjudication or compromise, and shall also include hospital, medical and funeral charges and all sums paid as salaries, wages, compensation, fees, charges and law costs, premiums on attachment or appeal bonds, interest on judgments, expenses for doctors, lawyers, nurses, and investigators and other persons, and for litigation, settlement, adjustment and investigation of claims and suits which are paid as a consequence of any occurrence covered hereunder, excluding only the salaries of the named insured's or of any underlying insurer's permanent employees.

The company shall not be liable for any expenses as aforesaid when payment of such expenses is included in other valid and collectible insurance.

#### 6. Automobile.

The term "automobile" shall mean a land motor vehicle, trailer or semi-trailer.

#### 7. Aircraft.

The word "aircraft" shall mean heavier than air or lighter than air aircraft designed to transport persons or property.

#### 8. Products—Completed Operations Hazards.

The term "products—completed operations hazards" shall mean liability arising out of

- (1) goods or products manufactured, sold, handled or distributed by the named insured or by others trading under his name, if the occurrence happens after possession of such goods or products has been relinquished to others by the named insured or by others trading under his name and if such occurrence happens away from premises owned, rented or controlled by the named insured; provided, such goods or products shall be deemed to include any container thereof, other than a vehicle, but shall not include any vending machine or any property, other than such container, rented to or located for use of others but not sold;
- (2) operations, if the occurrence happens after such operations have been completed or abandoned and occurs away from premises owned, rented or controlled by the named insured; provided, operations shall not be deemed incomplete because improperly or defectively

performed or because further operations may be required pursuant to an agreement; provided further, the following shall not be deemed to be "operations" within the meaning of this paragraph: (a) pick-up or delivery, except from or onto a railroad car, (b) the maintenance of vehicles owned or used by or in behalf of the insured, (c) the existence of tools, uninstalled equipment and abandoned or unused materials. The word "operations" includes any act or omission in connection with operations performed by or on behalf of the named insured on the premises or elsewhere, whether or not goods or products are involved in such operations.

#### 9. Occurrence.

The term "occurrence" shall mean (a) an accident, or (b) an event, or continuous or repeated exposure to conditions, which unexpectedly results in personal injury, property damage, or advertising liability (either alone or in any combination) during the policy period. With respect to Coverages I (a) and I (b), except with respect to the Products—Completed Operations Hazards, all personal injury and property damage (either alone or in combination) arising out of one event or continuous or repeated exposure to substantially the same general conditions existing at or emanating from one premises location shall be deemed to be one occurrence. With respect to Coverages I (a) and I (b), all personal injury and property damage (either alone or in combination) arising out of the Products—Completed Operations Hazards shall be deemed to be one occurrence if arising out of one lot of goods or products prepared or acquired by the named insured or others trading under his name. With respect to Coverage I (c), all personal injury and property damage (either alone or in combination) involving the same injurious material or act, regardless of the frequency or repetition thereof, the number or kind of media used, and the number of claimants, shall be deemed to arise out of one occurrence.

III. **POLICY PERIOD:—TERRITORY:** This policy applies only to occurrences, as herein defined, which happen during the policy period anywhere in the world; provided, however, if any occurrence happens during the policy period of this policy which results in personal injury, property damage or advertising liability of the type which would be insured under the provisions of this policy and if personal injury, property damage or advertising liability resulting from that same occurrence has also happened during the policy period of any similar policy of insurance issued by the company to any named insured hereunder prior to the policy period of this policy, that policy issued by the company which is in force at the time the first claim is made against the insured which could result in ultimate net loss payable thereunder shall constitute the only policy of the company which shall apply to such occurrence and to all personal injury, property damage and advertising liability (either alone or in combination) at any time resulting from such occurrence, regardless of the number of similar policies of insurance issued by the company which could otherwise apply in the absence of this agreement.

#### AMERICAN EMPL

*Harold Taylor*

Secretary.

This policy does not apply:

- (a) to injury to or destruction of property owned by the named insured;

#### EXCLUSIONS

- (b) except as provided in exclusion (g), to bodily injury, sickness, disease or death resulting therefrom, or property damage, caused intentionally by or at the direction of the insured.



Complaint - Oct. 21, 1969

This policy does not apply, except insofar as coverage is available to the insured under the underlying policies of insurance set forth in the declarations:

(c) with respect to advertising liability, to claims made against the insured:

- (i) for failure of performance of contract, but this shall not relate to claims for unauthorized appropriation of ideas based upon alleged breach of implied contract;
- (ii) for infringement of registered trade-mark, service mark or trade-name by use thereof as the registered trade-mark, service mark or trade-name of goods or services sold, offered for sale or advertised, but this shall not relate to titles or slogans;
- (iii) for incorrect description of any article or commodity;
- (iv) for mistake in advertised price.

(d) to any obligation for which the insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment, compensation or disability benefits law, or under any similar law, provided, however that this exclusion does not apply to liability of others assumed by the named insured under any contract or agreement;

(e) to claims made against the insured:

- (i) for repairing or replacing any defective product or products manufactured, sold, handled or distributed by the insured or any defective part or parts thereof nor for the cost of such repair or replacement;
- (ii) for the loss of use of any such defective product or products or part or parts thereof;

## CONDITIONS

1. **Premium.** The premium for this policy shall be as stated on the Declarations page.

2. **Inspection and Audit.** The company shall be permitted to inspect the insured's premises, operations and elevators and to examine and audit the insured's books and records at any time during the policy period and any extension thereof and within three years after the final termination of this policy, as far as they relate to the premium bases or the subject matter of this insurance.

3. **Special Conditions Applicable to Occupational Disease.** As regards personal injury (fatal or non-fatal) by Occupational Disease sustained by any employee of the insured, this policy is subject to the same warranties, terms or conditions (except as regards the premium, the amount and limits of liability, any condition respecting "other insurance" and the renewal agreement, if any) as are contained in or as may be added to the policies of Underlying Insurances set forth in the Declarations prior to the happening of an occurrence for which claim is made hereunder.

4. **Limits of Liability.** The company shall only be liable for ultimate net loss in excess of either:

- (a) except as provided in subparagraph (b) hereof, the applicable limits of liability of the policies of underlying insurance set forth in Item 3 of the Declarations; or
- (b) as respects each occurrence not covered by such underlying insurance, or where each occurrence is covered by such underlying insurance but in recoverable amounts less than the Underlying Limits set forth in Item 4 of the Declarations, the amount of ultimate net loss set forth in the Declarations as "Underlying Limits".

but in no event shall the company be liable for an amount in excess of the applicable limit of liability set forth in Item 5 of the Declarations.

The limit of liability stated in Item 5 of the Declarations as applicable to "each occurrence" is the total limit of the company's liability under this policy for ultimate net loss as a result of any one occurrence.

Subject to the limit of liability set forth in Item 5 of the Declarations with respect to "each occurrence", the limit of liability so set forth as "aggregate" shall be the total limit of the company's liability under this policy for ultimate net loss:

(1) because of all personal injury and property damage during each consecutive twelve months of the policy period, arising out of the Products-Completed Operations Hazards, and

(2) because of all personal injury during each consecutive twelve months of the policy period sustained from Occupational Disease by any employee of the insured.

(iii) for improper or inadequate performance, design or specification. It nothing herein contained shall be construed to exclude claims made against the insured for personal injuries or property damage (other than property damage to a product of the insured) resulting from improper or inadequate performance, design or specification;

(f) to liability of any insured for assault and battery committed by or at the direction of such insured except liability for personal injury or death resulting from any act alleged to be an assault and battery but which was actually committed for the purpose of preventing or eliminating danger in the operation of aircraft;

(g) to any employee with respect to personal injury to or death of another employee of the same employer injured in the course of such employment;

(h) to liability arising out of the ownership, maintenance, operation, use, loading or unloading of any aircraft; provided, however, this exclusion shall not apply to liability of the named insured for aircraft not owned by such insured;

(i) to liability arising out of the ownership, maintenance, operation, use, loading or unloading of any watercraft except liability of the named insured for watercraft not owned by such insured;

(j) to any liability of the insured due to war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

In the event of reduction or exhaustion of the aggregate limits of liability under the policies of underlying insurance by reason of losses paid thereunder, this policy shall:

- (i) in the event of reduction, pay the excess of the reduced underlying insurance, and
- (ii) in the event of exhaustion, continue in force as underlying insurance,

but nothing in this paragraph shall operate to increase the limits of the company's liability.

5. **Severability of Interests.** The term "the insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limits of the company's liability. If more than one insured is named in Item 1 of the Declarations, it is understood and agreed that the limits of the company's liability shall not apply separately to each such insured.

6. **Notice of Occurrence.** When an occurrence takes place which, in the opinion of the insured, involves or may involve liability on the part of the company, prompt written notice shall be given by or on behalf of the insured to the company or any of its authorized representatives. Such notice shall contain particulars sufficient to identify the insured and also reasonably obtainable information respecting the time, place and circumstances of the occurrence. Failure to so notify the company of any occurrence which at the time of its happening did not appear to involve this policy but which, at a later date, would appear to give rise to a claim hereunder shall not prejudice such claim provided such notice is then given.

7. **Assistance and Cooperation of the Insured.** Except when the aggregate limits of liability under the policies of underlying insurance set forth in Item 3 of the Declarations have been exhausted, the company shall not be called upon to assume charge of the settlement or defense of any claim made, suit brought or proceeding instituted against the insured but the company shall have the right and shall be given the opportunity to associate with the insured or the insured's underlying insurers, or both, in the defense and control of any claim, suit or proceeding relative to an occurrence where, in the judgment of the company, the claim or suit involves or appears reasonably likely to result in liability for indemnity by the company under this policy, in which event the insured, any underlying insurers involved, and the company, shall cooperate in all things in the defense of such claim or suit.

With respect to any claim made, suit brought or proceeding instituted against the insured to which the policies of underlying insurance set forth in Item 3 of the Declarations will not apply because of the exhaustion of the aggregate limits of liability thereunder, if such claim, suit or proceeding is one which could result in liability of the company to indemnify the insured hereunder for damages, the company may, if it so elects, assume

complete control of the investigation, negotiations, settlement and defense of any such claim, suit or proceeding against the insured. In the event the company notifies the insured that it has so elected, the insured shall cooperate with the company and, upon the company's request, attend hearings and trials and assist in making settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of any legal proceedings in connection with the subject matter of this insurance. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of the occurrence.

8. **Appeals.** In the event the insured or the insured's underlying insurer(s) elect not to appeal a judgment in excess of the underlying limits, the company may elect to make such appeal at its own cost and expense, and shall be liable for the taxable costs, disbursements and interest on judgments incidental thereto, but in no event shall the liability of the company for ultimate net loss exceed the limit of its liability stated in this policy and, in addition, the cost and expense of such appeal.
9. **Loss Payable.** Liability under this policy with respect to any occurrence shall not attach unless and until the insured, or the insured's underlying insurer, shall have paid the amount of the underlying limits on account of such occurrence. The insured shall make a definite claim for any loss for which the company may be liable under the policy within twelve (12) months after the insured shall have paid an amount of ultimate net loss in excess of the amount borne by the insured or after the insured's liability shall have been fixed and rendered certain either by final judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company. If any subsequent payments shall be made by the insured on account of the same occurrence, additional claims shall be made similarly from time to time. Such losses shall be due and payable within thirty days after they are respectively claimed and proven in conformity with this policy.
10. **Other Insurance.** If any other valid and collectible insurance exists protecting the insured against ultimate net loss covered by this policy (other than the policies of underlying insurance specified in Item 3 of the Declarations and other than any policy with respect to which this policy is specified therein as underlying insurance), this policy shall be null and void with respect to such loss whether the insured is specifically named in such other policy of insurance or not; provided, however, if the amounts recoverable by the insured under such other insurance are not sufficient to completely protect the insured against such loss, this policy shall apply but only as excess insurance over such other valid and collectible insurance, in an amount not to exceed the limit of the company's liability stated in this policy, and not as contributing insurance.
11. **Subrogation.** Inasmuch as this policy is excess coverage, the insured's right of recovery against any person, firm or corporation cannot be exclusively subrogated to the company; therefore, in case of any payment hereunder, the company will act in concert with all other interests, including the insured, concerned in the exercise of such rights of recovery. The apportioning of any amounts which may be so recovered shall follow the principle that any interests, including the insured, that shall have paid an amount over and above any payment hereunder, shall first be reimbursed up to the amount paid by them; the company is then to be reimbursed out of any balance then remaining up to the amount paid hereunder; lastly, the interests, including the insured, of which this coverage is in excess are entitled to claim the residue, if any. Expenses necessary to the recovery of any such amounts shall be apportioned between the interests, including the insured, concerned, in the ratio of their respective recoveries as finally settled.
12. **Changes.** Notice to or knowledge possessed by any person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any rights under the terms of this policy; nor shall the terms of this policy be waived or changed except by endorsement issued to form a part of this policy.
13. **Assignment.** Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon.
14. **Cancellation.** This policy may be cancelled at any time by the insured first named in Item 1 of the Declarations by mailing to the company or any of its authorized representatives, written notice stating when thereafter such cancellation shall become effective. This policy may be cancelled by the company by mailing to the insured first named in Item 1 of the Declarations, at the address shown in the Declarations, written notice stating when, either not less than 30 days thereafter or the maximum cancellation notice period stated in the policies of underlying insurance set forth in the Declarations, whichever is the lesser, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour stated in such notice shall become the end of the policy period. Delivery of such written notice either by such insured or the company shall be equivalent to mailing. If such insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
15. **Maintenance of Underlying Insurance.** The policy or policies set forth in the Declarations as Underlying Insurance shall be maintained in full effect during the period this policy remains in force except for any reduction of the aggregate limits contained therein solely by payment of claims for occurrences which take place during this policy period. Failure of the insured to comply with the foregoing shall not invalidate this policy but in the event of such failure, the company shall only be liable to the same extent as it would have been if the insured had complied with this condition.

It Witness Whereof, The issuing Company has caused this policy to be signed officially below and countersigned on the declarations page by a duly authorized agent of said Company.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED

*Frank J. Carey*  
United States General Manager and Attorney.

AMERICAN EMPLOYERS' INSURANCE COMPANY

*Frank J. Carey*  
President.

*J. Marshall Taylor*  
Secretary.

The Company issuing this policy is indicated by the first letter in  
POLICY NO., as follows:

E - The Employers' Liability Assurance Corp., Ltd.  
A - American Employers' Insurance Company

POLICY NO.

E16-8136-002

AGENCY SYMBOL	AGCY CODE	PRODUCER CODE	STATE	CITY	CLASS	LMTS.	EXPOSURE	GRP. CODE	AGENT OR BROKER			
		66666	45	00	8888	0	00	20	Marsh & McLennan			
SUB-AGENT OR BROKER			COMM.	RENEWAL OF OR PREV. NO.		DATE ISSUED		GL %	GPD %	X %	XPD %	OTHER %
				E16-8136-001		1/25/67		40	40	10	10	

### DECLARATIONS

#### ITEM 1.

Named Insured: Dan River Mills, Incorporated  
Address: (As per Endorsement #1)  
Danville, Virginia  
(No., Street, Town, County, State)

Business of Insured Manufacturing, finishing and selling cotton. (See endt #2)

ITEM 2. Policy Period: From January 1, 1967 to January 1, 1970 12:01 A. M.  
standard time at the address of the Named Insured as stated herein.

#### ITEM 3. Underlying Insurance

Coverage	Limits of Liability
Comprehensive General Liability Including Products Blanket Contractual Owned Watercraft Foreign Liability Malpractice	PERSONAL INJURY \$ 100,000.00 each person \$ 300,000.00 each occurrence \$ 300,000.00 aggregate PROPERTY DAMAGE \$ 100,000.00 each occurrence \$ 100,000.00 aggregate
Automobile Liability	BODILY INJURY \$ 100,000.00 each person \$ 300,000.00 each accident PROPERTY DAMAGE \$ 100,000.00 each accident
Employers Liability	\$ 100,000.00 each accident
Specific Excess Workmen's Compensation	\$ 1,000,000.00 excess of \$ 11,500.00 each accident
- continued -	

ITEM 4. Underlying Limits \$ 25,000.00

#### ITEM 5. Limits of Liability—Ultimate Net Loss

\$ 5,000,000.00 each occurrence  
\$ 5,000,000.00 aggregate

#### ITEM 6. Premium

\$ 12,000.00 3 Years Prepaid.

GEORGE GARNER

RESIDENT LIAISON OFFICER

BY

J. X. [Signature]

Countersigned

(Authorized Representative)

1/25/67 C

Named Insured Dan River Mills, Incorporated

E16-8136-002

ITEM 3. Underlying Insurance Continued

Coverage	Limits of Liability
Aircraft Liability	\$10,000,000.00 Combined Single Limit each occurrence
Advertisers' Liability Excludes Coverage for:	\$ 100,000.00 each occurrence <i>100,000.00 aggregate - (see enlt date 12-12-68)</i>
Iselin-Jefferson Company, Inc. Iselin-Jefferson Financial Company, Inc. Colony Sales Company, Inc. Hayes Sales Company, Inc. Fruit of the Loom Financial Corporation Woodside Mills John Preston Warehouse Company Wunda Weve Carpet Company, Inc. Wunda Weve Leasing Company	

PAGE 2

BY JX. Chaudhry  
Authorized Representative



This endorsement, effective \_\_\_\_\_, forms part of Policy No. E16-8136-002

issued to EFFECTIVE FROM INCEPTION DATE OF POLICY  
by the insurance company indicated below by an "X".

☒ THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LTD. ☐ AMERICAN EMPLOYERS' INSURANCE COMPANY ☐ THE EMPLOYERS' FIRE INSURANCE COMPANY ☐ THE NORTHERN ASSURANCE COMPANY OF AMERICA

It is agreed that Item 1, Named Insured, as shown on the Declarations shall read as follows:

Dan River Mills, Incorporated, Dan River International Corporation, Schoolfield Finishers, Inc., Dan River Cotton Company, Inc., Dan River Mills Foundation, Schoolfield Community Foundation, Inc., Riverdan Benevolent Fund, Inc., Iselin-Jefferson Company, Inc., Iselin-Jefferson Financial Company, Inc., Hayes Sales Company, Inc., Colony Sales Company, Inc., Fruit of the Loom Financial Corporation, Webco Mills, Incorporated, Webco Dyers, Inc., Webco Realty Company, Inc., Clifton Manufacturing Company, a Division of Dan River Mills, Incorporated, Dan River Carpets Company, A Division of Dan River Mills, Incorporated and/or Affiliated, Subsidiary Companies as now or hereafter constituted and the Named Insured owns an interest of more than fifty (50) percent, but excluding Woodside Mills, A Division of Dan River Mills, Incorporated, Wunda Weve Carpet Company, Inc. and Wunda Weve Leasing Company.

GEORGE DANIEL  
RESIDENT REPRESENTATIVE

Countersigned

BY J. X. [Signature]

Authorized Representative

End. #1

✓  
eb



This endorsement, effective January 1, 1967, forms part of Policy No. E16-8136-002  
issued to Dan River Mills  
by the insurance company indicated below by an "X".

☒ THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LTD.    ☐ AMERICAN EMPLOYERS' INSURANCE COMPANY    ☐ THE EMPLOYERS' FIRE INSURANCE COMPANY    ☐ THE NORTHERN ASSURANCE COMPANY OF AMERICA

It is agreed that Item #1 of the Declarations, Business of Insured, is amended to read as follows:

Manufacturing, Finishing and Selling Cotton and Synthetic Cloth and Carpeting. Manufacturing Chemical Finishes for Cloth, Primarily for own use. Factoring.

Countersigned BY GEORGE H. HANDEL  
REPRESENTATIVE  
J. K. Chittenden  
Authorized Representative  
End. #2



This endorsement effective 1/1/68, forms part of policy No. E16-8135-002  
issued to Dan River Mills Inc.  
by the insurance company indicated below by an "X".

☒ THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LTD. ☐ AMERICAN EMPLOYERS' INSURANCE COMPANY ☐ THE EMPLOYERS' FIRE INSURANCE COMPANY ☐ THE NORTHERN ASSURANCE COMPANY OF AMERICA

It is hereby agreed that this policy is extended to include the following interests as Additional Insureds:

- (1) - Wunda Weve Carpet Company a Division of Dan River Mills, Incorporated
- (2) - Wunda Weve Leasing Company.

This policy is hereby amended as herein specifically stated but not otherwise.

It is agreed that the Underlying Insurance for these additions is as follows:

COVERAGE

Comprehensive General Liability  
Including:  
    products  
    blanket contractual

Automobile Liability

Employers Liability

Additional Premium Due: \$200.00

Marsh & McLennan - 66666  
FXO:CTS  
4/1/68

LIMITS OF LIABILITY

Personal Injury  
\$100,000 each person  
\$300,000 each occurrence  
\$300,000 aggregate  
Property Damage  
\$100,000 each occurrence  
\$100,000 aggregate  
Bodily Injury  
\$100,000 each person  
\$300,000 each accident  
Property Damage  
\$100,000 each accident  
\$100,000 each accident

GEORGE DALZIEL

RESIDENT LICENSED AGENT

BY  ATTORNEY





This endorsement Tect. 1/1/68, forms part of policy No. E16-8136-002  
issued to Dan River Mills Inc.  
by the insurance company indicated below by an "X".

☒ THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LTD. ☐ AMERICAN EMPLOYERS' INSURANCE COMPANY ☐ THE EMPLOYERS' FIRE INSURANCE COMPANY ☐ THE NORTHERN ASSURANCE COMPANY OF AMERICA

It is hereby agreed that this policy is extended to include the following interests as Additional Insureds:

- (1) - Woodside Mills
- (2) - John Preston Warehouse Company.

This policy is hereby amended as herein specifically stated but not otherwise.

It is agreed that the Underlying Insurance for this addition is as follows:

COVERAGE

Comprehensive General Liability

Including:

products liability  
blanket contractual

Automobile Liability

Workmen's Compensation and  
Employers' Liability

Additional premium due: \$1,000.00

Marsh & McLennan - 66666  
FXO:CTS  
4/1/68

LIMITS OF LIABILITY

Personal Injury

\$ 100,000 each person  
\$ 300,000 each occurrence  
\$ 300,000 aggregate

Property Damage

\$ 100,000 each occurrence  
\$ 100,000 aggregate

Bodily Injury

\$ 100,000 each person  
\$ 300,000 each accident

Property Damage

\$ 100,000 each accident  
\$1,000,000 each occurrence  
excess of  
\$ 15,000 each occurrence

GEORGE DALZIEL  
RESIDENT LICENSED AGENT

BY *R. R. R.* ATTORNEY

PRODUCER

Marsh &amp; Lennan

PRODUCER CODE

00000

This endorsement, effective 1/1/67, forms part of Policy No. E15-8136-00issued to Dan River Mills  
by the insurance company indicated below by an "X".☒ THE EMPLOYERS' LIABILITY  
ASSURANCE CORPORATION, LTD.☐ AMERICAN EMPLOYERS'  
INSURANCE COMPANY☐ THE EMPLOYERS' FIRE  
INSURANCE COMPANY☐ THE NORTHERN ASSURANCE  
COMPANY OF AMERICA

It is hereby agreed that Item 3 of the policy  
"Underlying Insurance" is amended by the inclusion  
of the following:

Limits of Liability

Advertisers Liability - \$100,000.00 Each Occurrence  
\$100,000.00 Aggregate

This policy is hereby amended as herein specifically  
stated but not otherwise.

GEORGE DALZIEL

RESIDENT LICENCED AGENT

BY

  
ATTORNEY

FXO:CTS  
12/12/68

PRODUCER	PRODUCER CODE
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This endorsement, effective October 1, 1969, forms part of Policy No. E16-8136-002  
issued to Dan River Mills, Inc.  
by the insurance company indicated below by an "X".

- |   |  |  |
|---|--|--|
| <input checked="" type="checkbox"/> THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED | <input type="checkbox"/> COMMERCIAL UNION INSURANCE COMPANY OF AMERICA | <input type="checkbox"/> AMERICAN EMPLOYERS' INSURANCE COMPANY |
| <input type="checkbox"/> THE EMPLOYERS' FIRE INSURANCE COMPANY                              | <input type="checkbox"/> THE NORTHERN ASSURANCE COMPANY OF AMERICA     | <input type="checkbox"/> THE PENNSYLVANIA INSURANCE COMPANY    |

In consideration of an additional premium of \$150.00, it is agreed that Item #1 of the Declarations, Named Insured, is amended to include the following:

Crystal Springs Textiles

Additional Premium Due: \$150.00

GEORGE DALZIEL  
RESIDENT LICENSED AGENT

BY

Countersigned

*Henry Z* ATTORNEY  
Authorized Representative

End. #6

PRODUCER	PRODUCER CODE
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This endorsement, effective October 5, 1969, forms part of Policy No. E16-8136-002  
issued to Dan River Mills, Inc.  
by the insurance company indicated below by an "X".

- |   |  |  |
|---|--|--|
| <input checked="" type="checkbox"/> THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED | <input type="checkbox"/> COMMERCIAL UNION INSURANCE COMPANY OF AMERICA | <input type="checkbox"/> AMERICAN EMPLOYERS' INSURANCE COMPANY |
| <input type="checkbox"/> THE EMPLOYERS' FIRE INSURANCE COMPANY                              | <input type="checkbox"/> THE NORTHERN ASSURANCE COMPANY OF AMERICA     | <input type="checkbox"/> THE PENNSYLVANIA INSURANCE COMPANY    |

In consideration of an additional premium of \$150.00, it is agreed that Item #1 of the Declarations, Named Insured, is amended to include the following:

Cohn-Miller, Inc. and  
Textiles Services, Inc.

Additional Premium Due: \$150.00

GEORGE WALZIEL  
RESIDENT LICENSED AGENT  
BY *[Signature]* ATTORNEY  
Countersigned                      Authorized Representative  
End. #7

PRODUCER	PRODUCER CODE
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This endorsement, effective October 8, 1969, forms part of Policy No. E16-8136-002

issued to Dan River Mills, Inc.

by the insurance company indicated below by an "X".

☒ THE EMPLOYERS' LIABILITY ASSURANCE  
CORPORATION, LIMITED

☐ COMMERCIAL UNION INSURANCE  
COMPANY OF AMERICA

☐ AMERICAN EMPLOYERS'  
INSURANCE COMPANY

☐ THE EMPLOYERS' FIRE  
INSURANCE COMPANY

☐ THE NORTHERN ASSURANCE  
COMPANY OF AMERICA

☐ THE PENNSYLVANIA  
INSURANCE COMPANY

In consideration of an additional premium of \$50.00, it is agreed that Item #1 of the Declarations, Named Insured, is amended to include the following:

Morganton Hosiery Mills, Inc.

Additional Premium Due: \$50.00

GEORGE DALZIEL

RESIDENT LICENSED AGENT

BY

Countersigned

Attorney ATTORNEY

Authorized Representative

End. #8



## BANKRUPTCY OR INSOLVENCY CLAUSE

It is agreed that bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED

*Frank J. Carey*  
United States Manager and Attorney.

AMERICAN EMPLOYERS' INSURANCE COMPANY

*J. Marshall Joydon*  
Secretary.

*Frank J. Carey*  
President.

G9591



## AMENDATORY ENDORSEMENT - UMBRELLA POLICY

It is agreed that exclusion (b) of this policy is amended to read as follows:

- (b) except as provided in exclusion (f) to bodily injury, sickness, disease or death resulting therefrom, or property damage, caused intentionally by or at the direction of the insured.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED

*Frank J. Carey*  
United States General Manager and Attorney.

AMERICAN EMPLOYERS' INSURANCE COMPANY

*J. Marshall Joydon*  
Secretary.

*Frank J. Carey*  
President.

G9587

A&G 661a  
**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**  
(BROAD FORM)

This endorsement, effective \_\_\_\_\_ (12:01 A. M., standard time) , forms a part of policy No. \_\_\_\_\_

issued to \_\_\_\_\_

by \_\_\_\_\_

It is agreed that the policy does not apply:

- I. Under any Liability Coverage, to injury, sickness, disease, death or destruction
  - (a) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
  - (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection, pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- II. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if
  - (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;
  - (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
  - (c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to injury to or destruction of property at such nuclear facility.
- IV. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means source material, special nuclear material or byproduct material;

"source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"nuclear facility" means

  - (a) any nuclear reactor,
  - (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
  - (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
  - (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

RECEIVED BY \_\_\_\_\_

BY \_\_\_\_\_

Authorized Representative

ck

# Umbrella Policy

Pl. Ex. 3

EXHIBIT PLAINTIFF NO. 3

6-4-80 M. E. Dpty  
JFI JUDGE

The Insurance Company Whose Name Appears on the Declarations Page Forming a Part of This Policy

110 HILK STREET

BOSTON, MASSACHUSETTS 02107

(A stock insurance company herein called the company)

Agrees with the insured, named in the declarations made a part hereof, in consideration of the payment of the premium and in reliance upon the statements in the declarations and subject to the limits of liability, exclusions, conditions and other terms of this policy:

## INSURING AGREEMENTS

I. **COVERAGES:** To indemnify the Insured for all sums which the Insured shall be obligated to pay by reason of the liability imposed upon him by law or liability assumed by him under contract or agreement for damages, and expenses, all as included in the definition of "ultimate net loss", because of:

- (a) personal injuries, as hereinafter defined;
- (b) property damage, as hereinafter defined;
- (c) advertising liability, as hereinafter defined.

## II. DEFINITIONS:

### 1. Insured

The unqualified word "Insured" includes the Named Insured and also includes:

- (a) except with respect to liability arising out of the ownership, operation, maintenance, use, loading and unloading of automobiles, aircraft and watercraft — any director, stockholder, officer, or other employee of the Named Insured, while acting within the scope of his duties as such, and any organization or proprietor with respect to real estate management for the Named Insured. If the Named Insured is a partnership, any partner therein but only with respect to his liability as such;
- (b) any other person or organization who is an additional Insured under any underlying policy of insurance subject to all the limitations upon coverage under such policy other than the limits of the underlying insurer's liability;
- (c) with respect to any automobile owned by the Named Insured or hired for use by or on behalf of the Named Insured, or to any aircraft or watercraft hired for use by or on behalf of the Named Insured, any person while using such automobile, aircraft, or watercraft and any person or organization legally responsible for the use thereof, provided the actual use thereof is with the permission of the Named Insured. The insurance afforded by this sub-division (c), with respect to any person or organization other than the Named Insured does not apply—

1. to any person or organization, or to any agent or employee thereof, operating an automobile repair shop, public garage, sales agency, service station or public parking place, with respect to any occurrence arising out of the operation thereof;

2. to (i) any manufacturer of aircraft engines or component parts of aircraft or aviation accessories, or (ii) any aircraft sales or service or repair organization, or (iii) any seller of aircraft supplies, accessories, equipment or component parts of aircraft or (iv) any airport or hangar operator or (v) the respective employees or agents of any of the aforementioned, with respect to any occurrence arising out of the operations of any of the aforementioned;

3. with respect to any hired automobile, aircraft or watercraft, to the owner or lessee thereof, other than the Named Insured, or any employee of such owner or lessee.

Except with respect to sub-paragraph 2 hereof, this sub-division (c) shall not apply if it restricts the insurance granted under sub-division (b) above.

### 2. Personal Injuries.

The term "personal injuries" shall mean bodily injury, sickness or disease, mental injury, mental anguish, shock, disability, false arrest, false imprisonment, wrongful eviction, detention, malicious prosecution, discrimination, humiliation, invasion of right of privacy, libel, slander or defamation of character, including death at any time resulting therefrom.

### 3. Property Damage.

The term "property damage" shall mean physical injury to, or physical destruction of, tangible property, including the loss of use thereof.

### 4. Advertising Liability.

The term "advertising liability" shall mean (1) libel, slander or defamation, (2) any infringement of copyright or of title



or slogan, piracy or unfair competition or idea misappropriation under an implied contract, or (3) any invasion of right of privacy — all committed or alleged to have been committed in any advertisement, publicity article, broadcast or telecast and arising out of the Named Insured's advertising activities.

#### 5. Ultimate Net Loss.

The term "ultimate net loss" shall mean the total sum which the Insured, or any company as his insurer, or both, becomes legally obligated to pay as damages, because of personal injury, property damage, or advertising liability claims, either through adjudication or compromise, and shall also include hospital, medical and funeral charges and all sums paid as salaries, wages, compensation, fees, charges and law costs, premiums on attachment or appeal bonds, interests on judgments, expenses for doctors, lawyers, nurses and investigators and other persons, and for litigation, settlement, adjustment and investigation of claims and suits which are paid as a consequence of any occurrence covered hereunder, excluding only the salaries of the Named Insured's or of any underlying insurer's permanent employees.

The company shall not be liable for any expenses as aforesaid when payment of such expenses is included in other valid and collectible insurance.

#### 6. Automobile.

The term "automobile" shall mean a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include mobile equipment;

"Mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the Named Insured, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers and other road construction or repair equipment; air compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment.

#### 7. Aircraft.

The word "aircraft" shall mean heavier than air or lighter than air aircraft designed to transport persons or property.

#### 8. Completed Operations Hazard.

"Completed operations hazard" includes personal injury and property damage arising out of the operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the personal injury or property

damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the Named Insured.

"Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- (1) when all operations to be performed by or on behalf of the Named Insured under the contract have been completed,
- (2) when all operations to be performed by or on behalf of the Named Insured at the site of the operations have been completed, or
- (3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or sub-contractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The completed operations hazard does not include personal injury or property damage arising out of:

- (a) operations in connection with the transportation of property, unless the personal injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof,
- (b) the existence of tools, uninstalled equipment or abandoned or unused materials, or
- (c) operations for which the classification stated in the policy or in the company's manual specifies "including completed operations".

#### 9. Products Hazard.

"Products hazard" includes personal injury and property damage arising out of the Named Insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the personal injury or property damage occurs away from premises owned by or rented to the Named Insured and after physical possession of such products has been relinquished to others.

#### 10. Occurrence.

The term "occurrence" shall mean (a) an accident, or (b) an event, or continuous or repeated exposure to conditions, which results during the policy period, in personal injury, property damage, or advertising liability (either alone or in combination) neither expected nor intended from the standpoint of the Insured. With respect to Coverages I (a) and I (b), except with respect to the Products-Completed Operations Hazards, all personal injury and property damage (either alone or in combination) arising out of one event or continuous or repeated exposure to substantially the same general conditions existing at or emanating from one premises location shall be deemed to be one occurrence. With respect to Coverages I (a) and I (b), all personal injury and property damage (either alone or in combination)

arising out of the Products-Completed Operations Hazards shall be deemed to be one occurrence if arising out of one lot of goods or products prepared or acquired by the Named Insured or others trading under his name. With respect to Coverage I (c), all personal injury and property damage (either alone or in combination) involving the same injurious material or act, regardless of the frequency or repetition thereof, the number or kind of media used, and the number of claimants, shall be deemed to arise out of one occurrence.

**III. POLICY PERIOD: — TERRITORY:** This policy applies only to occurrences, as herein defined, which happen during the policy period; provided, however, if any occurrence happens during the policy period of this policy which results in personal injury,

## EXCLUSIONS

This policy does not apply, except insofar as coverage is available to the Insured under the underlying policies of insurance set forth in the Declarations:

(a) with respect to advertising liability, to claims made against the Insured:

(i) for failure of performance of contract, but this shall not relate to claims for unauthorized appropriation of ideas based upon alleged breach of implied contract;

(ii) for infringement of registered trade-mark, service mark or trade-name by use thereof as the registered trade-mark, service mark or trade-name of goods or services sold, offered for sale or advertised, but this shall not relate to titles or slogans;

(iii) for incorrect description of any article or commodity;

(iv) for mistake in advertised price;

(b) to any obligation for which the Insured or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law, provided, however that this exclusion does not apply to liability of others assumed by the Named Insured under any contract or agreement;

(c) to claims made against the Insured:

(i) for damage to the Named Insured's products arising out of such products or any part of such products;

(ii) for property damage to work performed by or on behalf of the Named Insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;

(iii) for damages for the withdrawal, inspection, repair, replacement, or loss of use of the Named Insured's products

property damage or advertising liability of the type which would be insured under the provisions of this policy and if personal injury, property damage or advertising liability resulting from that same occurrence has also happened during the policy period of any similar policy of insurance issued by the company to any Named Insured hereunder prior to the policy period of this policy, that policy issued by the company which is in force at the time the first claim is made against the Insured which could result in ultimate net loss payable thereunder shall constitute the only policy of the company which shall apply to such occurrence and to all personal injury, property damage and advertising liability (either alone or in combination) at any time resulting from such occurrence, regardless of the number of similar policies of insurance issued by the company which could otherwise apply in the absence of this agreement.

or work completed by or for the Named Insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

(iv) for improper or inadequate performance, design or specification, but nothing herein contained shall be construed to exclude claims made against the Insured for personal injuries or property damage (other than property damage to a product of the Insured) resulting from improper or inadequate performance, design or specification;

(d) to any employee with respect to personal injury to or death of another employee of the same employer injured in the course of such employment;

(e) to liability arising out of the ownership, maintenance, operation, use, loading or unloading of any aircraft or watercraft owned by any insured or leased by any insured for a period of more than thirty consecutive days; provided however, this exclusion shall not apply to liability of the Named Insured for any other non-owned aircraft or watercraft;

(f) to any liability of the Insured due to war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction or of damage to property by or under the order of any government or public or local authority;

(g) to injury to or destruction of property owned by any Named Insured;

(h) to liability of any insured hereunder for assault and battery committed by or at the direction of such insured except liability for personal injury or death resulting from any act alleged to be assault and battery committed for the purpose of preventing personal injury or property damage.

## CONDITIONS

**1. Premium.** The premium for this policy shall be as stated in the Declarations Page.

**2. Additions.** In the event of additional insureds or additional coverages being added to the coverage under the Underlying Insurances while this policy is in force prompt notice shall be given to the company and the company shall be entitled to charge appropriate additional premiums thereon.

**3. Inspection and Audit.** The company shall be permitted but not obligated to inspect the Named Insured's property and operations at any time. Neither the company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Named Insured or others, to determine or warrant that such property or operations are safe.

The company may examine and audit the Named Insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

**4. Special Conditions Applicable to Occupational Disease.** As regards personal injury (fatal or non-fatal) by Occupational Disease sustained by any employee of the Insured, this policy is subject to the same warranties, terms or conditions (except as regards the premium, the amount and limits of liability, any condition respecting "other insurance" and the renewal agreement, if any) as are contained in or as may be added to the policies of Underlying Insurances set forth in the Declarations prior to the happening of an occurrence for which claim is made hereunder.

**5. Limits of Liability.** The company shall only be liable for ultimate net loss in excess of either:

(a) except as provided in sub-paragraph (b) hereof, the applicable limits of liability of the policies of underlying insurance set forth in Item 3 of the Declarations; or

(b) as respects each occurrence not covered by such underlying insurance, or where each occurrence is covered by such underlying insurance but in recoverable amounts less than the Underlying Limits set forth in Item 4 of the Declarations, the amount of ultimate net loss set forth in the Declarations as "Underlying Limits",

but in no event shall the company be liable for an amount in excess of the applicable limit of liability set forth in Item 5 of the Declarations.

The limit of liability stated in Item 5 of the Declarations as applicable to "each occurrence" is the total limit of the company's liability under this policy for ultimate net loss as a result of any one occurrence.

Subject to the limit of liability set forth in Item 5 of the Declarations with respect to "each occurrence", the limit of liability so set forth as "aggregate" shall be the total limit of the company's liability under this policy for ultimate net loss:

(1) because of all personal injury and property damage during each consecutive twelve months of the policy period, arising out of the Products-Completed Operations Hazards, and

(2) because of all personal injury during each consecutive twelve months of the policy period sustained from Occupational Disease by any employee of the Insured.

In the event of reduction or exhaustion of the aggregate limits of

liability under the policies of underlying insurance by reason of losses paid thereunder, this policy shall:

- (i) in the event of reduction, pay the excess of the reduced underlying insurance, and
- (ii) in the event of exhaustion, continue in force as underlying insurance,

but nothing in this paragraph shall operate to increase the limits of the company's liability.

**Verifiability of Interests.** The term "the Insured" is used severally and not collectively, but the inclusion herein of more than one Insured shall not operate to increase the limits of the company's liability. If more than one Insured is named in Item 1 of the Declarations, it is agreed that the limits of the company's liability shall not apply separately to each Insured.

**7. Notice of Occurrence.** When an occurrence takes place which, in the opinion of the Insured, involves or may involve liability on the part of the company, prompt written notice shall be given by or on behalf of the Insured to the company or any of its authorized representatives. Such notice shall contain particulars sufficient to identify the Insured and also reasonably obtainable information respecting the time, place and circumstances of the occurrence. Failure to so notify the company of any occurrence which at the time of its happening did not appear to involve this policy but which, at a later date, would appear to give rise to a claim hereunder shall not prejudice such claim provided such notice is then given.

**8. Assistance and Cooperation of the Insured.** Except when the aggregate limits of liability under the policies of underlying insurance set forth in Item 3 of the Declarations have been exhausted, the company shall not be called upon to assume charge of the settlement or defense of any claim made, suit brought or proceeding instituted against the Insured but the company shall have the right and shall be given the opportunity to associate with the Insured or the Insured's underlying insurers, or both, in the defense and control of any claim, suit or proceeding relative to an occurrence where, in the judgment of the company, the claim or suit involves or appears reasonably likely to result in liability for indemnity by the company under this policy, in which event the Insured, any underlying insurers involved, and the company, shall cooperate in all things in the defense of such claim or suit.

With respect to any claim made, suit brought or proceeding instituted against the Insured to which the policies of underlying insurance set forth in Item 3 of the Declarations will not apply because of the exhaustion of the aggregate limits of liability hereunder, if such claim, suit or proceeding is one which could result in liability of the company to indemnify the Insured hereunder for damages, the company shall assume complete control of the investigation, negotiations, settlement and defense of any such claim, suit or proceeding against the Insured. The Insured shall cooperate with the company and, upon the company's request, attend hearings and trials and assist in making settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of any legal proceedings in connection with the subject matter of this insurance. The Insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of the occurrence.

**9. Terms of Policy Conformed to Statute.** Terms of this policy which are in conflict with the statutes of the State wherein this policy is issued are hereby amended to conform to such statutes.

**10. Appeals.** In the event the Insured or the Insured's underlying insurers elect not to appeal a judgment in excess of the underlying limits, the company may elect to make such appeal at its own cost and expense, and shall be liable for the taxable costs, disbursements and interest on judgments incidental thereto, but in no event shall the liability of the company for ultimate net loss exceed the limit of its liability stated in this policy and, in addition, the cost and expense of such appeal.

**11. Loss Payable.** Liability under this policy with respect to any occurrence shall not attach unless and until the Insured, or the Insured's underlying insurers shall have paid the amount of the underlying limits on account of such occurrence. The Insured shall make a definite claim for any loss for which the company may be liable under the policy within twelve (12) months after the Insured shall have paid an amount of ultimate net loss in excess

of the amount borne by the Insured or after the Insured's liability shall have been fixed and rendered certain either by final judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the company. If any subsequent payments shall be made by the Insured on account of the same occurrence, additional claims shall be made similarly from time to time. Such losses shall be due and payable within thirty days after they are respectively claimed and proven in conformity with this policy.

**12. Other Insurance.** If any other valid and collectible insurance exists protecting the Insured against ultimate net loss covered by this policy (other than the policies of underlying insurance specified in Item 3 of the Declarations and other than any policy with respect to which this policy is specified therein as underlying insurance), this policy shall be null and void with respect to such loss whether the Insured is specifically named in such other policy of insurance or not; provided, however, if the amounts recoverable by the Insured under such other insurance are not sufficient to completely protect the Insured against such loss, this policy shall apply but only as excess insurance over such other valid and collectible insurance, in an amount not to exceed the limit of the company's liability stated in this policy, and not as contributing insurance.

**13. Subrogation.** Inasmuch as this policy is excess coverage, the Insured's right of recovery against any person, firm or corporation cannot be exclusively subrogated to the company; therefore, in case of any payment hereunder, the company will act in concert with all other interests, including the Insured, concerned in the exercise of such rights of recovery. The apportioning of any amounts which may be so recovered shall follow the principle that any interests, including the Insured, that shall have paid an amount over and above any payment hereunder, shall first be reimbursed up to the amount paid by them; the company is then to be reimbursed out of any balance then remaining up to the amount paid hereunder; lastly, the interests, including the Insured, of which this coverage is in excess are entitled to claim the residue, if any. Expenses necessary to the recovery of any such amounts shall be apportioned between the interests, including the Insured, concerned, in the ratio of their respective recoveries as finally settled.

**14. Changes.** Notice to or knowledge possessed by any person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any rights under the terms of this policy; nor shall the terms of this policy be waived or changed except by endorsement issued to form a part of this policy.

**15. Assignment.** Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon.

**16. Cancellation.** This policy may be cancelled at any time by the Insured first named in Item 1 of the Declarations by mailing to the company or any of its authorized representatives written notice stating when thereafter such cancellation shall become effective. This policy may be cancelled by the company by mailing to the Insured first named in Item 1 of the Declarations, at the address shown in the Declarations, written notice stating when, either not less than 30 days thereafter or the maximum cancellation notice period stated in the policies of underlying insurance set forth in the Declarations, whichever is the lesser, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour stated in such notice shall become the end of the policy period. Delivery of such written notice either by such Insured or the Company shall be equivalent to mailing. If such Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

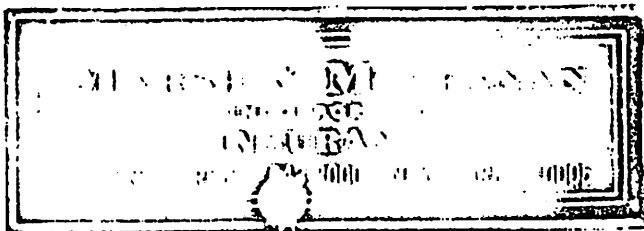
**17. Maintenance of Underlying Insurance.** The policy or policies set forth in the Declarations as Underlying Insurance shall be maintained in full effect during the period this policy remains in force except for any reduction of the aggregate limits contained therein solely by payment of claims for occurrences which take place during this policy period. Failure of the Insured to comply with the foregoing shall not invalidate this policy but in the event of such failure, the company shall only be liable to the same extent as it would have been if the Insured had complied with this condition.

In Witness Whereof, The issuing Company has caused this policy to be duly authorized agent of said Company.

signed officially below and countersigned on the declarations page by a

J. Marshall Taylor  
Secretary.

Frank J. Carey  
President.



PRODUCER	PRODUCER CODE
Marsh & McLennan	80-33772

This endorsement, effective 1/1/72, forms part of Policy No. EY8136-003

issued to Don River Inc.

by the insurance company indicated below by an "X".

☒ EMPLOYERS COMMERCIAL UNION  
INSURANCE COMPANY

☐ AMERICAN EMPLOYERS'  
INSURANCE COMPANY

☐ THE EMPLOYERS' FIRE  
INSURANCE COMPANY

☐ THE NORTHERN ASSURANCE  
COMPANY OF AMERICA

Due to cancellation of this policy effective 1/1/72  
the insured is due a return premium of \$5,535.00.  
Breakdown as follows:

GL	-	\$2,614.00
GPD	-	2,614.00
X	-	653.00
XPD	-	653.00
		<u>\$5,535.00</u>

E. A. SIEGENTHALER  
RESIDENT LICENSED AGENT  
BY *J. Hendrick*  
ATTORNEY

The Company issuing this policy is indicated by the first letter in the POLICY NUMBER, as follows:

N — THE NORTHERN ASSUR. CO. OF AMERICA  
A — AMERICAN EMPLOYERS' INS. CO.  
F — THE EMPLOYERS' FIRE INS. CO.

POLICY NO.

EY-8136-003

AGENCY SYMBOL	AGCY. CODE	PRODUCER CODE	STATE	CITY	CLASS	LMTS.	EXPOSURE	GRP. CODE	AGENT OR BROKER			
	80-38772	45	00	8888	0	00	20	Marsh & McLennan				
SUB-AGENT OR BROKER			COMM.	RENEWAL OF OR PREV. NO.		DATE ISSUED		GL %	GPD %	X %	XPD %	OTHER %
				E16-8136-002		1/23/70		40	40	10	10	

### DECLARATIONS

#### ITEM 1.

Named Insured:

Dan River Mills, Incorporated  
(as per Endorsement #1)  
Danville, Virginia

Address:  
(No., Street,  
Town, County,  
State)

POLICY FORM

G9024-4 (ECU)

ENDORSEMENTS

GU8679a End. #1 & 2

Business of Insured Manufacturing, finishing and selling cotton.

ITEM 2. Policy Period: From January 1, 1970 to January 1, 1973 12:01 A. M.  
standard time at the address of the Named Insured as stated herein. *Cancelled 1/1/72*

#### ITEM 3. Underlying Insurance

Coverage	Limits of Liability
Comprehensive General Liability Including Products Blanket Contractual Owned Watercraft Foreign Liability Malpractice Liability	PERSONAL INJURY \$ 100,000.00 each person \$ 300,000.00 each occurrence \$ 300,000.00 aggregate PROPERTY DAMAGE \$ 100,000.00 each occurrence \$ 100,000.00 aggregate
Automobile Liability	BODILY INJURY \$ 100,000.00 each person \$ 300,000.00 each accident PROPERTY DAMAGE \$ 100,000.00 each accident
Employers Liability	\$ 100,000.00 each accident
Specific Excess Workmen's Compensation	\$ 1,000,000.00 excess of \$ <del>11,500.00</del> each accident <i>see End. #4</i> 18,000.00
Aircraft Liability	\$10,000,000.00 Combined Single Limit each occurrence

-continued-

ITEM 4. Underlying Limits \$ 25,000.00

#### ITEM 5. Limits of Liability—Ultimate Net Loss

\$ 10,000,000.00 each occurrence

\$ 10,000,000.00 aggregate

ITEM 6. Premium \$ 19,625.00 3 Years Prepaid

GEORGE DALZIEL

RESIDENT LICENSED AGENT

Countersigned

BY

*[Signature]*

(Authorized Representative)

ATTORNEY

Named Insured Dan River Mills, Incorporated

ITEM 3. Underlying Insurance Continued

Coverage	Limits of Liability
Advertisers' Liability	\$ 100,000.00 each occurrence and in the aggregate

GEORGE DALZIEL  
RESIDENT LICENSED AGENT

BY   
Authorized Representative

PRODUCER	PRODUCER CODE
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This endorsement, effective \_\_\_\_\_, forms part of Policy No. EY-8136-003

issued to EFFECTIVE FROM INCEPTION DATE OF POLICY  
by the insurance company indicated below by an "X".

☒ THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED

☐ COMMERCIAL UNION INSURANCE COMPANY OF AMERICA

☐ AMERICAN EMPLOYERS' INSURANCE COMPANY

☐ THE EMPLOYERS' FIRE INSURANCE COMPANY

☐ THE NORTHERN ASSURANCE COMPANY OF AMERICA

☐ THE PENNSYLVANIA INSURANCE COMPANY

It is agreed that Item 1, Named Insured of the Declarations shall read as follows:

- ✓ Dan River Mills, Incorporated
- ✓ Dan River International Corporation
- ✓ Schoolfield Finishers, Inc.
- ✓ Dan River Mills Foundation
- ✓ Riverdan Benevolent Fund, Inc.
- ✓ Schoolfield Community Foundation, Inc.
- ~~✓ Woodside Mills~~ *See End # 5*
- ✓ John Preston Warehouse Company
- ✓ Clifton Manufacturing Co. Division of Dan River Mills, Incorporated
- ✓ Iselin-Jefferson Company, Inc.
- ✓ Iselin-Jefferson Financial Company, Inc.
- ✓ Colony Sales Company, Inc.
- ✓ Fruit of the Loom Financial Corp.
- ✓ Hayes Sales Company, Inc.
- ~~✓ Carnae Division of Woodside Mills d/b/a Carnae Division of Iselin-Jefferson Company, Inc.~~ *deleted by End. # 5*
- ✓ Cohn-Miller Co., Inc.
- ✓ Textile Services, Inc.
- ✓ Wunda Weave Carpet Co. Division of Dan River Mills, Incorporated
- ✓ Dan River Carpet Co. Division of Dan River Mills, Incorporated
- ✓ Wunda Weave Leasing Co.
- ✓ Dan River Cotton Company, Inc.
- ~~✓ Webco Mills, Incorporated~~ *Deleted & replaced by*
- ~~✓ Webco Dyers, Inc.~~ *Webco Division of Dan River Mills, Incorporated*
- ~~✓ Webco Realty Company, Inc.~~ *See End # 5*
- ✓ Crystal Springs Textiles, Inc.
- ✓ Morganton Hosiery Mills, Inc.
- ✓ MHD Foundation, Inc.
- ✓ Drexel Knitting Mills Co.





PRODUCER	PRODUCER CODE
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This endorsement, effective \_\_\_\_\_, forms part of Policy No. EY-8136-003

issued to EFFECTIVE FROM INCEPTION DATE OF POLICY

by the insurance company indicated below by an "X".

- X
- |  |  |  |
|--|--|--|
| <input type="checkbox"/> THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED | <input type="checkbox"/> COMMERCIAL UNION INSURANCE COMPANY OF AMERICA | <input type="checkbox"/> AMERICAN EMPLOYERS' INSURANCE COMPANY |
| <input type="checkbox"/> THE EMPLOYERS' FIRE INSURANCE COMPANY                   | <input type="checkbox"/> THE NORTHERN ASSURANCE COMPANY OF AMERICA     | <input type="checkbox"/> THE PENNSYLVANIA INSURANCE COMPANY    |

It is agreed that this policy shall not provide coverage for property of others in the care, custody or control of the Named Insured other than insofar as coverage is provided in primary insurance.

*Added by  
endorsement 6*

GEORGE DALZIEL

RESIDENT LICENSED AGENT

BY

Countersigned

*[Signature]* ATTORNEY  
Authorized Representative

End. #2

A&G 661a  
**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**  
(BROAD FORM)

This endorsement, effective \_\_\_\_\_ (12:01 A. M., standard time) , forms a part of policy No. \_\_\_\_\_

issued to \_\_\_\_\_

by \_\_\_\_\_

It is agreed that the policy does not apply:

- I. Under any Liability Coverage, to injury, sickness, disease, death or destruction
  - (a) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
  - (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- II. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if
  - (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;
  - (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
  - (c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to injury to or destruction of property at such nuclear facility.
- IV. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means source material, special nuclear material or byproduct material;

"source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"nuclear facility" means

  - (a) any nuclear reactor,
  - (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
  - (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
  - (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

GEORGE DALZIEL

RESIDENT LICENSED AGENT

BY 

Authorized Representative ATTORNEY

Eno #3

PRODUCER	PRODUCER CODE
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This endorsement, effective January 1, 1970, forms part of Policy No. EY-8136-003

issued to Dan River Mills, Incorporated  
by the insurance company indicated below by an "X".

Employers'

☐ THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED  
☐ THE EMPLOYERS' FIRE INSURANCE COMPANY

☒ COMMERCIAL UNION INSURANCE COMPANY OF AMERICA  
☐ THE NORTHERN ASSURANCE COMPANY OF AMERICA

☐ AMERICAN EMPLOYERS' INSURANCE COMPANY  
☐ THE PENNSYLVANIA INSURANCE COMPANY

It is agreed that Item #1 of the Declarations, Business of Insured, is amended to read as follows:

Manufacturing, Finishing and Selling Cotton and Synthetic Cloth and Carpeting. Manufacturing Chemical Finishes for Cloth, Primarily for own use. Factoring. Manufacturing of Hosiery.

GEORGE DALZIEL

RESIDENT LICENSED AGENT

Countersigned BY *[Signature]*  
Authorized Representative

End. #3  
(Revised)

PRODUCER	PRODUCER CODE
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This endorsement, effective January 1, 1970, forms part of Policy No. EY-8136-003  
issued to Dan River Mills, Incorporated  
by the insurance company indicated below by an "X".

- |   |  |  |
|---|--|--|
| <input checked="" type="checkbox"/> THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED | <input type="checkbox"/> COMMERCIAL UNION INSURANCE COMPANY OF AMERICA | <input type="checkbox"/> AMERICAN EMPLOYERS' INSURANCE COMPANY |
| <input type="checkbox"/> THE EMPLOYERS' FIRE INSURANCE COMPANY                              | <input type="checkbox"/> THE NORTHERN ASSURANCE COMPANY OF AMERICA     | <input type="checkbox"/> THE PENNSYLVANIA INSURANCE COMPANY    |

It is agreed that Item #3 of the Declarations, Underlying Insurance, is amended only as respects Specific Excess Workmen's Compensation to read as follows:

Coverage

Limits of Liability

Specific Excess Workmen's  
Compensation

\$1,000,000.00 excess of  
\$ 18,000.00 each accident

GEORGE DALZIEL  
RESIDENT LICENSED AGENT  
Countersigned BY *[Signature]*  
Authorized Representative

End. #4

4/14/70 C

G8010-3 Part 1

PRODUCER	PRODUCER CODE
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This endorsement, effective January 1, 1970, forms part of Policy No. EY-8136-003

issued to Dan River Mills, Incorporated  
by the insurance company indicated below by an "X".

☒ THE EMPLOYERS' LIABILITY ASSURANCE  
CORPORATION, LIMITED

☐ COMMERCIAL UNION INSURANCE  
COMPANY OF AMERICA

☐ AMERICAN EMPLOYERS'  
INSURANCE COMPANY

☐ THE EMPLOYERS' FIRE  
INSURANCE COMPANY

☐ THE NORTHERN ASSURANCE  
COMPANY OF AMERICA

☐ THE PENNSYLVANIA  
INSURANCE COMPANY

It is agreed that Item #1 of the Declarations, Named Insured,  
is amended to delete the following:

Carnac Division of Woodside Mills d/b/a  
Carnac Division of Iselin-Jefferson  
Company, Inc.

It is also agreed that Webco Mills, Incorporated, Webco Dyers,  
Inc. and Webco Realty Company, Inc. are hereby deleted from  
✓ Item #1 of the Declarations, Named Insured, and replaced by  
the following:

Webco Division of Dan River Mills, Incorporated

It is further agreed that Woodside Mills is hereby deleted from  
✓ Item #1 of the Declarations, Named Insured, and replaced by the  
following:

Woodside Division of Dan River Mills, Incorporated.

GEORGE DALZIEL  
RESIDENT LICENSED AGENT

Countersigned

BY

George Dalziel  
Authorized Representative

End. #5

4/14/70 C

G8010-3 Part 1

PRODUCER	PRODUCER CODE
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This endorsement, effective January 1, 1970, forms part of Policy No. EY-8136-003

issued to Dan River Mills, Incorporated

by the insurance company indicated below by an "X".

Employers'

☐ THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED

☒ COMMERCIAL UNION INSURANCE COMPANY OF AMERICA

☐ AMERICAN EMPLOYERS' INSURANCE COMPANY

☐ THE EMPLOYERS' FIRE INSURANCE COMPANY

☐ THE NORTHERN ASSURANCE COMPANY OF AMERICA

☐ THE PENNSYLVANIA INSURANCE COMPANY

It is agreed that Endorsement #2 is hereby deleted.

GEORGE DALZIEL

RESIDENT LICENSED AGENT

Countersigned

BY

George Dalziel  
Authorized Representative

End. #6

PRODUCER	PRODUCER CODE
Marsh & M. ennan	80-38772

This endorsement, effective 1/1/70, forms part of Policy No. EY8136-003


issued to Dan River Mills, Incorporated, etal  
by the insurance company indicated below by an "X".

☒ EMPLOYERS COMMERCIAL UNION INSURANCE CO. OF AMERICA ☐ AMERICAN EMPLOYERS' INSURANCE COMPANY ☐ THE EMPLOYERS' FIRE INSURANCE COMPANY ☐ THE PENNSYLVANIA INSURANCE COMPANY

It is agreed that the following additional insured  
is added to coverage under this policy, but only as  
respects vehicles leased by them to the Named Insured:

Goldston Transfer Inc.  
Eden, North Carolina

Exp. 1/1/73  
End. #7

GEORGE DALZIEL  
RESIDENT LICENSED AGENT  
BY  ATTORNEY

PRODUCER	PRODUCER CODE
Marsh & McL .man	80-38772

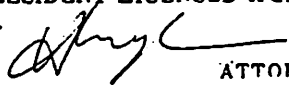
This endorsement, effective 7/1/70, forms part of Policy No. EY8136-003

issued to Dan River Mills, Incorporated, etal  
by the insurance company indicated below by an "X".

☒ EMPLOYERS COMMERCIAL UNION  
INSURANCE CO. OF AMERICA ☐ AMERICAN EMPLOYERS'  
INSURANCE COMPANY ☐ THE EMPLOYERS' FIRE  
INSURANCE COMPANY ☐ THE PENNSYLVANIA  
INSURANCE COMPANY

It is agreed that Item #1, Named Insured is amended  
to read:

Dan River Inc.

GEORGE DALZIEL  
RESIDENT LICENSED AGENT  
BY  ATTORNEY

Exp 1/1/73  
End. #8



PRODUCER	PRODUCER CODE
----------	---------------

This endorsement, effective 4/3/71, forms part of Policy No. EY8136-003

issued to Dan River Inc.

by the insurance company indicated below by an "X".

☒ EMPLOYERS COMMERCIAL UNION  
INSURANCE CO. OF AMERICA ☐ AMERICAN EMPLOYERS'  
INSURANCE COMPANY ☐ THE EMPLOYERS' FIRE  
INSURANCE COMPANY ☐ THE NORTHERN ASSURANCE  
COMPANY OF AMERICA

It is agreed that Item #1 of the Declarations,  
Named Insured, is amended to delete the follow-  
ing:

Flatterknit by Huffman and  
Morganton - Drexel Sales, Inc.

E. A. SIEGENTHALER  
RESIDENT LICENSED AGENT

BY

*E. A. Siegenthaler*  
Authorized Representative

Endt. #9

4/30/71

PRODUCER	PRODUCER CODE
Marsh & McLennan	80-33772

This endorsement, effective June 21, 1971, forms part of Policy No. EY8136-003

issued to Dan River Inc.

by the insurance company indicated below by an "X".

☒ EMPLOYERS COMMERCIAL UNION INSURANCE CO. OF AMERICA    ☐ AMERICAN EMPLOYERS' INSURANCE COMPANY    ☐ THE EMPLOYERS' FIRE INSURANCE COMPANY    ☐ THE NORTHERN ASSURANCE COMPANY OF AMERICA

It is agreed that Item #1 Address of Assured is amended to read as follows:

P. O. Box 6126  
Station B, Greenville  
South Carolina 29606

E. A. SIEGENTHALER  
RESIDENT LICENSED AGENT

BY *E. A. Siegenthaler*

Authorized Representative ~~ATTORNEY~~

End. #10

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

March 16, 1977

The Employers' Liability Assurance  
Corporation, Limited  
c/o Commercial Union Insurance Company  
One Beacon Street  
Boston, Massachusetts 02108

Re: Employers' Liability Policy No. E16-8136-002  
Effective 1-1-67 to 1-1-70

Gentlemen:

Dan River Mills, Incorporated (now Dan River Inc.) is the insured in subject policy. Similar policies were also issued to this insured covering previous years (Policy No. E16-8136-001) and subsequent years to January 1, 1972 (Policy No. EY-8136-003).

On October 24, 1969, a civil action in the form of a class action was filed in the United States District Court for the Western District of Virginia, Danville Division, in which Dan River was named defendant and numerous individuals were named plaintiffs. The complaint, as subsequently amended, is allegedly brought on behalf of all present, future and former black employees at the Company's Danville Division and all previously unsuccessful black applicants and future black applicants for employment at such Division. The complaint alleges that Dan River has discriminated and is continuing to discriminate against plaintiffs and the class they claim to represent on the grounds of race in violation of the Civil Rights Act of 1964 and 1966, and seeks injunctive and other equitable and legal relief. Dan River filed its answer in these proceedings denying material allegations of the complaint, denying any such discrimination and seeking dismissal of the suit. The Special Master appointed by the Court has issued proposed findings of fact and conclusions of law, recommending to the District Court that some allegations of discrimination be rejected, while others be upheld. Dan River and its counsel believe several of these findings are erroneous and exceptions to these findings will be filed.

Meanwhile, we have been approached by the plaintiffs to undertake settlement discussions in the matter. Also, because of

The Employers' Liability Assurance  
Corporation, Limited  
March 16, 1977  
Page 2

the Special Master's proposed findings, we must now consider the possibility of some ultimate liability in the matter. At the time of the occurrence and the commencement of the action it did not appear to us to involve your policy but at this time we feel that it now gives rise to coverage hereunder. We have reference of course to the fact that if discrimination is established, the insuring agreements of the policy indemnify the insured against liability because of personal injuries which is defined to include such discrimination. Therefore we are bringing the matter to your attention. We have been represented in this matter from its inception by the well-recognized labor law firm of Thompson, Ogletree and Deakins of First National Bank Tower, Atlanta, Georgia 30303, telephone number (area code 404) 658-9300. Mr. Deakins of that firm is responsible for this case.

Before undertaking any settlement discussions we ask your instructions and we ask that you assume or become associated in our continued defense in the matter should you feel that it should not be settled. You may request copies of any of the suit papers and the current status of the matter may best be provided by Mr. Deakins. Naturally we will provide any additional information that you may need. We have likewise provided notice of this matter to our primary carrier, The Aetna Casualty and Surety Company.

Very truly yours,

H. H. Huntley  
Vice President and  
General Counsel

HHH:lbh

### RECEIPT FOR CERTIFIED

SENT TO <i>The Employers' Liability Assurance Corp., Ltd.</i>	
STREET AND NO. <i>One Beacon</i>	
P.O., STATE AND ZIP CODE <i>Boston, Mass</i>	
OPTIONAL SERVICES FOR ADDITION	
RETURN RECEIPT	1. Shows to whom and date
SERVICES	2. Shows to whom, date and
RESTRICTED DELIVERY	SPECIAL DELIVERY (extra fee required)

PS Form 3800  
Aug. 1975  
NO INSURANCE COVER  
NOT FOR INTERNAL

1. The following service is requested (check one). <input checked="" type="checkbox"/> Show to whom and date delivered..... 15¢ <input type="checkbox"/> Show to whom, date, & address of delivery.. 35¢ <input type="checkbox"/> RESTRICTED DELIVERY. <input type="checkbox"/> Show to whom and date delivered..... 65¢ <input type="checkbox"/> RESTRICTED DELIVERY. <input type="checkbox"/> Show to whom, date, and address of delivery 85¢		2. ARTICLE ADDRESSED TO: <i>The Employers' Liability Assurance Corp., 1000 Broadway St. New York, N.Y. 10018</i>	
3. ARTICLE DESCRIPTION: <i>Letter from Mr. H. H. Huntley to Mr. Deakins dated 3/16/77</i>		4. REGISTERED NO. <i>742 455</i> INSURED NO.	
5. ADDRESS (Complete only if requested): <i>One Beacon St. Boston, Mass 02108</i>			
6. SIGNATURE <i>H. H. Huntley</i> (Always obtain signature of addressee or agent)			
7. DATE OF DELIVERY <i>March 18 1977</i>			
8. CLERK'S INITIALS			

PS Form 3811, Mar. 1976

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

77 GOF 1976-O-203-456

April 14, 1977

The Employers' Liability Assurance  
Corporation, Limited  
C/o Commercial Union Insurance Company  
One Beacon Street  
Boston, Massachusetts 02103

Re: Employers' Liability Policy No. E16-3136-002  
Effective 1-1-67 to 1-1-70

Gentlemen:

Please refer to my certified letter dated March 16, 1977, copy of which is attached for your convenience. Inasmuch as our settlement negotiations are proceeding, I ask your response in the matter.

Very truly yours,

H. H. Runtley  
Vice President and  
General Counsel

HHH:lbh  
Enclosure

HAND DELIVERED

May 18, 1977

Frank O. Meade, Esquire  
Meade, Tate, Meade & Daniel  
Masonic Temple  
Danville, Virginia 24541

Re: Employers' Liability Assurance Corporation, Limited  
Policy Number E16-8135-002 and Others

Dear Frank:

We have received copy of your letter of May 17, 1977, pursuant to Virginia Code §38.1-389.1, denying coverage under the policy(s) on the grounds of policy breach by Dan River including late notice. We believe that:

1. Any policy breach claimed therein in defense of liability has been waived by operation of law effective twenty (20) days after receipt of notice and description of the action by the Carrier on March 18, 1977.
2. Coverage as provided by the policy wording is confirmed by your providing notice under §38.1-389.1 applicable by its terms only to claims "within the terms of such policy".

We are therefore providing notice to the Carrier through you that we again hereby tender defense of the matter to the Carrier and demand reimbursement for sums previously expended in such defense.

Very truly yours,

H. H. Huntley  
Vice President and  
General Counsel

HHH:vp

BCC: Mr. Ed Lloyd

May 27, 1977

Frank O. Meade, Esquire  
Meade, Tate, Meade & Daniel  
Masonic Temple  
Danville, Virginia 24541

Re: Employers' Liability Assurance Corporation, Limited  
Policy Number E16-8136-002 and Others

Dear Frank:

We have received your letter of May 18, 1977 which together with previous correspondence we interpret to be a complete refusal by the Carrier to assume charge of the defense or to pay defense costs of Dan River Inc. or to participate in any settlement discussions in the matter specified in my letter to the Carrier dated March 16, 1977. Please let me know promptly if the foregoing is not correct.

We will proceed with settlement discussions and though you have refused participation we will assume you wish to be informed of the results. While Article 9 of the policy conditions may prevent policy liability from attaching until Dan River has paid an amount of "ultimate net loss", this letter will provide notice to the Carrier through you that we are not in agreement with your positions as interpreted above, that we intend to pursue the matter and that we make no waiver of any of our rights to defense or indemnity under the policies. If you shall need any further facts or information, we shall be happy to respond.

Yours very truly,

H. H. Huntley  
Vice President and  
General Counsel

HHH:lbh

CIRCUIT COURT OF DANVILLE

Dan River, Inc.

Plaintiff

Pl. Ex. 8

v.

by 77-251

Commercial Union Insurance Co.

Defendant

EXHIBIT PLAINTIFF NO. 8

6-5-80 M.C., Dpty.

JFI

JUDGE

February 7, 1964

Mr. W. E. Hickson, Manager  
Real Estate and Insurance  
Dan River Mills, Incorporated  
Danville, Virginia

Dear Mr. Hickson:

Catastrophe Liability Insurance

In accord with your instructions, we have obtained a signed binder from the Employers Liability Assurance Corporation, providing Umbrella Liability coverage at a combined single limit of \$5,000,000 effective from February 7, 1964 to January 1, 1967. The premium will be \$14,480, pro rata of \$15,000 for three years.

Additionally, we have obtained a signed binder from the Aetna Casualty and Surety Company, increasing the Bodily Injury limit to \$100,000 each person, \$300,000 each occurrence, \$300,000 aggregate Products. The three-year cost of this increase will be approximately \$5,400.

We have requested that Underwriters furnish us with an interpretation of coverage in the event that an Advertising Liability claim arises which spans the term of the present policy and a subsequent renewal.

We will be in touch with you shortly regarding the Underwriters' response to the above question, as well as the points of coverage discussed at our meeting on February 5th.

Very truly yours,

MARSH & McLENNAN

By:

Gregory C. Sinnott

GCS:hem



70 Pine Street, New York 5, New York / Whitehall 3-2000

**BINDER**

No. 31613

Date February 7, 1964

Insured

**Dan River Mills, Incorporated**

Companies, Policy Numbers, Amounts  
and Signatures

**Employers Liability Assurance Corp.**

Attention: Mr. F. X. Ohlandt

*91-11-14*

CIRCUIT COURT OF DANVILLE

Dan River, Inc.

Plaintiff

v. by 77-251  
Commercial Union Insurance Co.  
Defendant

EXHIBIT PLAINTIFF NO. 9  
6-5-80 M.C. Dpty.  
JFI JUDGE

- ☐ Reporting Form
- ☐ Forms herewith
- ☐ Forms to come
- ☐ Use Company forms
- ☐ Copies and original

This Binder is Subject to the Terms of the  
Usual Form of Policy issued to Provide the  
Type of Insurance Described, Except as Noted.

AMOUNT	RATE OR PREMIUM	EFFECTIVE	EXPIRING
\$5,000,000.		Feb. 7, 1964	Jan. 1, 1967

**Binding Umbrella Liability Coverage:**

Premium: pro rata of \$15,000. three years.

**Primary limits Bodily Injury:**

\$100,000. each person  
300,000. each occurrence  
300,000. agg. products

MARSH & McLENNAN, Incorporated  
70 Pine St., New York 5, N.Y.

By G. C. Sinnott

Plaintiff's Exhibit 9

N. W. MILLS, Incorporated  
DANVILLE, VIRGINIA

Date February 27, 1967

To Mr. W. E. Hickson

From Clyde T. Booker

Pl. Ex. 10

Subject: Excess Liability Insurance  
Employer's Liability Assurance Corp.  
Policy No. E16-8136-002  
Period 1-1-67 to 1-1-70.

The above policy has been checked against information submitted for renewal and has been compared to the policy which expired January 1, 1967.

This new policy was found to be in order except for the description of the "Business of Insured" which is not complete. Marsh and McLennan are being informed of this.

The premium for the new policy is \$12,000. Premium for the previous policy was \$15,000.

New file and records have been set up for this policy and the record card for your file is attached.

CTB/ewp

Attachment

C.T.B.

CIRCUIT COURT OF DANVILLE

Dan River, Inc. Plaintiff  
v. by 77-251  
Commercial Union Defendant

EXHIBIT PLAINTIFF NO. 10

6-5-80 M.E. Dptg-  
JFL JUDGE

Plaintiff's Exhibit 10

H

LAW OFFICES  
MEADE, TATE, MEADE & DANIEL  
MASONIC BUILDING  
DANVILLE, VIRGINIA 24541

EDWIN B. MEADE  
T. BRYAN TATE  
FRANK O. MEADE  
JAMES A. L. DANIEL

Pl. Ex. 11

POST OFFICE BOX 720  
TELEPHONE (804) 792-3911

May 17, 1977

Mr. J. L. Williams  
Williams, Luck and Williams  
216 North Ridge Street  
Danville, Virginia 24541

Mr. Richard B. Sobol  
Attorney at Law  
1520 New Hampshire Avenue, N. W.  
Washington, D. C. 20036

Mr. Jack Greenberg  
Attorney at Law  
10 Columbus Circle  
New York, New York 10019

Mr. Richard T. Seymour  
Attorney at Law  
1425 H Street, N. W.  
Washington, D. C. 20005

Gentlemen:

Re: Julius Adams, et al v. Dan River Inc.

Dan River Inc. has recently given The Employers' Liability Assurance Corporation, Limited, notice that it will claim liability insurance coverage under Policy No. E16-8136-002 (and similar policies issued to insured covering previous years and subsequent years to January 1, 1972) as to a settlement or judgment, if any, in the above referenced case.

Be advised, pursuant to § 38.1-389.1, Code of Virginia, that The Employers' Liability Assurance Corporation, Limited, acting by and through the undersigned as its attorney, denies coverage, if there in fact be such, under the policy(s) aforesaid on the grounds that Dan River Inc. has breached the terms and/or conditions of said insurance policy(s) including, but not limited

H. H. HUNTLEY

Plaintiff's Exhibit 11

MAY 18 REC'D

MEADE, TATE, MEADE & DANIEL

Mr. J. L. Williams, et als

May 17, 1977

Page 2

to, its giving late notice of the suit and alleged occurrences upon which said suit is based in breach or violation of the Notice of Occurrence and Assistance and Cooperation of the Insured Conditions of said policy(s).

The said The Employers' Liability Assurance Corporation, Limited, intends to rely on such breaches in defense of liability for any claim within the terms of such policy(s).

We enclose copy of reservation of rights letter written to Mr. H. H. Huntley, Vice President and General Counsel of Dan River Inc., on May 10, 1977.

Yours very truly,

MEADE, TATE, MEADE & DANIEL

By

Frank O. Meade

FOM/b

Enclosure

(Hand delivery to Mr. J. L. Williams May 17, 1977.

Certified mail to Mr. Richard B. Sobol, Mr. Jack Greenberg and Mr. Richard T. Seymour May 17, 1977.)

CC: Mr. H. H. Huntley ✓  
Vice President and General Counsel  
Dan River Inc  
2291 Memorial Drive  
Danville, Virginia 24541

Mr. Homer L. Deakins, Jr.  
Thompson, Ogletree and Deakins  
First National Bank Tower  
Atlanta, Georgia 30303

Mr. R. H. Chaney, III  
Commercial Union Assurance Companies  
P. O. Box K-98  
Richmond, Virginia 23288

November 20, 1969

Mr. John M. Kwaak  
Marsh & McLennan, Inc.  
70 Pine Street  
New York, N. Y. 10005

CIRCUIT COURT OF DANVILLE

Plaintiff

v.

Defendant

EXHIBIT DEFENDANT NO. 1

6-5-80 M.E. Opaty  
JFL JUDGE

Re: Umbrella Liability Insurance  
Expiring 1-1-70

Dear John:

Enclosed is the original and four prints of application form which has been completed by us for use in renewal of the captioned coverage. Also enclosed are five copies of our 1968 Annual Report.

Please obtain quotations for this renewal from the present carrier and others as you see fit and let us have such quotations as soon as possible for our consideration.

Sincerely yours,

DAN RIVER MILLS, INCORPORATED

CJB

Clyde T. Booker  
Assistant Director  
Real Estate & Insurance

CTB/cwp

Enclosures

cc: Mr. W. E. Hickson

6.70. Per M.R. Etkinson (M+M) policy is # EY-8136-003 with Employer's Liability Assurance Corp and we should receive policy in about two weeks.

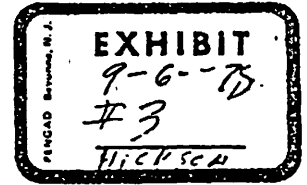
Defendant's Exhibit 1

## QUESTIONNAIRE FOR UMBRELLA POLICY APPLICATION

1. Name of Applicant and all Companies to be insured:

DAN RIVER MILLS, INCORPORATED, et als

(See Exhibit A)



2. Address of:

A. Head Office Danville, Virginia

B. Main Locations of operations Alabama, Georgia, New York, North Carolina, South Carolina, Virginia

3. Description of all operations

Manufacturing, finishing, and selling cloth, carpeting, and hosiery.  
Manufacturing of chemical finishes for cloth, primarily for own use.  
Factoring.

4. Estimate of:-

A. Annual Payroll \$111,896,162 (See Exhibit B)

B. Annual Receipts or Sales - (See Exhibit C)

(i) From U.S.A. operations \$299,120,000

(ii) From Canadian operations

(iii) From foreign operations (other than Canada) \$5,923,000

C. Annual Advertising Expenditure \$1,509,408.

D. Number of Employees 18,973 (See Exhibit D)

5. Methods of Advertising and proportion of expenditure:

Newspapers and Magazines - - - - 64.4%

Other - - - - - 35.6%

6. Details including separate values and Fire/E.C. rates of:

A. Leased premises with values in excess of \$25,000 where Applicant is not held harmless or named in Fire/E.C. Policy

B. Any other property in the Applicants' care custody or control where values are likely to exceed \$25,000.

Goods produced by us which are "billed & held" for customer.

EXHIBIT DEFENDANT NO. 2  
6-5-80 M.E. Dept.  
JFI JUDGE

7. Details of written contractual agreements other than liability assumed under any lease of premises, easement agreement, agreement required by municipal ordinance, streetcar agreements and elevator escalator maintenance agreement. Primary Liability Coverage includes "Blanket Contractual" endorsement.
8. If the Applicant is a qualified Self-Insurer for W.C.A. give:
  - A. States, Individual Payroll, Normal Premium past 5 years, Experience past 5 years. ( See Exhibit E)
  - B. Details of excess protection carried. (See Exhibit E)
9. If the applicant has any exposure under the following please indicate and give separate payrolls:
  - A. Jones Act. Not applicable.
  - B. Federal Railroad Employees Act. Not applicable.
  - C. Federal Longshoreman's & Harbour Workers Act. Not applicable.
10. Number and Type of owned or leased:
  - A. Aircraft One - 1965 Beechcraft King Air 90
  - B. Watercraft 30 rowboats. All located Danville, Va. One used with outboard motor to take water samples from rivers. Others located on lake used for recreational purposes and motors not permitted on boats.
11. Does primary coverage provide:
  - A. Occurrence basis B.I.) Yes  
P.D.)
  - B. Personal Injury Yes
  - C. Blanket Contractual Liability Yes
  - D. Property in the Applicants' care custody or control No
  - E. Any other extensions, if so, detail
12. Details of any specific exclusions in primary coverages:-
13. Details of any liability losses, insured or uninsured, exceeding \$10,000 occurring in the past 5 years. See Exhibit F
14. If Malpractice cover required state:-

A. Number of Doctors employed One

B. Number of Nurses employed Seven Registered Nurses and one Registered Laborat  
Technician.

(All employed at operations in Danville, Va.

15. Schedule of Primary Policies

(to be incorporated in policy)

	LIMIT	CARRIER	<del>EARNED-OR-ESTIMATED</del> <del>EARNED-ANNUAL-PREMIUM</del> EST. STANDARD PREMIUM
A. General B.I. P.D.	\$100/300,000 \$100,000	Aetna Casualty & Surety Company	\$ 12,400
B. Products B.I. P.D.	\$100/300,000 \$100,000	"	In "A"
C. Auto B.I. P.D.	\$100/300,000 \$100,000	"	\$ 20,500
D. E.L. E.L.O.D. Jones Act F.R.E.A. E.L. & H.W.A.	\$100,000 Not applicable Not applicable Not applicable	"	\$ 1,500
E. Advertisers	\$100,000	Seaboard Surety Co	\$ 550.
F. Aircraft	\$10,000,000	U.S.Aircraft Ins Grp	\$ 7,500
G. Watercraft	In "A"		In "A"
H. Charterers Liability	Not applicable.		
I. Malpractice	In "A"		In "A"
J. Any other Liability Policies			

16. Have you carried higher limits than the above during the past 5 years?  
No, except for transition period following acquisition of a subsidiary during  
which time subsidiary's former coverage may have been in excess of these limits.

17. Additional information, if any,

We know of no other relevant facts which might affect Underwriters judgment  
when considering this application. ✓

DAN RIVER MILLS, INCORPORATED

(Signed) *[Signature]*  
Asst. Director Real Estate & Insurance



DAN RIVER MILLS, INCORPORATED  
EXCESS LIABILITY INSURANCE RENEWAL INFORMATION

EXHIBIT A

Name of Insureds

Dan River Mills, Incorporated

Dan River International Corporation

Schoolfield Fin. ers, Inc.

Dan River Mills Foundation

Riverdan Benevolent Fund, Inc.

Schoolfield Community Foundation, Inc.

Woodside Mills

John Preston Warehouse Company

Clifton Manufacturing Co. Division of Dan River Mills, Incorporated

Iselin-Jefferson Company, Inc.

Iselin-Jefferson Financial Company, Inc.

Colony Sales Company, Inc.

Fruit of the Loom Financial Corp.

Hayes Sales Company, Inc.

Carnac Division of Woodside Mills d/b/a Carnac Division of Iselin-Jefferson Company, Inc.

Cohn-Miller Co., Inc.

Textile Services, Inc.

Wunda Weve Carpet Co. Division of Dan River Mills, Incorporated

Dan River Carpet Co. Division of Dan River Mills, Incorporated

Wunda Weve Leasing Co.

Dan River Cotton Company, Inc.

Webco Mills, Incorporated

Webco Dyers, Inc.

Webco Realty Company, Inc.

Crystal Springs Textiles, Inc.

Morganton Hosiery Mills, Inc.

MHD Foundation, Inc.

Drexel Knitting Mills Co.

Flutterknit by Huffman

DAN RIVER MILLS, INCORPORATED  
EXCESS LIABILITY INSURANCE RENEWAL INFORMATION

EXHIBIT B

Estimated Gross Annual Payroll

	<u>Amount</u>
Dan River Mills, Incorporated, Dan River International Corp., Schoolfield Finishers, Inc.	\$ 59,003,349
Riverdan Benevolent Fund, Inc.	98,233
Woodside Mills, John Preston Warehouse Company, Carnac Division of Woodside Mills	27,773,706
Clidton Manufacturing Co. Division of Dan River Mills, Inc.	3,102,955
Iselin-Jefferson Company, Inc., Iselin-Jefferson Financial Company, Inc., Colony Sales Company, Inc., Fruit of the Loom Financial Corp., Hayes Sales Company, Inc.	3,960,162
Cohn-Miller Co., Inc., Textile Services, Inc.	274,460
Wunda Weve Carpet Co. a Division of Dan River Mills, Incorporated, Wunda Weve Leasing Co.	4,128,593
Dan River Carpets Co. a Division of Dan River Mills, Incorporated	1,143,794
Dan River Cotton Company, Inc.	377,910
Webco Mills, Incorporated, Webco Dyers, Inc., Webco Realty Company, Inc.	3,107,000
Crystal Springs Textiles, Inc.	5,049,000
Morganton Hosiery Mills, Inc., Drexel Knitting Mills Co., Flatterknit by Huffman, Morganton-Drexel Sales, Inc. MHD Foundation, Inc.	<u>3,877,000</u>
	\$ 111,896,162.

DAN RIVER MILLS, INCORPORATED  
EXCESS 1 LIABILITY INSURANCE RENEWAL INFORMATION

EXHIBIT C

ESTIMATED ANNUAL SALES

	<u>Amount</u>
Dan River Mills, Incorporated Schoolfield Finishers, Inc.	\$129,325,000
Dan River International Corp.	5,923,000
Woodside Mills	88,724,000
Clifton Manufacturing Co. Division of Dan River Mills, Incorporated	10,360,000
Iselin-Jefferson Company, Inc., Iselin-Jefferson Financial Company, Inc., Colony Sales Company, Inc., Fruit of the Loom Financial Corp., Hayes Sales Company, Inc., Carnac Division of Woodside Mills	4,329,000
Cohn-Miller Co., Inc., Textile Services, Inc.	3,619,000
Wunda Weve Carpet Co. a Division of Dan River Mills, Incorporated Dan River Carpet Co. a Division of Dan River Mills, Incorporated	27,101,000
Webco Mills, Incorporated, Webco Dyers, Inc.	15,659,000
Crystal Springs Textiles, Inc.	9,869,000
Morganton Hosiery Mills, Inc., Drexel Knitting Mills Co., Flatterknit by Huffman, Morganton-Drexel Sales, Inc.	<u>10,134,000</u>
	\$ 305,043,000

DAN RIVER MILLS, INCORPORATED  
EXCESS LIABILITY INSURANCE FINANCIAL INFORMATION

EXHIBIT D

NUMBER OF EMPLOYEES

No. of Employees

Dan River Mills, Incorporated, Dan River International Corp., Schoolfield Finishers, Inc.	10,379
Riverdan Benevolent Fund, Inc.	26
Woodside Mills, John Preston Warehouse Company	4,293
Clifton Manufacturing Co. Division of Dan River Mills, Incorporated	729
Iselin-Jefferson Company, Inc., Iselin-Jefferson Financial Company, Inc. Colony Sales Company, Inc., Fruit of the Loom Financial Corp., Hayes Sales Company, Inc., Carnac Division of Woodside Mills, Cohn-Miller Co, Inc., Textile Services, Inc.	354
Wunda Weve Carpet Co. Division of Dan River Mills, Incorporated, Wunda Weve Leasing Co., Dan River Carpets Co. Division of Dan River Mills, Incorporated	807
Dan River Cotton Company, Inc.	77
Webco Mills, Incorporated, Webco Dyers, Inc., Webco Realty Company, Inc.	446
Crystal Springs Textiles, Inc.	1,012
Morganton Hosiery Mills, Inc., Drexel Knitting Mills Co., Flatterknit by Huffman, Morganton-Drexel Sales, Inc.	850
	<u>18,973</u>

DAN RIVER MILLS, INCORPORATED  
EXCESS LIABILITY INSURANCE RENEWAL INFORMATION

EXHIBIT E

Self-Insured Workmen's Compensation:

Dan River Mills, Incorporated is a self-insurer for Workmen's Compensation in the State of Virginia. Following is a record of losses and gross payroll for the past five years:

<u>Year</u>	<u>Gross Payroll</u>	<u>Amount of Losses</u>
1964	\$ 37,837,831	\$ 21,243
1965	42,337,330	56,046
1966	45,930,233	65,594
1967	42,985,083	36,865
1968	49,223,340	49,398

Excess Workmen's Compensation Coverage is provided by Employers Reinsurance Corporation of Kansas City, Mo., Policy C-1310, at a limit of liability of \$1,000,000 excess of primary net loss of \$21,000 per accident.

Woodside Mills is a self-insurer for Workmen's Compensation in the State of South Carolina. Following is record of losses and gross payroll for past five years:

<u>Year</u>	<u>Gross Payroll</u>	<u>Amount of Losses</u>
1964	\$ 18,512,043	\$ 103,212
1965	20,303,904	60,562
1966	21,707,766	94,331
1967	22,104,233	78,337
1968	25,383,097	151,946

Excess Workmen's Compensation Coverage is provided by Employers Reinsurance Corporation of Kansas City, Mo., Policy No. C-1670, at a limit of liability of \$1,000,000 excess of primary net loss of \$18,000 per occurrence.

Crystal Springs Textiles, Inc. through service of Paige, O'Brien Russell of Georgia, Inc., Atlanta, Ga. is self-insurer for Workmen's Compensation in the State of Georgia. Loss experience for the past five years is as follows:

<u>Period</u>	<u>Losses</u>	<u>Premium</u>
1964/66	\$ 20,658	\$ 80,153
1967	7,781	37,707
1968	19,130	29,426

Excess Coverage of \$1,250,000 is provided by Employer's Surplus Lines and is in excess of \$50,000 or 85% of normal premium, whichever is greater.

DAN RIVER MILLS, INCORPORATED, ET ALS  
EXCESS LIABILITY INSURANCE RETEAL INFORMATION

EXHIBIT F

Liability Claims Exceeding \$10,000 Occurring Past Five Years:

- 2-9-66 Claimant, Stanley Williams, had delivered truck of cotton to our premises. While our employees were unloading truck, a bale of cotton fell from truck and struck claimant. Suit for \$100,000 filed by claimant. Trial resulted in verdict for defendant. Case has been appealed by claimant. Primary carrier reserve currently is \$16,500.
  
- 6-18-66 Claimant, Jill Judy James, a minor, was burned when dress which was wearing caught fire. Two suits filed, one by Glenn E. James, father of Jill Judy James, and one by Jill Judy James suing through and by her father, Glenn E. James. Each suit for \$500,000. No trial date set. Primary carrier reserve currently is \$35,000.
  
- 9-18-66 Claimant, Max Donald Edwards, sustained injuries from electrical shock while working for independent contractor on plant premises. Suit for \$150,000 filed by claimant. Primary carrier reserve currently is \$24,500.
  
- 1-20-67 Claimant, Donna Bieler, burned when duster which was wearing caught fire. Suit filed in amount of \$212,800. No trial date set. Primary carrier reserve currently is \$2,500.
  
- 2-13-67 Claimant, Stop Shock, Inc., alleges slander. Initial suit filed for \$30,000,000 was dismissed by U. S. District Court for Northern District of Texas (Dallas Division). Case still in litigation, new suit having been filed in State of Texas. Primary carrier reserve currently is \$101,000.
  
- 12-28-67 Claimant, Heidi Ann Galster, burned when dress which was wearing caught fire. Suit filed in amount of \$150,000. No trial date set. Primary carrier reserve currently is \$16,500.
  
- 10-8-68 Claimant, Rachel Pilling, burned when dress which was wearing caught fire. Suit filed in amount of \$750,000. Recently settled for \$60,000.
  
- 10-8-68 Claimant, Roy Mathis, injured when stepped on man hole cover on our premises and the cover tilted causing claimant to fall into man hole. Primary carrier paying medical and compensation and current reserve is \$15,000.

Def. Ex.

CHICAGO  
ST. LOUIS  
NEW ORLEANS  
INDIANAPOLIS  
TULSA  
ST. PAUL  
KALAMAZOO  
DULUTH  
MILWAUKEE  
LOS ANGELES  
SAN FRANCISCO  
SEATTLE  
PORTLAND  
PHOENIX  
SAN DIEGO  
CAPTAN  
CHICAGO  
MILWAUKEE  
SYDNEY

# MARSH & MCLINNAN

INSURANCE

70 PINE STREET NEW YORK 10005

AREA CODE 212 943-2000

NEW YORK  
BOSTON  
PITTSBURGH  
PHILADELPHIA  
ATLANTA  
ROCHESTER  
BIRMINGHAM  
SAN ANTONIO  
SAN JOSE  
CHICAGO  
TORONTO  
MONTREAL  
QUEBEC  
VANCOUVER  
CALGARY  
WINNIPEG  
EDMONTON  
WINDSOR  
CARACAS  
SAO PAULO  
BRUSSELS  
ROME

December 19, 1969

Mr. Clyde T. Hooker  
Assistant Director  
Real Estate & Insurance  
Dan River Mills, Incorporated  
Danville, Virginia

EXHIBIT DEFENDANT NO. 3  
6-5-80 M.E., Apt. 1  
JFL JUDGE

Dear Clyde:

Re: Umbrella Liability Insurance  
Expiring 1-1-70

This will confirm our telephone conversation of December 19 concerning the captioned.

As I advised, the Employers Liability Group has submitted a renewal quotation for your Umbrella policy which expires January 1, 1970. The renewal quotation is \$5,350 per year or for a three-year term a premium of \$13,375. This figure is arrived at by taking the annual premium and multiplying by a factor of 2.5.

Further, the Employers has offered an additional \$5 million excess of \$5 million for an annual premium of \$2,500 or \$6,250 for three years.

We also received a quotation from the Home Insurance Company for \$10 million for a three-year premium of \$31,500.

We also contacted the Insurance Company of North America as well as the Aetna Casualty and Surety to submit quotations but the Aetna declined to quote, saying that there was not enough time to evaluate the situation. We are still awaiting the INA's quote but feel that their quotation will not equal or better the Employers.

Based upon the renewal quotation submitted, we recommend that you authorize us to place the full \$10 million of coverage with the Employers, effective January 1. Using the expiring premium for the \$5 million and the additional premium for the various entities during the policy term, your expiring cost would be in the area of \$15,000. For the additional \$5,000 of premium we feel that the extra \$5 million is a must for a corporation of your size.

Very truly yours,

MARSH & MCLINNAN

By:

John E. Kneak

JJK/pjs

Defendant's Exhibit 3

Def. Ex.

December 22, 1969

CIRCUIT COURT OF DANVILLE

Dan River, Inc.

Plaintiff

v.

Case 77-251

Commercial Union Insurance Co.

Defendant

EXHIBIT DEFENDANT NO. 4

6-5-80 M. E. Sptg

JFI

JUDGE

Mr. John Kwak  
Marsh & McLennan, Inc.  
70 Pine Street  
New York, N. Y. 10005

Dear John:

Re: Umbrella Liability Insurance  
Expiring January 1, 1970

This is to authorize you to bind our excess liability insurance coverage with the Employers Liability Group as of January 1, 1970 based on their three year quotation of \$19,625 for limits of \$10,000,000. It is my understanding that the terms in the new policy will be the same as now contained in the current policy with Employers.

We appreciate you canvassing the market for us and securing this attractive quotation.

Sincerely yours,

DAN RIVER MILLS, INCORPORATED

W. E. Hickson  
Director of Real Estate & Insurance

WEH/cwp

12-23-69- John Kwak advised of this by phone. He also asked to allocate premium for us which he said would do and will be on basis of payment. OK



ESTABLISHED 1871

## MARSH &amp; McLENNAN

INCORPORATED

## INSURANCE

70 PINE STREET NEW YORK 10005

AREA CODE 212 943 2000

CHICAGO  
 CINCINNATI  
 MINNEAPOLIS  
 ST. LOUIS  
 NEW ORLEANS  
 INDIANAPOLIS  
 TULSA  
 ST. PAUL  
 KANSAS CITY  
 LUTHER  
 MILWAUKEE  
 LOS ANGELES  
 SAN FRANCISCO  
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 PHOENIX  
 SAN DIEGO  
 OAKLAND  
 CHICAGO  
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 MELBOURNE  
 SYDNEY

NEW YORK  
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 PITTSBURGH  
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 ATLANTA  
 ROCHESTER  
 MIAMI  
 BUFFALO  
 SYRACUSE  
 RICHMOND  
 CHARLESTON  
 TORONTO  
 MONTREAL  
 QUEBEC  
 VANCOUVER  
 CALGARY  
 WINNIPEG  
 EDMONTON  
 WINDSOR  
 CARACAS  
 SAO PAULO  
 BRUSSELS  
 LONDON  
 ROME

February 25, 1970

Mr. W. E. Hickson, Director  
 Real Estate and Insurance  
 Dan River Mills Incorporated  
 Danville, Virginia 24541

Dear Mr. Hickson:

Umbrella Liability Insurance

We refer to your letter of December 22, 1969 wherein you authorized us to proceed with the renewal of Umbrella Liability Insurance effective January 1, 1970.

We now enclose for your attention Policy No. EY-8136-003 which provides \$10,000,000 Umbrella Liability Insurance in excess of Primary Insurance maintained by Dan River Mills Incorporated.

As we previously advised, the premium for the period January 1, 1970 to January 1, 1973 is \$19,625 for which we enclose our Invoice No. 70504.

We trust you will find the enclosed to be in order.

Yours very truly,

MARSH &amp; McLENNAN

By:

*Martin L. Elkinson*  
 Martin L. Elkinson

MLE:da

CIRCUIT COURT OF DANVILLE

Dan River Inc. Plaintiff  
 v. by 77-251  
Commercial Insurance Co. Inc. Defendant

EXHIBIT DEFENDANT NO. 5

6-5-80 M.C., & pty.  
JFL JUDGE

March 6, 1970

Mr. John M. Kwaak  
Marsh & McLennan, Inc.  
70 Pine Street  
New York, N. Y. 10005

Re: Employers-Commercial Union Companies  
Policy No. EY8136-003  
Umbrella Policy - 1/1/70 to 1/1/73

Dear John:

We acknowledge the receipt of the above mentioned policy.

It was our understanding that the renewal of this policy was offered to us on the same terms covering the expiring policy. When we checked this policy against the expiring policy, we found that it contained endorsement #2 which was not on our expiring policy restricting the care, custody and control coverage. Keeping such a restriction off of the new policy, as I told you, was one of my main concerns and my recollection is that I had the assurance from you that the new policy would have the same care, custody and control coverage as that existing on the expiring policy.

I also find that the declarations page of the new policy does not describe correctly the business of the insured. I refer you to endorsement #2 of the expiring policy for a description.

The new policy also lacks an endorsement on form G-9591 - "Bankruptcy or Insolvency Clause."

In the insuring agreement III of the expiring policy world-wide coverage is provided. The new policy does not refer to world-wide coverage.

Under item 3 of the declarations the present limit of liability under the specific excess Workmen's Compensation should be "\$1,000,000 excess over \$18,000 each accident."

o.k.  
End. #1 →

218

Mr. John M. Kwaak

March 6, 1970

The following changes should be made in endorsement #1:

1. Webco Mills, Inc., Webco Dyers, Inc. and Webco Realty Company, Inc. should be replaced by Webco Division of Dan River Mills, Incorporated. OK  
End #5
2. Woodside Mills should be replaced by Woodside Division of Dan River Mills, Incorporated.

On endorsement #1 the reference to "Carnac Division of Woodside Mills D/B/A Carnac a Division of Iselin-Jefferson Company, Inc." may be omitted because Carnac has merely become a department of the Iselin-Jefferson Company. OK  
End #5

Sincerely yours,

DAN RIVER MILLS, INCORPORATED

W. E. Hickson  
Director of Real Estate & Insurance

WEH/ewp

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DETROIT  
MINNEAPOLIS  
ST. LOUIS  
NEW ORLEANS  
INDIANAPOLIS  
TULSA  
ST. PAUL  
KALAMAZOO  
DULUTH  
MILWAUKEE  
LOS ANGELES  
SAN FRANCISCO  
SEATTLE  
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PHOENIX  
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OAKLAND  
SPOKANE  
JUNEAU  
MELBOURNE  
SYDNEY

ESTABLISHED 1871

# MARSH & MCLENNAN

INCORPORATED

## INSURANCE

70 PINE STREET NEW YORK 10005

AREA CODE 212 943-2000

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EDMONTON  
WINNIEB  
CARACAS  
SAO PAULO  
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LONDON  
ROME

March 16, 1970

Mr. W. E. Hickson  
Director, Real Estate and Insurance  
Dan River Mills, Incorporated  
Danville, Virginia

Dear Mr. Hickson:

Umbrella Liability Insurance  
Policy EY 136003

This will acknowledge receipt of your letter of March 6, 1970 and our conversation of that date concerning the necessity for several changes in the captioned policy.

With regard to the Care, Custody and Control, we have proposed that the following wording be used on Endorsement No. 2:

"It is agreed that this policy shall not provide coverage for property of others in the care, custody or control of the Named Insured other than insofar as coverage is provided in:

Aetna Casualty and Surety Company policies numbered  
OLFP 854733, FSK 302, IMSK 1851;

St. Paul Fire and Marine policy No. 365 JC 553;

Appalachian policy No. 28150; and

FIA policy No. 31725280.

All other terms and conditions with regard to Care, Custody and Control remain unchanged."

An endorsement outlining the business of the Insured presently is in preparation as is an endorsement including the "Bankruptcy or Insolvency Clause."

We have requested that the Employers amend item No. 3 to reflect a limit of liability for excess Workmen's Compensation of \$1 million

/ ...

MARSH & McLENNAN

- 2 -

March 16, 1970

Mr. W. E. Hickson  
Dan River Mills, Incorporated

Umbrella Liability Insurance  
Policy EY 136003

excess of \$18,000.

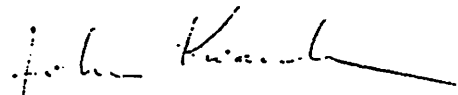
With regard to page 2 of your letter of March 6, we are having endorsement No. 1 amended as you requested.

We apologize for any inconvenience we may have caused you as the result of errors which appeared on the renewal document.

Yours very truly,

MARSH & McLENNAN

By:

  
John M. Kwaak

MLE/pg

DATE	PLAINTIFF'S ACCOUNT	RECEIVED	DISBURSED	DATE	DEFENDANT'S ACCOUNT	RECEIVED
0/24/69	#62567	15 00		4/24/72	#69453 (copies)	2 50
0.30/69	S.F.201-C.D.19		15 00	4/26/72	SF 201-CD 37	
				4/3/73	EEOC, #80833 (copies)	10 00
CUIT COURT OF DANVILLE				4/6/73	SF 201 - CD 37	
<i>an River, Inc.</i>				9/26/74	#89090 (Copies)	40 50
Plaintiff				9/30/74	SF 201-CD13	
<i>ky 77-251</i>						
<i>Commercial Union Insurance Co.</i>						
Defendant						
EXHIBIT DEFENDANT NO. <i>6</i>						
<i>-5-80 M.E., Dpty.</i>						
<i>JFL</i>						
JUDGE						

ABSTRACT OF COSTS			RECEIPTS, REMARKS, ETC.
TO WHOM DUE	AMOUNT		
			10/18/72 - Richard T.Seymour, #80660 3.00
			10/19/72 - SF 201-CD 15
			Defendant's Exhibit 6

DATE	FILINGS—PROCEEDINGS	AMOUNT REPORTED EMOLUMENT RETURN
10/24/69	Complaint filed - copy forwarded to Judge Dalton. Summons issued and forwarded to U.S. Marshal for service with instructions as to service on Registered Agent.	
10/24/69	Filed Motion of J L. Williams to associate counsel as follows: Richard B. Sobol and Elizabeth Molodovsky, 1823 Jefferson Place, N.W., Washington, D.C. 20036 and Jack Greenberg and James M. Nabrit III, 10 Columbus Circle, New York, New York 10019.	
11/3/69	Filed Order entered 11/3/69 in which it is ORDERED that Richard B. Sobol, Esq., and Elizabeth Molodovsky, Jack Greenberg and James M. Nabrit, III be permitted to appear in association with J L. Williams in this case. Copy forwarded to counsel, and to Judge Dalton. Civ. O.B. 8 - Page 278	
11/3/69	Filed executed summons in which Marshal's Return shows service on 10/29/69 by delivering a <del>copy of summons with copy of complaint</del> to Frank Talbott III, Vice President and General Counsel of Dan River Mills, Inc. in person.	
10/11/69	Filed and entered order dated November 10, 1969 in which it is ORDERED that the time within which Defendant may serve and file its responsive pleadings is extended to December 8, 1969. Copy forwarded to counsel of record and to Judge Dalton. Civ.O.B.8-Page 282	
12/4/69	Filed Defendant's Notice to Take Depositions - Copy to Judge Dalton.	
12/8/69	Filed and entered Order dated 12/5/69 in which Robert T. Thompson an attorney, is permitted to practice before this court in association with Frank Talbott, III, Esq. Copy forwarded to counsel of record and to Judge Dalton. Civ.O.B.8-Page 298	
12/8/69	Filed Defendant's Answer - Copy to Judge Dalton	
12/8/69	Filed Defendant's Motion to Dismiss with Affidavit and Exhibits. Copy to Judge Dalton..	
12/16/69	Filed Plaintiff's First Interrogatories to Defendant. Copy to Judge Dalton.	
12/18/69	Filed Defendant's Interrogatories to Plaintiffs. Copy to Judge Dalton.	
12/19/69	Filed Defendant's Objections to Plaintiffs' first Interrogatories. Copy to Judge Dalton .	
12/19/69	Filed Defendant's Motion for Protective Order. Copy to Judge Dalton.	

DATE	PROCEEDINGS
12/23/69	Filed Plaintiff's Motion to Intervene as Plaintiffs - Copy to Judge Dalton.
12/23/69	Filed Plaintiff's Complaint in Intervention - Copy to Judge Dalton.
12/23/69	Filed Plaintiff's Memorandum in Support of Motion to Intervene as plaintiffs. - Copy to Judge Dalton.
12/29/69	Filed Plaintiff's Objections to Defendant's Interrogatories. Copy to Judge Dalton.
1/6/70	Filed and entered Order dated 1/2/70 in which the motion is granted to permit Maggie L. Clemmon and nine others to be added as plaintiffs. Copy forwarded to counsel of record and to Judge Dalton. Civ.O.B.8-Page 326
1/6/70	Filed Notice of Hearing on Plaintiff's Objections to Defendant's Interrogatories setting the date for Jan. 14, 1970 at 11:00 a.m.
1/12/70	Counsel advised by letter from Judge Dalton on 1/5/70. Filed Plaintiff's Notices to take Depositions of Plaintiff-Intervenor. Copy to Judge Dalton.
1/19/70	Filed Plaintiff's Motion for Leave to Amend Complaint - Copy to Judge Dalton.
1/19/70	Filed plaintiff's Memorandum in opposition to Defendant's Motion to Dismiss. Copy to Judge Dalton.
1/19/70	Filed Plaintiff's Memorandum in Opposition to Defendant's Objections to Plaintiff's First Interrogatories. Copy to Judge Dalton.
1/19/70	Filed Plaintiff's Memorandum in opposition to Motion for a Protective Order. Copy to Judge Dalton.
1/19/70	Filed plaintiff's Certificate of Service of above - Copy to Judge Dalton.
1/22/70	Filed Plaintiff's Motion to Intervene - Copy to Judge Dalton.
1/22/70	Filed Plaintiff's Complaint in Intervention - Copy to Judge Dalton.
1/22/70	Filed Plaintiff's Memorandum in support of Motion to intervene as plaintiffs - Copy to Judge Dalton.
1/23/70	Filed Amended Complaint.
1/26/70	Filed and entered order dated Jan. 23, 1970 granting plaintiff's leave to file amended complaint. Copy forwarded to counsel of record and to Judge Dalton. Civ.O.B.8 - Page 326
1/26/70	Filed and entered order dated January 23, 1970 in which plaintiff's motion to permit the intervention of Robert Chaney, Janie A. Hunt and Joel Marable as plaintiffs in this action is GRANTED. Copy forwarded to counsel of record and to Judge Dalton. Civ.O.B.8 - Page 327
1/26/70	Filed and entered Order dated January 23, 1970 in which the motion of Equal Employment Opportunity Commission for leave to participate as <u>amicus curiae</u> in this action and for an extension of time in which to file a brief with respect to Defendant's Motion to Dismiss, etc. is granted; the Commission is granted until 1/23/70 to file brief. Copy forwarded to counsel of record and to Judge Dalton. Civ.O.B.8-Page 328
1/28/70	Filed Brief for the U.S. Equal Employment Opportunity Commission as <u>Amicus Curiae</u> , in opposition to defendant's motion to dismiss, objections to interrogatories, and motion for protective order. Copy to Judge Dalton.



DATE	PROCEEDINGS	D. No. Judge
2/3/70	Filed Defendant's Answer to Plaintiff's First Amendment to Complaint.	
5/8/70	Copy to Judge Dalton.	
<del>5/2/70</del>	Received Stipulation signed by both parties and filed by Judge Dalton on May 7, 1970.	
5/8/70	Filed and entered Order dated May 7, 1970 in which on motion of Frank Talbott, III, Esq., it is ORDERED that Homer L. Deakins, Jr. Esq. and James J. Baldwin, Esq. be admitted to practice in this court for the trial of this case. CIV.O.B.8 - Page 392	
6/26/70	Filed sealed depositions of the following: Julious Adams; Robert Hairston; Bendie Hall; Loretta Harris; Leroy Barksdale; Hope Breedlove; Bessie Burrell, Russell Dodson; Joseph Graves, Helen Crews; Mae Crews; Robert Chaney; William Barksdale; Edward Crews and Erma Garland.	
6/29/70	Filed sealed Depositions of Janie Hunt, Gracie Childress, Joel Marable, Mary L. Brooks, Henry Wilson, Bernard Lee Robertson, Robert Hereford, William Hereford, Leroy Johnson, James Montgomery, Willie Richardson, Harry Slade and Charlie Smith.	
8/11/70	Filed and entered order dated August 10, 1970 in which it is ORDERED that defendant answer three interrogatories for each of defendant's plants in the 17 locations listed in Paragraph 3 of the complaint with certain stipulations. Copy of order forwarded to counsel of record and to Judge Dalton. CIV.O.B.8 - Page 448	
9/2/70	Filed Defendant's Answers to Plaintiff's Interrogatories. Due to volume of papers, copy is not forwarded to Judge Dalton.	
12/24/70	Filed Court Reporter's electronic record of proceedings. See Civil Envelope No. 91 (Roanoke)	
2/11/71	Filed deposition of Robert M. Gardiner.	
3/23/71	Filed Defendant's Supplemental Answers to Plaintiff's First Interrogatories. Copy to Judge Dalton.	
5/11/71	Filed plaintiff's notice of deposition to be taken on 5/20/71 of Beverley A. Gosney, Jr. and F.J. Ridgeway, Jr. Copy to Judge Dalton.	
5/18/71	Filed sealed depositions of Birdie Ruth Harris, Bertha Louise Farrow, Marion Louise Epps and Johnny Edward Nance.	
6/28/71	Filed Depositions of Alma Lawson, John S. Crenshaw, Mary Lee Crenshaw, Elizabeth Milner and Maggie Lee Clemmons, in one envelope.	
6/30/71	Filed Depositions of F.J. Ridgeway, Jr. and Beverley A. Gosney, Jr. in one envelope.	
8/4/71	Filed plaintiff's Motion to Associate Counsel. Copy to Judge Dalton.	
8/17/71	Filed and entered order dated August 16, 1971 in which it is ORDERED that Robert B. Fitzpatrick is associated as co-counsel for plaintiff. Copies certified to counsel of record and to Judge Dalton. Civ.O.B.9-Page 240	

DATE	PROCEEDINGS
8/30/71	Filed Plaintiff's Request for Production of Documents, under Rule 34. Copy to Judge Dalton.
11/12/71	Filed Deposition of Tommy Lewis Hairs on.
11/8/71	Filed, by leave of court, defendant's response and objections to plaintiffs' request for production of documents under Rule 34. Copy to Judge Dalton.
11/8/71	Filed affidavit of James J. Baldwin, Copy to Judge Dalton.
11/8/71	Filed affidavit of Beverley A. Gosney, Jr. Copy to Judge Dalton.
11/29/71	Filed plaintiff's motion for order compelling discovery. Copy to Judge Dalton.
11/29/71	Filed plaintiff's memorandum in support of motion for order compelling discovery. Copy to Judge Dalton.
12/6/71	Filed Plaintiffs' Second interrogatories to Defendant. Copy to Judge Dalton.
12/6/71	Filed Plaintiffs' second request for production of documents. Copy to Judge Dalton.
12/9/71	Filed defendant's memorandum in opposition to plaintiffs' motion for order compelling discovery. Copy to Judge Dalton.
1/4/72	Filed defendant's response to plaintiffs' second request for production of documents. Copy to Judge Dalton.
1/4/72	Filed Defendant's Answers to Plaintiffs' Second Interrogatories. Copy to Judge Dalton.
1/4/72	Filed Defendant's Motion for order terminating discovery, and for other relief. Copy to Judge Dalton.
1/5/72	Filed and entered order dated 12/31/71 in which counsel for plaintiff is granted leave to file memorandum in response to Defendant's Memorandum in Opposition to Plaintiff's Motion for Order Compelling Discovery no later than January 16, 1972. Copies certified to counsel of record and to Judge Dalton. CIV. O.B. 9 - Page 345
1/19/72	Filed plaintiffs' response to defendant's motion for order terminating discovery and for other relief. Copy to Judge Dalton.
1/25/72	Filed and entered Opinion and Order in which it is ORDERED and ADJUDGED that the defendant produce the current master payroll file and the requested W-2 print-outs in the appropriate computerized form. It is further ORDERED and ADJUDGED that the plaintiff shall pay the costs of preparing these documents and that all other costs related to this motion shall be borne by the respective parties. Copies certified to counsel of record and to Judge Dalton. CIV.O.B. 9 - Page 354
2/8/72	Filed defendant's motion for protective order. Copy to Judge Dalton.
2/18/72	Filed plaintiff's motion to amend their complaint by substitution a second amended complaint for the Amended Complaint previously filed. Copy to Judge Dalton.

DATE	PROCEEDINGS	JUL
3/31/72	Filed Protective Order entered March 30, 1972 - Copy to counsel of Record and to Judge Dalton. CIV.O.B.9 - Page 413	
5/4/72	Filed Plaintiff's Third Interrogatories. Copy to Judge Dalton.	
5/30/72	Filed Defendant's Answers to Plaintiff's Third Interrogatories. Copy to Judge Dalton.	
7/13/72	Filed defendant's requests for admissions pursuant to Rule 36 FRCP to be answered by plaintiff. Copy to Judge Dalton.	
7/13/72	Filed defendant's interrogatories and requests for production under Rules 33 and 34 FRCP to the plaintiff. Copy to Judge Dalton.	
7/26/72	Filed Defendant's Second Motion for Order Terminating Discovery and for other relief. Copy to Judge Dalton with proposed order.	
7/31/72	Filed and entered order dated July 28, 1972 in which it is ORDERED, ADJUDGED & DECREED that all discovery by all parties to this proceeding shall be terminated immediately and that a final pre-trial conference shall be scheduled at 10:00 A.M. August 21, 1972 at Lynchburg, Va. Copies certified to counsel of record, and to Judge Dalton. CIV.O.B.10 - Page 107	
<del>2/2/73</del>		
1/29/73	Filed plaintiff's Motion to Amend and for Other Purposes. Copy to Judge Dalton.	
1/29/73	Filed plaintiff's Memorandum in support of motion to amend and for other purposes. Copy to Judge Dalton.	
1/29/73	Filed plaintiff's Motion to Withdraw Interventions without prejudice. Copy to Judge Dalton.	
1/29/73	Filed plaintiff's Third Amended Complaint and Amend Complaint in Intervention. Copy to Judge Dalton.	
1/30/73	Filed and entered Order dated January 29, 1973 in which it is ORDERED that leave to file the Third Amended Complaint and Complaint in Intervention, dated 1/26/73, in lieu of all preceding complaints, complaints in intervention and amendments thereto filed by these parties, is GRANTED. It is further ORDERED that discovery shall be reopened for a period of 30 days from date of this order limited to the allegations relating to the discharge of plaintiff Adams set forth in the Third Amended Complaint and Amended Complaint in Intervention. Copies certified to counsel of record and to Judge Dalton. CIV.O.B. 10 - Page	
1/30/73	Filed and entered order dated January 29, 1973 in which it is ORDERED that the interventions of plaintiff-intervenors Maggie L. Clemmon, et al., granted by this Court on 1/6/70 be and hereby are, withdrawn without prejudice. Copies certified to counsel of record and to Judge Dalton. CIV.O.B. 10 - Pg. 243	
2/5/73	Filed defendant's motion to vacate order of 1/30/73. Copy to Judge Dalton.	

DATE	PROCEEDINGS
2/9/73	Filed and entered order dated February 8, 1973 in which it is ADJUDGED and ORDERED that said motion to vacate and set aside the order of the court entered January 30, 1973 is overruled and denied. Copies certified to counsel of record and to Judge Dalton. CIV.O.B.10-Page
2/21/73	Filed Defendant's Answer to Third Amended Complaint and Amended Complaint in Intervention. Copy to Judge Dalton.
3/5/73	Filed Plaintiff's Request for Production of Documents. Copy to Judge Dalton.
3/5/73	Filed Plaintiff's Fourth Interrogatories. Copy to Judge Dalton.
3/5/73	Filed Plaintiff's Notice of Depositions. Copy to Judge Dalton.
3/12/73	Filed and entered order dated March 9, 1973 in which Homer L. Deakin Esq., is granted permission to practice before this court in this action. Copy certified to counsel of record and to Judge Dalton. CIV.O.B.10-
3-23-73	Filed OBJECTIONS AND ANSWERS TO PLAINTIFFS' FOURTH INTERROGATORIES with cert. of service noted thereon. Copy to Judge Dalton.
3-23-73	Filed DEFENDANT'S OBJECTIONS TO PLAINTIFFS' MOTION TO REOPEN DISCOVERY with cert. of service noted thereon. Copy to Judge Dalton.
3-23-73	Filed OBJECTIONS TO PLAINTIFFS' REQUEST FOR PRODUCTION OF DOCUMENTS with cert. of service noted thereon. Copy to Judge Dalton.
3-27-73	Filed MOTION OF ROBERT B. FITZPATRICK TO WITHDRAW AS COUNSEL IN THIS ACTION and MOTION TO ASSOCIATE NON-RESIDENT COUNSEL PRO HAC VICE IN THIS ACTION with cert. of service thereon. Copy to Judge Dalton with proposed
4/2/73	Filed and entered order dated March 29, 1973 in which Robert B. Fitzpatrick Esq.'s motion to withdraw as counsel is granted and upon motion of J. Williams, Esq., Richard T. Seymour, Esq., is associated with him and counsel as attorneys of record. Copies certified to counsel of record and to Judge Dalton. Civ. O. B. 10 - Page
4/9/73	Filed Defendant's Motion as to Class Under Rule 23 with attachments and certificate of service attached. Copy to Judge Dalton.
4/9/73	Filed Defendant's Motion for Partial Summary Judgment with supporting material and certificate of service attached. Copy to Judge Dalton.
4/9/73	Filed Memorandum of authorities in support of Motion as to Class under Rule 23. Copy to Judge Dalton.
4/16/73	Filed Memorandum in support of Defendant's Objections to Plaintiff's Discovery Requests. Copy to Judge Dalton.
4/18/73	Filed Joint Stipulation. Copy to Judge Dalton at pre-trial on 4/18/73
4/27/73	Filed and entered order dated April 23, 1973 giving the ruling on Plaintiff's Motion to Compel, Plaintiff's Motion to Reopen Discovery, Defendant's Motion as to Class under Rule 23 and Defendant's Motion for Partial Summary Judgment. Copies certified to counsel of record and to Judge Dalton. CIV.O.B.10- Page 323
4/28/73	Filed and entered order dated April 28, 1973 in which it is ADJUDGED and ORDERED that Birg E. Sargent, is appointed Special Master at the task of depositions at Danville Virginia beginning June 5, and is report his findings to the Court; further, that the fees and expenses of the Special Master are to be taxed as costs. Copies certified to counsel of record and to Judge Dalton. CIV.O.B.10-Page 324

DATE	PROCEEDINGS
6/73	Filed Defendant's Responses to Plaintiff's Pursuant to Court Order dated April 23, 1973. Copy to Judge Dalton.
1/73	Filed Discovery Depositions of Charles F. Brumfield, Sr , and Burton N Yarb
7/73	Filed and entered order dated July 2, 1973 in which it is ORDERED that plain motion to reopen discovery dated 3/16/73 is denied, provided, however, that the plaintiffs shall be permitted to renew their motion to reopen discovery following the issuance of the recommended findings and conclusions by the Special Master. Copies certified to counsel of record and to Special Master and Judge Dalton. CIV.O.B. 10 - Page 362
3/73	Filed transcript of hearing before Special Master on June 5, 1973. <i>Beig</i>
3/73	Filed transcript of hearing before Special Master on June 13, 1973. <i>Beig</i>
12/73	Filed transcript of hearing before Special Master on June 12, 1973. <i>Beig "1/11"</i>
1/18/73	Filed transcript of hearing before Special Master on June 6 and 7, 1973 <i>Beig "</i>
2/73	Filed deposition of Donald A. Aichner.
5/73	Filed transcript of hearing before Special Master on July 24, 1973. <i>Beig "1/12"</i>
9/73	Filed transcript of hearing before Special Master on July 25, 1973. <i>Beig "1/12"</i>
15/73	Filed defendant's motion to correct certain clerical errors in the transcript of the deposition of Donald A. Aichner. Copy to Special Master.
21/73	Filed and entered order dated November 19, 1973 in which it is ORDERED that defendant's motion to correct certain clerical errors in the transcript of the deposition of Donald A. Aichner be granted and that the errors enumerated therein be corrected forthwith. Corrections made by deputy clerk to original this date. Copies of order certified to counsel of record and to Special Master. Civ.O.B.11 - Page 77
21/73	Filed transcript of Special Hearing on July 25, 1973 (second volume) <i>Beig</i>
21/73	Filed transcript of Special Hearing on July 26, 1973. <i>Beig</i>
26/73	Filed deposition of Robert Van Tassel.
3/73	Filed subpoena to produce document or object executed on December 28, 1973, by service on Richard J. Pretty, Virginia Employment Commission.
7/74	Filed subpoena to produce document or object executed on January 4, 1974 by Sheriff J.W.Lovelace.
14/74	Filed and entered order dated January 8, 1974 in which it is ORDERED, ADJUDGE and DECREED that the Virginia Employment Commission shall produce relevant documents, records and information and that the protective provisions listed the order are granted with respect to said documents, records and information. Copies certified to counsel of record and to the Virginia Employment Commission at Danville, Virginia. Copies to counsel of record only who signed the order. Copy to Mr.G.B.Roberts,Jr., Assistant Attorney General. CIV.O.B.11-Page 10
24/74	Filed transcript of proceedings of January 8, 1974 in one volume.
20/74	Filed transcripts in three volumes with exhibits of hearing on January 9, 10, & 11.
17/74	Filed Plaintiffs' Proposed findings of fact and conclusions of law. Copy to Special Master by counsel.

## CIVIL DOCKET CONTINUATION SHEET

PLAINTIFF  JULIOUS ADAMS, et al	DEFENDANT  DAN RIVER, INC.	DOCKET NO. <u>69-C-58</u> PAGE ____ OF ____ PAGE
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DATE	NR.	PROCEEDINGS
1/13/75		Filed Brief for Defendant, Defendant's Proposed Finds of Fact and Conclusions of Law with certificate attached. Copy to Special Master by counsel.
2/18/75		Filed Plaintiffs' Reply Memorandum. Copy to Special Master by counsel.
2/18/75		Filed Corrected Copy of Plaintiffs' Reply Memorandum. Copy to Special Master by counsel.
3/3/75		Filed defendant's Reply Brief.
11/17/76		Filed Report of Special Master. Copies certified to Richard T. Seymour and to General Counsel for Dan River Mills, and to Judge Dalton. Copies forwarded by Special Master to Homer L. Deakins, Jr., Esq., and to Richard B. Sobol, Esq., Chief Counsel.
12/3/76		Filed and entered order dated December 1, 1976 in which the schedule is established for submissions to the Court in this proceeding as follows: <ol style="list-style-type: none"> <li>1. All objections, motions and other responses to the Report of the Special Master filed on 11/17/76 shall be filed on or before 2/1/77.</li> <li>2. Each side shall have until 3/15/77 to file replies to responses.</li> <li>3. If necessary, oral argument on any objections will be set after 3/15/77.</li> </ol> Copies certified to counsel of record and to Judge Dalton. CIV.O.B. 13 - Page
1/7/77		Filed and entered order dated January 6, 1977 in which Frank Talbott, III, Esq. is removed as counsel of record due to his withdrawal and Bruce C. Dungan, an Assistant General Counsel of Dan River is substituted as counsel of record effective this date. Copies certified to counsel of record and to Judge Dalton. CIV.O.B. 13 Page 280
2/1/77		Filed and entered order dated January 31, 1977 in which based upon the request of the Defendant, and with the consent of the plaintiffs, the following new schedule is established for submissions to the Court: <ol style="list-style-type: none"> <li>1. All objections, motions, and other responses to the Report of the Special Master filed on November 17, 1976 shall be filed on or before February 15, 1977.</li> <li>2. Each side shall have until April 1, 1977 to file replies or responses to the submissions filed by the opposite side in accordance with Paragraph 1.</li> <li>3. If the court considers it to be necessary, oral argument on any objection will be set by the Court after April 1, 1977.</li> </ol> Copies of this order certified and forwarded to all counsel of record, and recorded in CIV.O.B. 13 - Page 294
3/2/77		Filed and entered order dated February 28, 1977 in which, based on consent of the parties, the following new schedule is established for submissions to the Court <ol style="list-style-type: none"> <li>1. All exceptions, motions and other responses to the Report of the Special Master shall be filed on or before the 14th day after the Court is advised in writing by the parties that settlement discussions have been unsuccessful and have been terminated.</li> <li>2. Each side shall have until 45 days after the submission of exceptions, motions and other responses to the Report of the Special Master to file replies or responses to the submissions filed by the opposite side in accordance with paragraph 1.</li> <li>3. If the Court considers it to be necessary, oral argument on any objection will be set by the Court thereafter.</li> </ol> CIV.O.B. 13 - Page 326

## CIVIL DOCKET CONTINUATION SHEET

PLAINTIFF  JULIOUS ADAMS, ET AL	DEFENDANT  DAN RIVER, INC.	DOCKET NO. 69-C-58-D PAGE ____ OF ____ PAGES
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DATE	NR.	PROCEEDINGS
12/30/77 12/30/78		Filed MEMORANDUM OF AGREEMENT signed by counsel. \$250,000.00 deposited with Court to be held until final consent decree. The following pleadings were not received in the Clerk's office until January 23, 1978 when the case was returned from the Special Master; therefore the filing date is not in sequence:
1/23/78 1/23/78		PLAINTIFF'S MOTION TO COMPEL. MEMORANDUM IN SUPPORT OF PLAINTIFF'S MOTION TO COMPEL. (This motion was heard on April 18, 1973 and ruled on in order dated 4/23/73.)
1/23/78		PLAINTIFF'S MOTION TO REOPEN DISCOVERY FOR LIMITED PURPOSES. PLAINTIFF'S FIFTH INTERROGATORIES TO DEFENDANT PLAINTIFF'S FOURTH REQUEST FOR PRODUCTION OF DOCUMENTS AND THINGS.
6/6/78		Entered order dated June 5, 1978 in which it is ORDERED that the Clerk draw a check for \$250,000.00 on the Treasury of the U.S. payable to 'Dan River, Inc. and return same to Dan River; settlement negotiations having ended. Copies certified to counsel of record. CIV.O.B. 15 - Page 68
7/20/78 7/20/78 7/20/78		PLAINTIFF'S EXCEPTIONS TO REPORT OF THE SPECIAL MASTER. DEFENDANT'S EXCEPTIONS TO THE REPORT OF THE SPECIAL MASTER. DEFENDANT'S BRIEF IN SUPPORT OF EXCEPTIONS TO REPORT OF THE SPECIAL MASTER.
9/28/78		CONSENT DECREE. Copies certified to counsel of record. CIV.O.B.15-Page 196
11/28/78		OBJECTION TO SETTLEMENT OF JAMES JONES.
12/4/78 12/5/78		OBJECTION TO SETTLEMENT OF ACIE DAVIS, JR. OBJECTION TO SETTLEMENT OF SHIRLEY D. BETHEL.
12/13/78		OBJECTION TO SETTLEMENT OF EDWARD HICKSON, SR.
12/21/79		Hearing in open court on objections to settlement. Present: Hon. James C. Turk and Clara Mosher, Reporter. On motion of Def. Shirley Bethel and James Jones were excluded out of the class. On motion of Defendant, Edward Hickson's objection was ruled. On motion of Defendant, Acie Davis Jr.,'s objection was overruled. Settlement approved by Court.
12/21/78		Filed and entered defendant's memorandum recommending approval of proposed consent decree.
12/21/78		CONSENT DECREE FILED AND ENTERED dated 12/21/78. Copies certified to all counsel of record. CIV.O.B. 15 - Page 289
12/21/78		DEFENDANT'S MEMORANDUM MAILING OF NOTICE TO MEMBERS OF THE CLASS.
12/27/78		Received objection from Mrs. Theresa C. Taylor postmarked Dec. 21, 1978.
1/23/79		\$250,000.00 deposited with court for Trust Fund payment and deposited by court in Savings Account, First National Bank on 1/24/79.
2/5/79		Filed and entered order dated February 2, 1979 in which Rev. Arthur White having been appointed as Trust Administrator and the First State Bank of Danville, Va. as Investment Agent, it is ORDERED that the Trust Administrator and Investment Agent be empowered to receive such funds as were deposited with the court as the initial contribution of the Self Development Trust, from the First National Bank of Danville, Va. and the Clerk of the Court to certify and return from the First National Bank

## CIVIL DOCKET CONTINUATION SHEET

PLAINTIFF JULIOUS ADAMS, ET.AL.	DEFENDANT DAN RIVER, INC.	DOCKET NO. 69-C-58-1 PAGE ____ OF ____ PAC
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DATE	NR.	PROCEEDINGS
2/6/79		and pay to the Rev. Arthur White and First State Bank. CIV.O.B. 16-Page 33 Cashier's Check. #029607 in the amount of \$250,376.97 payable to Rev. Arthur White and First State Bank given, in person, to Jerry L. Williams, Jr.
3/8/79		Filed and entered order dated March 7, 1979 in which under the terms of the Consent Decree entered by the Court in this case on 12/21/78, the defendant is responsible for the payment of outstanding court costs, including the Special Master's fee. The court has determined that the reasonable fee for the Special Master, including expenses, is \$5,500.00 and it is ORDERED that the defendant pay directly to Mr. Birg Sergeant, Esq., the total sum of \$5,500.00 in full payment of his fee and expenses as Special Master in this case. Copies certified to counsel of record. CIV.O.B. 16 - Page 64



CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

March 16, 1977

The Aetna Casualty and Surety Company  
151 Farmington Avenue  
Hartford, Connecticut 06156

Re: Aetna Policy No. 14AL105864 SR(Y)  
Effective 1-1-69 to 1-1-70

Gentlemen:

Dan River Mills, Incorporated (now Dan River Inc.) is the insured in subject policy. Similar policies were also issued to this insured covering previous years and subsequent years to January 1, 1972. Thereafter the risk was not insured by Aetna.

On October 24, 1969, a civil action in the form of a class action was filed in the United States District Court for the Western District of Virginia, Danville Division, in which Dan River was named defendant and numerous individuals were named plaintiffs. The complaint, as subsequently amended, is allegedly brought on behalf of all present, future and former black employees at the Company's Danville Division and all previously unsuccessful black applicants and future black applicants for employment at such Division. The complaint alleges that Dan River has discriminated and is continuing to discriminate against plaintiffs and the class they claim to represent on the grounds of race in violation of the Civil Rights Act of 1964 and 1866, and seeks injunctive and other equitable and legal relief. Dan River filed its answer in these proceedings denying material allegations of the complaint, denying any such discrimination and seeking dismissal of the suit. The Special Master appointed by the Court has issued proposed findings of fact and conclusions of law, recommending to the District Court that some allegations of discrimination be rejected, while others be upheld. Dan River and its counsel believe several of these findings are erroneous and exceptions to these findings will be filed.

Meanwhile, we have been approached by the plaintiffs to undertake settlement discussions in the matter. Also, because of the Special Master's proposed findings, we must now consider the possibility of some ultimate liability in the matter. It seems to us that a portion of this liability may be covered by subject policy and similar policies in effect during some of

CIRCUIT COURT OF DANVILLE

Plaintiff

v. *Dan River, Inc.* *77-251*

Defendant

*Commercial Union Assurance Co.*

EXHIBIT DEFENDANT NO. *7*

*6-5-80 M.E., Spdy*  
*JFL* JUDGE

The Aetna Casualty and Surety Company  
March 16, 1977  
Page 2

the years involved. Therefore we are providing you with notice of this occurrence. We have been represented in this matter from its inception by the well-recognized labor law firm of Thompson, Ogletree and Deakins of First National Bank Tower, Atlanta, Georgia 30303, telephone number (area code 404) 658-9300. Mr. Deakins of that firm is responsible for this case.

Before undertaking any settlement discussions we seek your instructions and we ask that you assume our continued defense in the matter should you feel that it should not be settled. You may request copies of any of the suit papers directly from Mr. Deakins and we will provide any additional information that you may need. We have likewise provided notice of this matter to our umbrella carrier, The Employers' Liability Assurance Corporation, Limited.

Very truly yours,

H. H. Huntley  
Vice President and  
General Counsel

HHH:lbh

cc: Homer L. Deakins, Jr., Esquire

bc: Messrs. E. R. Lloyd  
R. S. Small

## CIRCUIT COURT OF DANVILLE

Dan River, Inc. Plaintiff

v.

by 77-251  
Commercial Union Insurance Co. Defendant

BY HAND

EXHIBIT DEFENDANT NO. 86-5-80 M.E. Dptg  
JFL JUDGE

May 11, 1978

Frank O. Meade, Esquire  
 Meade, Tate and Daniel  
 Attorneys at Law  
 P.O. Box 720  
 Danville, Virginia 24541

RE: Dan River Inc. v. Commercial Union Insurance Co.

Dear Frank:

Confirming advice given you in response to your telephone call of Wednesday morning, May 10, concerning the current settlement posture of Adams, et al v. Dan River Inc., this is to advise that I have the settlement figures which are, as follows:

- (a) Total to the named plaintiffs--\$50,670.00;
- (b) Total to the class (the trust fund)--\$600,000.00;
- (c) Total to the attorneys for the named plaintiffs and the class--\$200,000.00;
- (d) Total (to date) to Dan River's counsel--\$305,907.00;
- (e) Expert witness fee to Mr. Trent (at trial)--\$5,325.00;
- (f) Expert witness fee to Mr. Rowan (at trial)--\$4,121.00; and
- (g) Total court costs (to date)--\$7,500.00.

Thus, the total claim to date is \$1,173,423.00. This ultimately would be the sum sued for in the captioned case plus whatever additional attorneys' fees and court costs may be incurred.

By way of substantiation, I hand you herewith a copy of Memorandum of Agreement, filed with the U. S. District Court in the Adams Case on December 30, 1977, together with the Clerk's receipt for \$250,000.00 which we deposited with the Court on that date.

We have opinion of counsel indicating that our settlement is extremely conservative in light of the contingent liabilities to which we, and our insurance carrier, were exposed in the Adams Case.

There is no doubt that our counsel have the highest professional reputation, and I believe we can establish to your satisfaction through other distinguished lawyers working in the civil rights field that we have made a propitious settlement indeed.

Frank O. Meade, Esquire  
Page Two  
May 11, 1978

Finally, I extend to you a cordial invitation to be present, and participate in, our meeting with Judge Turk, in Roanoke, on May 23, 1978 at 10:00 a.m., at which time we expect to present for his approval a Final Decree in the Adams Case.

Very truly yours,

Roger L. Tuttle  
Assistant General Counsel

RLT:mlm

Attachment

cc: Joseph M. Spivey, III, Esquire  
Hunton & Williams

UNITED STATES DISTRICT COURT

WESTERN DISTRICT OF VIRGINIA  
ROANOKE, VIRGINIA 24002

Def. Ex. 9

TED DALTON  
DISTRICT JUDGE

July 15, 1975

CIRCUIT COURT OF DANVILLE

Jerry L. Williams, Esq.  
Williams & Luck  
216 N. Ridge Street  
Danville, Virginia 24541

Dan River, Inc.  
Plaintiff

v.

Richard T. Seymour, Esq.  
316 Southern Building  
1425 H. Street  
Washington, D.C. 20005

Commercial Union Insurance Co  
Defendant

Frank Talbott, III, Esq.  
Dan River Mills, Inc.  
Danville, Virginia 24541

EXHIBIT DEFENDANT NO. 9

6-6-80 M.E., Dpty.  
JFL JUDGE

Homer L. Deakins, Esq.  
Thompson, Ogletree & Deakins  
The Daniel Building  
Greenville, South Carolina 29602

Richard Sobol, Esq.  
P.O. Box 1438  
Leesburg, Virginia

Jack Greenberg, Esq.  
James M. Nabrit, III, Esq.  
10 Columbus Circle,  
New York, New York 10019

Re: Adams v. Dan River, Inc.

Gentlemen:

I would like to have a conference in the above case in my office in Roanoke on July 25 at 10:00 a.m.

Very truly yours,

Ted Dalton

District Judge