

Aqua-Chem Inc.

Aqua-Chem Inc.
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Description: For over 70 years, Aqua-Chem, Inc. and its Divisions, Cleaver-Brooks, Water Technologies, Lincoln Manufacturing, Gonzales Manufacturing, Energy Recovery International, Industrial Combustion, and Nebraska Boiler have provided energy and environmental solutions in the form of water treatment, commercial heating comfort, and industrial processes in partnership with customers in more than 100 countries around the world.

Asbestos Discussion from SEC filings:

From the Company's Form 10-K405 for the period ending March 31, 2002 at
<http://www.sec.gov/Archives/edgar/data/6992/000095012400004018/e10-k405.txt>
Filed On: June 29, 2000

The Company has been named as one of a number of defendants in numerous lawsuits alleging personal injury arising from exposure to asbestos-containing materials allegedly contained in certain boilers manufactured by the Company in the past. To date, the Company has disposed of approximately 3,300 lawsuits of this nature which included approximately 17,000 defendants, and, in the vast majority of these closed cases, neither the Company nor its insurers have made payments to the plaintiffs. The Company has not admitted liability or been found liable for the plaintiffs injuries in any case.

There are approximately 11,200 of such lawsuits pending against the Company which include approximately 40,900 plaintiffs. While the Company intends to continue to work to dispose of these lawsuits, both the number of cases filed and the number of plaintiffs per case increased during Fiscal 2000 from those filed during prior periods, and the Company expects that additional lawsuits will be filed in the

future. The Company believes that substantially all of the pending lawsuits are without merit. The Company is vigorously defending the open cases, although many may not be resolved for several years.

Because pleadings generally do not specify the amount of damages sought, because the Company is typically only one of numerous defendants initially named, and because it is impossible to determine the Company's proportionate share of liability in these cases, the Company cannot calculate its total potential liability in these cases. However, based on its historical experience, the Company believes that its insurance coverage from its primary and umbrella insurers combined with indemnification from former owners of the Company should be adequate to cover future liabilities in these cases. Although Aqua-Chem believes the costs and liabilities associated with these matters will not have a material adverse effect on its results of operations or financial condition, there can be no assurance to this effect.

The Company is involved in various other litigation matters arising in the normal course of business. Management believes that the Company's recovery or liability, if any, under pending litigation is not

expected to have a material effect on the Company's financial position or results of operations, although no assurance to that effect can be given.

Asbestos Discussion from SEC filings:

From the Company's Form 10-Q for the quarter ended December 31, 2000

<http://www.sec.gov/Archives/edgar/data/6992/000095012401000871/c60071e10-q.txt>

Filed On: February 14, 2001

The Company has been named as one of many defendants in numerous lawsuits alleging personal injury arising from exposure to asbestos-containing materials contained in certain boilers manufactured by the Company many years ago. To date, the Company has disposed of approximately 3,400 lawsuits of this nature which included at least 27,000 plaintiffs, including the settlement during Fiscal 2001 of several lawsuits which included over 1,000 plaintiffs each. In the vast majority of the closed cases, neither the Company nor its insurers have made payments to the plaintiffs. The Company has not admitted liability or been found liable for the plaintiffs' injuries in any case.

Currently, there are at least 13,500 lawsuits pending against the Company which include at least 48,500 plaintiffs. This represents an increase of more than 2,000 lawsuits and more than 7,000 plaintiffs from the quantities the Company reported in its Annual Report filed on Form 10K for the fiscal year ended March 31, 2000. While the Company intends to continue to work to dispose of these lawsuits, the number of cases filed and the number of plaintiffs per case have continued to increase, and the Company expects that additional lawsuits will be filed in the future. The Company believes that substantially all of the pending

lawsuits are without merit. The Company will continue to vigorously defend itself in the open cases which, in some instances, may not be resolved for several years.

Various factors preclude certainty in the determination of the Company's total potential cost to resolve the open cases or cases that may be filed against the Company in the future. For example, pleadings generally do not specify the amount of damages sought, and the Company is typically only one of many defendants initially named. Additionally, bankruptcy filings of other companies with asbestos-related litigation could affect the Company's asbestos-related costs over time. These matters make it difficult to determine the Company's proportionate share or amount of liability, if any, in these cases with certainty. However, based on its historical experience, the Company continues to believe that its insurance coverage should be adequate to cover future costs in these cases. The Company is continuing to monitor this situation and is undertaking appropriate actions to assess the potential impact of future cases on the Company. Although Aqua-Chem believes the costs associated with these matters will not have a material adverse effect on its results of operations or financial condition, there can be no assurance to this effect.

Asbestos Discussion from SEC filings:

From the Company's Form 10-Q for the quarter ended September 30, 2000

<http://www.sec.gov/Archives/edgar/data/6992/000095012400006972/c58034e10-q.txt>

Filed On: November 14, 2000

The Company has been named as one of a number of defendants in numerous lawsuits alleging personal injury arising from exposure to asbestos-containing materials contained in certain boilers manufactured by the Company many years ago. To date, the Company has disposed of approximately 3,300 lawsuits of this nature which included at least 27,000 plaintiffs,

including the recent settlement of several lawsuits which included over 1,000 plaintiffs each. In the vast majority of these closed cases, neither the Company nor its insurers have made payments to the plaintiffs. The Company has not admitted liability or been found liable for the plaintiffs' injuries in any case.

Asbestos-Related News:

[To Defend Against 13,500 Asbestos Related Lawsuits \(Published November 01, 2002\)](#)