

# **Federal Trade Commission**

## **Complaint Against Lubrizol Corporation**

**February 2017**

**By: Mark L. Nelson**

**Duralt F.C. Co-Inventor  
Co-Founder of Polar Molecular Corporation  
CEO Polar Molecular Holding Corporation**

**Volume I  
Summary Brief**



February 10, 2017

SUMMARY OF THE UPDATED (1993-2017) COMPLAINT TO THE FEDERAL TRADE COMMISSION AGAINST THE LUBRIZOL CORPORATION FOR ACTING TO CREATE A MONOPOLY THROUGH IMPROPER CONDUCT, RESTRAINT OF TRADE, AND CONSPIRACY TO DELAY THE MARKET ENTRY OF A PROMISING TECHNOLOGY IN THE PETROLEUM FUEL ADDITIVE MARKET FOR COMBUSTION CHAMBER DEPOSIT (CCD) AND OCTANE REQUIREMENT INCREASE (ORI) CONTROL, BASED ON OXIDATE-CORROSION INHIBITOR TECHNOLOGY.

COMPLAINANTS: THE NELSON FAMILY FOUNDERS, DURALT FUEL CONDITIONER INVENTORS, PATENT ASSIGNORS, AND POLAR MOLECULAR HOLDING CORPORATION, (POLAR HOLDING) PARENT OF POLAR MOLECULAR CORPORATION (PMC).

#### BACKGROUND:

The Nelson Founders/Inventors, Otis L. Nelson Jr. and Mark L. Nelson developed the proprietary Duralt (FC) Fuel Conditioner Technology in the early 1980's. Duralt FC is 100% organic, non-metallic and is deemed "substantially similar" (to gasoline), and is thus allowed for bulk treatment of U.S. Motor gasoline.

Duralt FC is unique in its ability to prevent carbon deposits from forming in the combustion chamber and reduces the build up of existing carbon deposits in the combustion chamber of gasoline engines. Combustion Chamber Deposits (CCD) give rise to Octane Requirement Increase (ORI) and increased Octane Number Required (ONR) in gasoline engines. ORI and increased ONR cause the car onboard knock sensor to retard spark timing resulting in increased fuel consumption and emissions, and negatively affects engine performance and driveability. With Duralt FC present in gasoline motor fuels, spark timing is advanced thus improving fuel economy, reducing exhaust emissions, including CO<sub>2</sub> (greenhouse gas) emissions, while improving engine performance and driveability of gasoline fueled automobiles. Duralt FC is the only organic, non-metallic additive that provides octane performance related benefits in gasoline engines, by reducing ORI, and ONR by 3 to 5 octane numbers. In other words 87 octane regular performs like 89 octane midgrade or 91 octane premium with Duralt FC in the gasoline.

Over the years these unique benefits of Duralt FC were validated and proven by auto/oil companies including the Ford Motor Company, Harley Davidson Motorcycle Company, Mercury Marine, Elf Aquitaine (later the combined Total Fina Elf, or TFE) a major French oil company, 4<sup>th</sup> largest in the world, the Society of Automotive Engineers (SAE), Scientists at Columbia University in NYC, and others.

(See attachments: (1). the Ford Motor Company verified claims for Duralt FC, (2) the Harley Davidson/Duralt FC flyer, (3) the Mercury Marine/Duralt FC flyer, (4) the TFE/PMC joint Market Agreement announcement, and (5) the SAE Technical Paper, # 890214, A Broad Spectrum, Non-Metallic Additive for Gasoline and Diesel Fuel: Performance In Gasoline Engines).

The Duralt FC invention was also the subject of numerous patents and trademarks/tradenames that issued in North America, South America, Europe, Africa and Asia. (6) (See Attached list of Patents and Trademarks)

**HISTORY OF THE ATTACK BY LUBRIZOL AND IT'S ALLIES (INCLUDING THE AMWAY CORPORATION) ON DURALT FC, THE NELSON INVENTORS/PATENT DEVELOPERS/FOUNDERS OF PMC, AND POLAR HOLDING.**

Lubrizol Strategy:

- Attack the technical credibility of Duralt FC despite tests/performance verification by Elf, Ford and other credible industry sources.

- Undermine large business and Duralt FC revenue opportunities, & attack Polar public stock to weaken the Nelsons/the company.

- Conspire with it's allies to takeover the company/misappropriate the patents.

- Prevent access to the Duralt FC key oxidate component.

- Delay Duralt FC market entry/exhaust the Nelsons/Duralt FC patents life

- Compete directly with the Nelsons/Duralt FC technology

- Create a monopoly in the multi-billion dollar oxidate-based CCD/ORI control fuel additive market.

Starting in the mid 1980's Duralt came under intense attack by the Lubrizol Corporation, that was marketing a metallic, sodium based fuel additive trade-named Powershield. Powershield was being marketed as a "lead-substitute" for outdated gasoline engine technology on the theory that older spark ignition engines with soft valve seat metallurgy would experience excessive valve seat wear without the cushioning effects of lead oxides on the valve seats. Powershield, a metallic fuel additive, placed a sodium coating on valve seats (and also throughout the entire combustion chamber), thus reducing valve seat wear, or valve seat recession(VSR). Lubrizol, a New York Stock Exchange listed

company at the time, claimed that sales of Powershield would double their earnings per share. Thus the financial stakes were enormous for Lubrizol. The ends apparently justified the improper conduct to create a monopoly..

The problem was that Powershield, a metallic fuel additive was not EPA approved for bulk treatment of gasoline, and increased CCD in gasoline engines exacerbating ORI and increased ONR. The new unleaded gasoline was typically two octane numbers lower per grade than leaded gasoline. Thus lower octane unleaded gasoline was the real problem being experienced, not VSR. Therefore Duralt FC was the real solution to engine performance and durability, not POWERSHIELD. (In accelerated VSR tests Duralt FC actually did reduce VSR, but not by placing a deposit on the valve seat, or adding deposits throughout the entire combustion chamber, as Powershield did.).

Both Harley Davidson and Mercury Marine selected Duralt as a "lead substitute" over Powershield because of Duralt's ability to reduce CCD/ ORI and ONR. This was a set back to Lubrizol's market strategy to create a monopoly in the "lead substitute" market and Lubrizol then relentlessly attacked Duralt FC, the Nelson's and PMC for years, with product disparagement, disruption of the presentation of the first Duralt FC technical paper #890214 A Broad Spectrum, Non-Metallic Additive for Gasoline, published by SAE, tortuous interference, stock manipulation\*, a fraudulent takeover and fraudulent bankruptcy scheme\*\* with Amway, and other illegal acts to create a monopoly in the "lead substitute" fuel additive market through improper means.

Lubrizol's illegal attacks on Duralt FC Technology in attempts to create a monopoly through improper conduct for Powershield as a "Lead Substitute" during lead-phaseout commenced in the mid-1980's and were well documented in a successful 1993 Federal Trade Commision (FTC) Complaint Mark Nelson filed against Lubrizol and it's Allies.

(7) (Attached see Summary, and exhibit list (Volume # 1) of the 1993 FTC Complaint Against Lubrizol by Mark L. Nelson).

Elf Aquitaine (Elf), a major French oil company, 5<sup>th</sup> largest in the world had tested Duralt for ORI control in 1988. These sucessful tests resulted in a September 5, 1990 Option to License Agreement, and a June 30, 1991 Exclusive Distribution Agreement for sales of Elf High Tech racing fuel bulk blended with Duralt FC in the U.S. Market..

\*Footnote #1. As detailed in the 1993 FTC complaint, Lubrizol collaborated with the notorious short sellers, the Feschbachs (Stockbridge Partners) to drive PMC's stock price down from a high of \$6.00 in early 1989, to under \$1 in May 1990 (and the loss of PMC's Nasdaq listing) to create futher financial problems for the Nelsons and PMC, and assist Lubrizol in creating a monopoly in the "lead substitute" market through illegal/improper means. (see the evidence of Lubrizol's conspiracy with the Feschbachs against the Nelsons and PMC, and a related story in OTC Review, "Let the Sunshine In."

On April 1, 1992 PMC, and Dow Chemical (a PMC licensee) met Elf in Paris, France and were provided additional successful ORI and CCD control tests conducted on Duralt FC

at Elf Research, as part of the licensing agreement between PMC and Elf. Elf had one more test to run before commercializing Duralt FC in their motor gasoline in Western Europe, the 400 hour Renault 22700 test for CCD/ORI Control.

(8) (See attached 1988 Elf ORI control test results on Duralt FC, (9) the September 5, 1990 PMC/Elf option to license agreement, the June 30, 1991 Exclusive Distribution Agreement and (10) Page one and the General Conclusions page of the April 1, 1992 Confidential Report, A Summary of Engine Test Results from Elf to PMC and Dow. (11) the Freedonia Report on Petroleum Additives for June 30, 1992 discussing PMC and the January 1992 PMC, Dow Chemical Option to license agreement).

By undermining Duralt marketing contracts, business opportunities, and revenue Lubrizol and it's Allies, including the Amway Corporation set the stage for a fraudulent June 30, 1992 takeover of Michigan-based Polar Molecular Corporation (PMC) founded by the Nelsons, and a fraudulent bankruptcy of PMC filed in U.S. Bankruptcy Court in Boston in 1993, the purpose for which was the misappropriation of the Duralt FC patents and trademarks. These fraudulent acts undermined licensing contracts for Duralt FC with Elf and the Dow Chemical Company, a major loss for the Nelson's and the stockholders of PMC. Thus Lubrizol created a monopoly in the "lead substitute" market through improper conduct. (All of this is discussed in the 1993 FTC Complaint).

The fraudulent bankruptcy scheme didn't turn out the way Lubrizol, Amway and their allies planned. First of all Mark Nelson and a small group of PMC stockholders presented evidence to the Court that the "front" takeover management was converting the Duralt FC intellectual property via a license without Court approval. The Court then removed the "front" takeover management, and appointed a Chapter 11 Trustee. After an investigation the Trustee sued the ejected "front" takeover management for Proxy Fraud in the takeover, and for Bankruptcy Fraud.\*\*

Next, the 1993 FTC complaint by Mark L. Nelson against Lubrizol, and it's allies was approved, and the FTC advised the Trustee that if Lubrizol or it's allies attempted to buy PMC or the patents from the Bankruptcy Court the FTC would sue them for violations of federal trade law. According to the Trustee's records, Lubrizol, Amway and others met with the Trustee to discuss purchasing the patents, but quickly retreated when advised of the warning from the FTC.

Due to the successful FTC Complaint and other legal strategies pursued, the Nelsons were able to recover PMC and the Duralt intellectual property in December 1994 through a Court approved Plan of Reorganization. However, the critical licensing agreements with Dow Chemical and Elf were lost as a result of the takeover-bankruptcy scheme. This prevented the Nelsons, PMC and Duralt FC market entry and solidified Lubrizol's monopoly in the "lead substitute" market through improper conduct.

\*\*Footnote # 2. (See Attached. United States Bankruptcy Court for the District of Massachusetts, Eastern Division. Chapter 11 Case # 93-10960-JNF. Stephen S. Gray Chapter 11 Trustee of the Estate of Polar Molecular Corporation v Charles C. Johnston, "et al").

On August 7, 1995 Automotive News published a story entitled, "Gas Wars" in which Ford Motor Company and the American Automotive Manufacturers Association demanded that EPA require CCD/ORI control additives (unique to Duralt FC) in all U.S. Motor gasoline. At Ford Motor's invitation, Mark Nelson was invited to the interview and Nelson detailed Duralt's CCD/ORI control benefits (verified by Ford) that met the EPA requirement the automakers were requesting from EPA.

(12) (Attached, see Gas Wars, Automotive News, August 7, 1995).

Twelve months after recovering PMC and the Duralt FC patents from the U.S. Bankruptcy Court, on December 5, 1995 the Nelsons and PMC were able to persuade Elf to enter into a Confidentiality Agreement to enable new discussions.

(13) (See attached December 5, 1995 Confidentiality Agreement between Elf Antar France and PMC, controlled by the Nelsons)

On May 23, 1996 a meeting was held by Elf and Mark Nelson (PMC President) at Elf Research Center in Solaize, France. At that meeting Elf provided Mark Nelson test results on Duralt FC, including the final 1992 400 hour Renault 22700 test Elf needed in 1992 to launch Duralt FC in their gasoline throughout Western Europe in 1993.

(14) (See attached Partial of Confidential test report provided by Elf to PMC (Mark Nelson), including the successful 400 hour Renault 22700 ORI/CCD control tests on Duralt FC needed to launch Duralt FC in Elf's gasoline in 1993).

In September, 1997 international investment banker, Salomon Smith Barney offered to assist PMC in acquiring Octel, a large producer of toxic, lead octane boosting additives for \$950 million.

(15) (See attached September 1997 Salomon Smith Barney Book on the Octel Acquisition by PMC).

Duralt FC was to replace the octane boosting capabilities of lead (TEL) by reducing octane requirement of gasoline engines by 3 to 5 octane numbers. This was an environmentally sound and economical means of eliminating the negative human health and environmental effects of lead.

(See attached Technical Papers, (16) "Advanced Fuel Additive Technology for Cost Effective Gasoline Lead Phaseout by Control of Octane Requirement Increase. By Jerry R. Allsup, Polar Molecular Corporation. UN Special Session on Environment and Development, New York, NY June 1997. (17) SAE Technical Paper # 911739. Octane Requirement Increase Control-A New Way of Saving. Polar Molecular Corporation, by Mark L. Nelson, James E. Larson and Mark S. Carruthers. Automotive Industries In Expanding Countries, Buenos Aires, Argentina 3-6, 1991).



Two environmental organizations were involved in the effort to acquire Octel. The Alliance to End Childhood Lead Poisoning in Washington, DC, and the Conservation Law Foundation (CLF) in Boston. CLF was to assist in raising a \$50 million private equity portion of the deal, and brought in on a pro-bono basis investment banker, Warburg Dillion Reid to advise CLF. Warburg Dillion Reid unexpectedly discouraged CLF from assisting in the investment that was in line with its business/environmental strategies, and thus undermined the needed equity financing.

(18) ( See CLF brochure outlining its strategy of effecting environmental improvement through profitable business deals).

Shortly thereafter, Warburg Dillion Reid introduced Lubrizol as an additive industry expert to CLF.

(19) (See attached communications between Warburg Dillion Reid, CLF, Lubrizol and Mark Nelson)

It is alleged that Lubrizol undermined CLF's interest in pursuing the Duralt FC "lead substitute" acquisition of Octel. Thus Lubrizol continued its monopoly of the "lead substitute" market through improper conduct, and prevented the use of Duralt FC as a replacement for lead for oil companies still using lead octane boosting additives. The Octel acquisition would have established PMC as a major environmental additives supplier, with Duralt FC annual sales of more than \$1 billion, and thus a major competitor to Lubrizol in the "lead Substitute" market..

On September 29, 1998 Mark Nelson and a team of industry experts made a presentation in Paris, France to Elf Antar France, proposing a Joint venture based on Duralt FC technology. The proposal was well received by Elf management, and further discussions ensued.

(20) (See letter to Elf management setting up the meeting, and the presentation made to Elf by Mark Nelson and Duralt FC consulting experts, Alan Smith and Chandra Prakash).

On July 14, 1999 Elf and PMC, led by Mark Nelson entered into a Memorandum of Understanding to develop a Joint Marketing Agreement between the two companies.

(21) (See attached July 14, 1999 MOU between Elf and PMC).

At that time the Nelson founders/inventors and their company, PMC were obtaining the key Duralt FC additive component, an oxidate/corrosion inhibitor, Alox 400L, from the Alox Corporation in Niagra Falls, New York under an exclusive supply agreement, with licensing rights to the oxidate. Alox Corporation was owned by RPM Corporation, and was made aware of this important business development between PMC and Elf. Another company owned by RPM was Valvtech, a private label marketer of Lubrizol's Powershield. (Valvtech was a co-defendant in Mark Nelson's 1993 FTC Complaint against Lubrizol). After the signing of the MOU between Elf, and PMC, Valvtech assisted Lubrizol in acquiring Alox from RPM, and the acquisition was completed in late March,

2000 in violation of PMC's contractual rights with Alox Corporation. Lubrizol was intentionally pursuing a monopoly in the oxidate-based CCD/ORI control fuel additive business through improper conduct, and to shut off supply of the needed key oxidate component for Duralt FC.

On March 3, 2000 Mark Nelson, PMC President confirmed a February 22, 2000 notice to Alox that PMC was extending the License Agreement for 5 additional years, pursuant to the Agreement provisions. On March 10, 2000, Alox advised PMC of a price increase for Alox 400L. On March 21, 2000 the Alox acquisition by Lubrizol was announced. This came as a complete surprise. "It was really out of the blue," said Patrick Weigel, president of the Alox Employees Independent Union. Alox plant was scheduled for closing on April 30, 2001.

On December 08, 2000 Lubrizol sent an email to Mark Nelson, mentioning the acquisition of Alox in March 2000, that the oxidation equipment was in the process of being moved to Lubrizol's operations in Ohio at that time, and announcing that Lubrizol couldn't manufacture the quantity of Alox 400L-90 being projected by PMC/Nelson.

(22) (See attached June 21, 1990, 10 year Licensing Agreement between Alox Corporation, and Polar Molecular Corporation, (executed by Mark Nelson). See letter August 1, 1997 to Alox V.P. Steve Miller from Mark Nelson expressing concerns about potential circumvention of Duralt FC patents and the ALOX-PMC License Agreement. The March 3, 2000 letter to Alox confirming the 5 year extension on the Licensing Agreement. The announcement by Alox on March 10, 2000 of a price increase on Alox 400L. The March 21, 2000 announcement of the Alox acquisition by Lubrizol discussed in COMTEX. The December 8, 2000 email from Lubrizol to Mark Nelson announcing the oxidation equipment was being moved to Ohio, and that Lubrizol couldn't supply PMC it's projections of needed Alox 400L-90).

(23) (See, The New Lube Report, May 30, 2012, "Lubrizol Sued Over Lockhart Acquisition." The early 2000 Alox acquisition by Lubrizol is referenced in the story and the lawsuit for Monopolization against Lubrizol by Z Technologies).

In late 1999 Elf was merged with Total Fina, to become Total Fina Elf. (TFE).

After the merger of Total Fina and Elf to become Total Fina Elf (TFE), discussions were renewed with Mark Nelson/PMC and Alain Faure of Elf Antar France provided a letter on June 5, 2000 confirming Duralt FC CCD/ORI control benefits combined with Elf detergents.

(24) (See June 5, 2000 letter from Alain Faure of Elf Antar France).

On September 11, 2001 PMC entered into a Joint Marketing Agreement with TFE.

(25) (See attached PMC/TFE Market Agreement, (26) a 2002 minutes of meeting between TFE and Mark Nelson with forecasts of \$40 million initial purchases of Duralt by



TFE, and (27) a subsequent October 2002 public announcement of the TFE/PMC Market Agreement).

In December 2000, Lubrizol moved the operations of Alox to Ohio. Shortly thereafter, in 2001, Lubrizol sold a bad batch of Alox 400 L, the Duralt FC key component to PMC and its contract manufacturer, Grow Automotive in Detroit, Michigan. The batch of Alox 400L was contaminated and unusable. Lubrizol refused to replace the bad batch, and forced PMC and the Nelsons to seek another supplier for its key oxidate component. Lubrizol violated PMC's License Agreement signed with Alox, including exclusive rights to Alox 400L, and in an attempt to create a monopoly through improper conduct in oxidates for CCD/ORI control fuel additives refused to supply 400L to PMC with acceptable product quality control.

The Nelson's identified Lockhart Chemicals as an alternate supplier for its vital key oxidate component. After a joint technical effort Lockhart was able to produce an alternate oxidate to Alox 400 L. PMC received the exclusive right in a contract on August 8, 2001 to the alternate oxidate produced by Lockhart for Duralt FC. On October 23, 2002 Lockhart also entered into a contract with PMC to become the exclusive manufacture for PMC's completed Duralt FC products.

(28) (See attached Lockhart/PMC contracts).

In 2006, Lubrizol assisted Amway Corporation and some Amway distributors in producing a "knockoff" of an advanced Duralt FC formula from a Licensing file that was part of an Amway/PMC 1995 Licensing Agreement. (The Licensing agreement was part of a settlement for Amway's role in the Fraudulent 1992 takeover of PMC, and the fraudulent 1993 bankruptcy scheme to misappropriate the Duralt FC patents. Amway failed to perform the agreement costing the Nelsons and PMC millions of dollars in lost royalty income). Lubrizol provided the oxidate for the "knockoff" of the confidential, advanced Duralt FC formula. Lubrizol was attempting to eliminate competition from the Nelson's and PMC in the oxidate-based CCD/ORI control fuel additive business, and to takeover the business with Amway from the Nelsons, Duralt FC, PMC and Polar Holding. Under the 1995 Licensing Agreement Amway was required to offer Duralt FC in all 80 country affiliates, a multi-million dollar opportunity. This opportunity was usurped by Lubrizol, and Duralt was eliminated as a competitor to Lubrizol in the Amway "direct-seller" retail market.

(29) (See attached 1995 Amway-PMC Licensing Agreement)

In February 2007 Lubrizol acquired the oxidate business of Lockhart in an attempt to create a monopoly in the oxidate business through improper conduct, and also in the CCD/ORI control fuel additive market for oxidates used for Duralt FC. By acquiring Lockhart Lubrizol was also eliminating Lockhart as PMC's exclusive manufacture.

In May 2007 PMC sued Amway, and its co-conspirator distributors for the Duralt FC "knockoff" scheme. During discovery Lubrizol's role in the scheme was uncovered.

(30) (See attached Amway “et al” Complaint and (31) deposition testimony of R.Disberger, and S. Lehnardt revealing Lubrizol’s involvement in the “knock-off” scheme).

In 2009 the FTC provided a settlement, ten year consent order for Lubrizol and Lockhart in which Lubrizol was forced to divest of the Lockhart acquisition which constituted a monopoly by Lubrizol in the oxidate business.

(32) (Attached see the 2009 FTC Consent Order).

What the FTC didn’t realize at the time was that Lockhart was providing the key oxidate component for Duralt FC to the Nelsons, Polar Holding and PMC, and was also manufacturing the finished Duralt FC products. By acquiring Lockhart Lubrizol was attempting to prevent the Nelsons, Polar Holding and PMC from manufacturing Duralt FC through establishment through improper conduct of a Monopoly on oxidates for CCD/ORI control fuel additives with oxidate key components.

In early 2011, Mark Nelson discovered a fuel additive on the Amway website trade-named XLP. The Material Safety Data (MSDS) sheet identified an oxidate with a Lubrizol Cas number. Nelson called Lubrizol and asked the oxidate department for a sample of the named oxidate on the XLP MSDS sheet. The response was “how do you know about that”.

Shortly after that XLP was taken off the Amway website, but then appeared on Amazon. If you google Amway fuel additive today, it takes you to Amazon where XLP is still marketed today.

Lubrizol is continuing the conspiracy with Amway Corporation to present time to establish a monopoly through improper conduct for oxidate-based ORI/CCD control fuel additive technology, and to eliminate Duralt FC, the Nelsons, and Polar Holding as a competitor.

(33) (See attached XLP product on the Amazon website. (34) Also Amway Freedom Fuel Additive (FFA) on Amway’s South Africa website. This name was used by Amway under the license of Duralt FC in the USA).

Lubrizol is obviously marketing pilfered Duralt FC formulas with the Alox oxidate to private label marketers including Amway, XLP and Valvtech in a continuing attempt to establish a monopoly through improper conduct for oxidate based CCD/ORI control fuel additives.

Lubrizol is well aware that the latest Gasoline Direct Injection (GDI) engines are far more prone to performance problems caused by CCD and ORI than the older Port Fuel Injection (PDI) engines. The U.S. auto Industry, under pressure to meet current fuel economy and (greenhouse gas) emission standards is rapidly implementing GDI engine technology in their production models (45% in 2015), and the GDI engines badly need Duralt’s CCD/ORI control benefits to maintain performance, fuel economy and emission standards.

After 8 years of litigation against Lubrizol co-conspirator, the Amway Corporation and some Amway collaborator defendants in efforts to preserve, and protect the Duralt FC technology and intellectual property, the Nelsons, and Polar Holding restarted it's Duralt FC business, and market operations in 2015. A new manufacturer, TRU Custom Blends, Inc in Flint, Michigan was engaged. TRU Custom Blends attempted to purchase Alox 400L/884 from Lubrizol for production of Duralt FC.

In a letter dated July 24, 2015, Lubrizol refused to provide Alox 400L/884. Lubrizol recommended TRU Custom Blends contact Lockhart, knowing this would limit the Nelson's, and Polar Holding's potential as a competitor to Lubrizol in the Duralt FC CCD/ORI control fuel additive market, and limit their potential as a "reliable supplier" to the oil industry.

Meanwhile Lubrizol is providing this Duralt FC oxidate component to other companies such as Amway, XLP, Valvtech and others. This is restraint of trade, and a continuing attempt to limit/prevent competition to Lubrizol from the Nelsons and Polar Holding in the CCD/ORI control fuel additives market, thus creating a monopoly through improper conduct.

Now, after years of illegal acts against the Nelsons, PMC, and Polar Holding in attempts to undermine Duralt related business deals, exhaust the Nelson/Duralt patent's life, financially devastate the Nelsons, Polar Holding and PMC as competitors, and create a monopoly through improper conduct, Lubrizol will attempt to market Duralt FC CCD/ORI control fuel additive technology to the major oil companies, including very likely Total in France.

(35) (See attached January 17, 2017 technical paper by Alan Smith, Polar Holding Automotive consultant on Duralt FC and carbon deposits in GDI Engines. (36) Also see SAE Paper by Chevron on CCD/ORI problems in GDI Engines).

## CONCLUSIONS:

For over three decades Lubrizol has disparaged Duralt FC Technology that was invented and patented by the Nelsons, undermined the Duralt FC business opportunities created by the Nelsons, PMC, and Polar Holding, financially devastating the Nelsons, Polar Holding and PMC as competitors, delayed Duralt FC market entry, and ran out the life of the Duralt FC patents to eliminate the Nelsons et al exclusive right to the Duralt FC technology. (Lost revenues from Elf/Total alone are very conservatively estimated, based sales to Elf and Total, only and two customers of Total, at about \$1 Billion, two hundred million from 1993-2016).

Lubrizol also wrongfully acquired both Alox Corporation and Lockhart to eliminate access, by the Nelsons, PMC, and Polar Holding to it's essential oxidate component. Lubrizol and it's allies did all of this in an attempt to create and maintain through improper conduct a monopoly first in the "lead Substitute" fuel additive market, and then to create a

monopoly through improper conduct in the vital oxidate-based CCD/ORI control fuel additive market for modern gasoline engine technology, including PFI and GDI Engines.

The annual world market for the vital Duralt FC CCD/ORI control fuel additive technology for gasoline only is enormous, approximately \$6 Billion. The United States gasoline market alone is more than \$1.2 Billion USD annually.

The world market for Duralt FC in gasoline is roughly equivalent to the current size of Lubrizol and the profit margins would be far better than Lubrizol's current conservative, business model.

Accordingly, Lubrizol has gone to great lengths to pilfer the proprietary Duralt FC CCD/ORI control technology, in order to create a monopoly for Lubrizol through improper conduct. Apparently, the legal risks Lubrizol has taken are commensurate with the potential rewards.

The world market for Duralt FC technology in diesel fuel is double the gasoline world market. The combined market for Duralt FC in both gasoline and diesel fuel is about \$18 Billion, much larger than Lubrizol's current annual revenue.

#### Relief Sought:

The Nelsons and Polar Holding hereby request the Federal Trade Commission investigate Lubrizol's predatory and illegal acts of monopolization through improper conduct, restraint of trade, and delay of market entry of a promising technology, and take whatever legal actions are available under federal trade law to redress Lubrizol's illegal acts, and that of any co-conspirators of Lubrizol.

Sincerely,

Mark L. Nelson, on behalf of the Nelson-Inventor/patent assignors, and as Chairman, President, CEO of Polar Molecular Holding Corporation.

#### EXHIBIT LIST:

- 1). Ford Motor Verified Claims for Duralt FC,
- 2). Harley-Davidson/Duralt FC Flyer
- 3). The Mercury Marine/Duralt FC Flyer
- 4). The Total Fina Elf/Polar Molecular Corporation Joint Market Agreement

Announcement.

5). The SAE Technical Paper on Duralt FC, #890214, A Broad Spectrum, Non-Metallic Additive for Gasoline and Diesel Fuel: Performance in Gasoline Engines.

6). List of Duralt FC Patents And Trademarks

7). 1993 FTC Complaint against Lubrizol, Summary and Exhibit List, by Mark L. Nelson

Footnote # 1. Evidence that Lubrizol conspired with the Stockbridge Partners to short and drive down PMC's stock price from \$6:00 per share of Common to \$.90. OTC Review story, "Let The Sunshine In", sheds light.

8). 1988 Elf ORI Control Test Results on Duralt FC.

9). PMC/Elf Option to License Agreement September 5, 1990/ Exclusive Distribution Agreement for Elf Racing Fuel Plus Duralt FC, June 30, 1991.

10). Confidential Report, A Summary of Engine Test Results from Elf to PMC/Dow Chemical Company, April 1, 1992. (Paris, France).

11). The Freedonia Report, On Petroleum Additives, June 30, 1992.

Footnote # 2. United States Bankruptcy Court for the District of Massachusetts, Eastern Division, Chapter 11 Case # 93-10960-JNF. Stephen S. Gray Chapter 11 Trustee of the Estate of Polar Molecular Corporation v Charles C. Johnston, "et al".

12). "Gas Wars", Automotive News, August 7, 1995.

13). Confidentiality Agreement, Elf Antar France/PMC, December 5, 1995.

14). May 23, 1996 Confidential (partial) Test Report, Elf to PMC with Final Test Result needed to launch Duralt FC in Elf's gasoline in 1993.

15). 1997 Salomon Smith Barney book for Octel Acquisition by PMC for \$950 Million.

16). Technical Paper on Duralt FC. "Advanced Fuel Additive Technology for Cost Effective Gasoline Lead Phaseout by Control of Octane Requirement Increase. By Jerry R. Allsup, Polar Molecular Corporation. UN Special Session on Environment and Development, New York, New York June 1997.

17). SAE Technical Paper #911739. (Duralt FC). Octane Requirement Increase Control-A New Way of Saving. Polar Molecular Corporation, by Mark L. Nelson, James E. Larson, and Mark S. Carruthers. Automotive Industries In Expanding Countries, Buenos Aires, Argentina 3-6 1991.

- 18). CLF Brochure. (PMC/Duralt FC) Environmental Improvement through profitable Business Enterprises.
- 19). Communications/Warburg Dillon Reid, CLF, Lubrizol, and Mark Nelson.
- 20). Letter from Mark Nelson to Elf setting meeting. Presentation for J.V. made by Nelson, Smith and Prakash to Elf Antar France made on September 29, 1998, Paris France.
- 21). Joint Marketing Agreement (MOU) between Elf Antar France and PMC. July 14, 1999'
- 22). (A). Alox/PMC Licensing Agreement (Alox 400L), June 21, 1990. (B). August 1, 1997 letter from Mark Nelson to Alox expressing concerns about potential Duralt patent infringement, circumvention of Licensing Agreement. (C). March 3, 2000 letter from Mark Nelson to Alox confirming 5 Year Extension of License Agreement. (D). Alox letter of March 10, 2000 to PMC announcing price increase. (E). March 21, 2000 announcement of Lubrizol Acquisition of Alox Corp discussed in COMTEX. (F). December 8, 2000 email from Lubrizol to Mark Nelson announcing the oxidation equipment was being moved to Ohio, and that Lubrizol couldn't supply PMC projections of needed Alox 400L-90.
- 23). The New Lube Report, May 30, 2012, "Lubrizol Sued Over Lockhart Acquisition". The earlier 2000 Alox Acquisition by Lubrizol is referenced in the story and the lawsuit for Monopolization against Lubrizol by Z Technologies.
- 24). Letter confirming Duralt FC performance from Alain Faure of Elf Antar France, June 5, 2000.
- 25). September 11, 2001, Total Fina Elf/Polar Molecular Corporation Joint Marketing Agreement.
- 26). January 2002 Minutes of Meeting (Solaize, France) by Bernard Damin of TFE to Mark Nelson with forecasts of \$40 million initial purchases of Duralt FC by TFE, conditioned on PMC launching the U.S. market to oil companies.
- 27). A subsequent, October, 2002 Public Announcement by TFE/PMC of the joint Market Agreement.
- 28). Lockhart/PMC Contracts. (A). August 8, 2001, PMC Exclusive Right to Duralt FC Oxidate. (B). Lockhart/PMC Manufacturing Agreement. October 23, 2002.
- 29). 1995 Amway/ PMC (Settlement) Licensing Agreement.
- 30). PMC v Amway Corporation, "et al" Complaint.
- 31). Amway Complaint Deposition excerpts of testimony, R. Disberger and S. Lehnardt revealing Lubrizol's involvement in the Duralt FC "knock-off" scheme.



32). 2009 FTC Consent Order, Lubrizol and Lockhart.

33). XLP Duralt FC “knock-Off” on Amazon.

34). Amway Freedom Fuel Additive (FFA) on Amway South Africa Website. This is the private label name for Duralt FC by Amway.

35). January 17, 2017 Technical Paper by Alan Smith, Polar Holding Automotive Consultant on benefits of Duralt FC and Carbon Deposits in GDI Engines.

36). SAE Paper by Chevron on CCD?ORI problems in GDI Engines.