

LAW OFFICES
SHOOK, HARDY & BACON

file SH+12

CHARLES L. BACON
DAVID M. CLARR
LANE D. BAUER
FRANK P. SEBREE, II
FREDERICK BEINH
WILLIAM W. SHINN
JOHN C. DODS
DONALD R. HOEL
EVERETT A. OLSON, JR.
JOHN T. MARTIN
DAVID W. SHINN
WILLIAM E. WAUGH, JR.
LEE E. STANFORD
DAVID E. HARDY
WILLIAM G. ZIMMERMAN
ROBERT E. NORTHRIP
PATRICK McLARNEY
HARVEY L. KAPLAN
JOHN C. MONICA
CHARLES R. WALL
SAM L. COLVILLE
GENE E. VOIGTS
JAMES T. NEWSON
LEO P. DREYER
ELWOOD L. THOMAS
STEPHEN D. ALIBER
PATRICK M. BRIDGE
DAVID R. MORRIS
LARRY R. O'NEAL

TWENTIETH FLOOR MERCANTILE BANK TOWER

1101 WALNUT
KANSAS CITY, MISSOURI 64108
(816) 474-8580
TELEX 42-6291
TELECOPIER (816) 421-8547

WASHINGTON, D. C. OFFICE
COOK & HENDERSON, P. C.
1735 K STREET, N. W.
WASHINGTON, D. C. 20008
(202) 331-0787

FRANK P. SEBREE
1884-1840

SAM S. SEBREE
1888-1888

EDGAR SHOOK
1884-1870

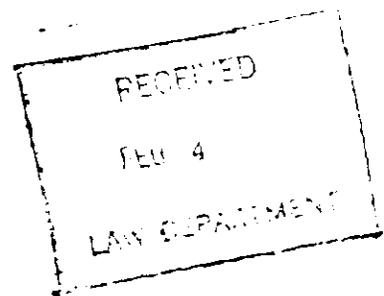
DAVID R. HARDY
1817-1878

RUSSELL S. NOBLEY
LAUREL H. CORN
ALLEN R. PURVIS
STEVEN C. PARRISH
RICHARD D. WOODS
BERNARD V. O'NEILL, JR.
BARRY R. LONG
TIMOTHY A. PRATT
GARY L. WHITTIER
CHARLES L. BACON, JR.
VIVIAN W. WISBERG
DENNIS B. BOW
RICHARD E. MCLEOD
J. SCOTT MCCANDLESS
DIANE E. PERCY
MICHAEL B. KAYS
PETER E. STRAND
JOHN F. MURPHY
LAURA D. STITH

JAMES H. OTTMAN
JENNINGS J. NEWCOM
OF COUNSEL
ADMITTED IN CALIFORNIA
& ILLINOIS ONLY

January 30, 1980

Messrs. Thomas F. Ahrensfield
Max H. Crohn, Jr.
Arnold Henson
Ernest Pepples
Arthur J. Stevens



I wrote you on October 24, 1979, with regard to Dr. Domingo Aviado. I sought authority in that letter, which is enclosed, to set up an arrangement with Dr. Aviado at an annual cost of approximately \$100,000, with an intent that the arrangement should continue for at least three years. Agreement in principle to such an undertaking was given and this letter will further define the terms of a proposed grant.

Dr. Aviado relinquished his duties at Allied Chemical as of December 3, 1979. In order to preserve certain benefits, he will be "on leave of absence" until July 31, 1982, but is free to undertake employment elsewhere.

Dr. Aviado plans to form Atmospheric Health Sciences, Inc., a consulting organization. I propose that a grant in the amount of \$75,000, together with \$5,000 for expenses, be made to the company. Dr. Aviado would devote approximately 1500 hours to the review of smoking and health literature; preparation of recommendations re projects; review, including site visits, if necessary, of research projects in progress; and the like. It is possible that Dr. Aviado would engage in certain research with other investigators. This would be a no strings attached grant and Dr. Aviado would be free to publish. We would anticipate a brief report toward the end of this year concerning the project. Provided that the project is progressing satisfactorily, I

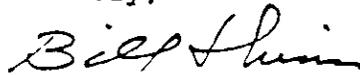
SHOOK, HARDY & BACON

January 30, 1980
Page Two

anticipate recommending a renewal for a second year and, there-
after, with the same proviso, for a third year.

Please let me hear from you with regard to this recom-
mended grant of \$75,000 and expense allotment of \$5,000.

Sincerely,



William W. Shinn

WWS/rf

Enclosure

cc: Joseph H. Greer
Alexander Holtzman
Janet Brown
Edwin J. Jacob