

ucts and disclose all material risks to investors in writing. That is the law in the U.S. and it did not happen here.”

In May, the Tennessee Commissioner of Commerce joined the parade of states charging Lloyd's with fraud.

On May 6, an appeal was filed in the *Richards v. Lloyd's* case in California. The U.S. Securities and Exchange Commission, finally breaking its silence, filed an *amicus curiae* brief with the appellate court, arguing that the lower court had “erred” in dismissing the case. The effect of the forum selection and choice of law clauses, the SEC stated in its *amicus*, “is to preclude investors from obtaining relief under the United States federal securities laws. . . . The fact that these investors agreed to these provisions is irrelevant, since the very objective of the antiwaiver provisions is to invalidate such agreements. These clauses are directly contrary to express statutory prohibitions in the antiwaiver provisions and should be held void. . . . This Court should not hesitate to condemn the Lloyd's choice of forum and choice of law clauses.”

The appeal is still pending.

The Arkansas Securities Department issued a cease and desist order against Lloyd's on May 15, for having “violated provisions of the Arkansas Securities Act.” And in June, the Ohio Division of Securities issued cease and desist orders against Sturge and Falcon. At this point, 12 states had filed actions against Lloyd's and/or its agents.

Lloyd's response to these suits has been to deny that the SEC and state securities regulators have any jurisdiction, and to insist that taking action against Lloyd's would jeopardize the world's insurance system.

The action by state regulators “appears to be a purely political attempt to indulge the interests of a small minority of Lloyd's members in the U.S.A. who are attempting to avoid meeting their obligations,” Lloyd's states.

“We have been doing the same business for over 300 years; the securities laws, I believe, are not applicable,” Peter Lane, Lloyd's managing director for North America, sniffed to the *Washington Post* earlier this year.

Lloyd's position is more than a bit undermined by the statements of Lloyd's Deputy Chairman Ian Findlay, who

Asbestos: what to fear and what not

The truth is, that any harm from asbestos (a composite mineral, naturally occurring in several forms), as with many other useful substances, depends upon how much of it one is exposed to. According to “Asbestos: The Big Lie,” by Matthew Moriarty (*21st Century Science & Technology*, Winter 1993-94), there is no documented danger to human beings who live or work in buildings where asbestos has been used as fire-proofing, steampipe or furnace insulation, acoustical insulation, wall reinforcing, and so on. In fact, asbestos abatement puts far more asbestos dust into the air as a residue than would be there if the asbestos were left in place.

Where the danger comes, is in high exposures to workers in the asbestos industry, and among non-workers living in the vicinity of a specific form of asbestos. The popular perception that asbestos in any form, and at any exposure, causes cancer, is a falsehood legitimized by the Environmental Protection Agency (EPA), which lied, when it claimed that its 1989 ban on all asbestos was prompted by medical evidence and epidemiological statistics.

Asbestos and health

Three types of asbestos have been used extensively in commerce: *chrysotile asbestos* (white asbestos, with curly,

rope-like fibers), *amosite asbestos* (brown asbestos), and *crocidolite asbestos* (blue asbestos, conformed as bundles of straight, splintered fibers).

Health studies of workers *heavily* exposed to asbestos show that all three types can cause lung cancer, particularly if the workers also smoke; furthermore, there is significant incidence of asbestosis, a non-malignant disease typified by scarring in the lungs, and reduced respiratory function. A third disease called mesothelioma (cancer of the lining of the chest and abdominal cavities) is often seen in professional workers around the blue asbestos (crocidolite); less often seen in brown asbestos settings; and rarely seen in workers exposed only to white asbestos (chrysotile).

Most of the asbestos installed in U.S. schools is the less harmful white, chrysotile variety. Repeated measurements of the asbestos fiber levels in the air inside schoolrooms that contain asbestos-bearing materials, have shown, with rare exceptions, the levels to be less than 0.0001 fibers per cubic centimeter. These levels are often no greater than those found in the local city streets.

Moreover, studies of women living in the mining towns of Quebec, where white asbestos, chrysotile, is produced, show that while these women, who are not miners, are exposed to high levels of ambient asbestos dust originating from the nearby mines and mills, they show no excess asbestos-related disease.

Exposure to ambient asbestos levels has caused additional disease, in the blue asbestos mining regions of West Australia, and Cape Province, South Africa, where non-mineworker residents have died of mesothelioma.