

EXHIBIT 14



Diamond Shamrock

James F. Kelley
Vice President and
General Counsel

January 24, 1984

Mr. K. Watanabe
Managing Director and
General Manager
Corporate Planning Headquarters
Showa Denko, K.K.
13-9 Shiba Daimon I Chome
Minato-Ku
Tokyo 105, JAPAN

Re: SDS Biotech Corporation ("SDS")

Dear Mr. Watanabe:

I am writing to explain an internal reorganization of Diamond Shamrock Corporation which has resulted in the transfer of Diamond Shamrock's interest in SDS to a Diamond Shamrock subsidiary, and to submit for the approval of Showa Denko, K.K. a document evidencing this transfer pursuant to Article 4, Paragraph (f), subparagraph (a) of the Certificate of Incorporation of SDS.

In connection with the acquisition of Natomas Company ("Natomas") this fall, Diamond Shamrock has reorganized itself into a holding company. Specifically:

- (1) Diamond Shamrock Corporation, the party to the July 1, 1983 Joint Venture Agreement with Showa Denko, has changed its name to "Diamond Shamrock Chemicals Company" ("DSCC"); DSCC and Natomas are wholly-owned by a newly-formed parent, Diamond Shamrock Corporation ("DSC").
- (2) Subject to all necessary consents, DSCC has contributed all its assets other than its industrial and specialty chemical businesses to Diamond

Diamond Shamrock Corporation

World Headquarters, 717 North Harwood Street, Dallas, Texas 75201 Phone: 214 922-2715

Shamrock Coal Company, Diamond Shamrock Exploration Company, Diamond Shamrock Refining and Marketing Company and Diamond Shamrock Corporate Company (collectively the "Subsidiaries"). The contribution to the Corporate Company, which includes DSCC's interest in SDS, is evidenced by the Assignment and Assumption Agreement in the form of Exhibit A to this letter (the "Assumption Agreement").

- (3) Effective on or about January 26, 1984, DSCC will distribute its interest in the Subsidiaries, which comprise substantially all its assets, to DSC, with the result that each of DSCC and the Subsidiaries will be directly owned by DSC.

The contribution of the shares of SDS by DSCC to Diamond Shamrock Corporate Company is governed by Article 4, Paragraph (f), of the Certificate of Incorporation of SDS, which provides in part:

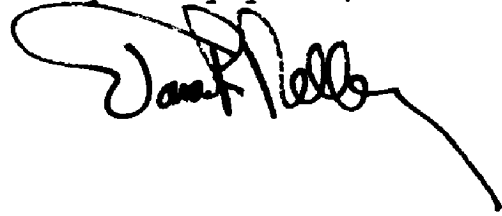
"The provisions of Paragraph (e) of the Article [which prohibit disposition of shares of SDS, defined as "Shares"] shall not apply to a Disposition...to a corporation which wholly owns such stockholder [that is, DSCC] or a wholly owned subsidiary of such stockholder or to another wholly owned subsidiary of the corporation which owns such stockholder...provided that:

- (a) Immediately upon such Disposition, such Permitted Transferee shall become, by an instrument in form satisfactory to the [other] holders of outstanding shares...jointly and severally liable ...under...the [Joint Venture Agreement] and shall agree to be bound by ...[the] Joint Venture Agreement."

The disposition to Diamond Shamrock Corporate Company is expressly permitted because it is initially a subsidiary of DSCC and will ultimately be a wholly-owned subsidiary of DSCC's parent, DSC. However, the Corporate Company must assume DSCC's obligations under the Joint Venture Agreement by a document in acceptable form. I believe that the language of the first full paragraph on page 4 of the Assumption Agreement is designed to satisfy the requirements of SDS's Certificate of Incorporation. If, however, Showa Denko or its counsel believe that the Assumption Agreement is deficient in this respect, proviso (A) on Page 3 of the Assumption Agreement would by its terms suspend the transfer of SDS to Diamond Shamrock Corporate Company until such deficiencies are cured.

After you have reviewed the Assumption Agreement and found it acceptable, would you please sign and return one copy of this letter to acknowledge its receipt and that the Agreement satisfies the requirements of the Certificate of Incorporation of SDS.

Very truly yours,



Received and accepted:

SHOWA DENKO, K.K.

By: _____
Title: _____

cc with attachments: Mr. Timothy E. Tinkler
General Counsel
SDS Biotech Corporation
P.O. box 348
Painesville, Ohio 44077

/nle
0195L

ASSIGNMENT AND ASSUMPTION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, That

WHEREAS, Diamond Shamrock Corporate Company, a Delaware corporation (the "Subsidiary"), the address of which is 717 North Harwood Street, Dallas, Texas is a wholly-owned subsidiary of Diamond Shamrock Chemicals Company, a Delaware corporation, the address of which is 717 North Harwood Street, Dallas, Texas 75201 (the "Company"); and

WHEREAS, it is the desire of the Company to (1) transfer certain assets to the Subsidiary as a contribution of capital to the Subsidiary, (2) transfer the balance of such assets to the Subsidiary in consideration of the execution and delivery by the Subsidiary of an unsecured promissory note and (3) to retain certain other assets in the Company;

NOW, THEREFORE, as a contribution to the capital of the Subsidiary in the amount of \$ _____ and in consideration of the execution and delivery by the Subsidiary of an unsecured promissory note in the form attached hereto as Exhibit A in principal amount equal to the net book value of the assets transferred less the amount contributed to the capital of the Subsidiary, the Company, subject to all of the terms, conditions, exceptions and reservations in this Agreement, grants, conveys, assigns, transfers and delivers to the Subsidiary, its successors and assigns, and the Subsidiary accepts, all assets of whatsoever kind of the Company both real and personal, tangible and intangible, wherever situated, provided, however, that such assignment and transfer excludes all assets that are necessary for the operation of or used principally in connection with or related principally to the industrial and proprietary chemicals businesses of the Company (the "Chemicals Businesses") and also excludes the capital stock of Diamond Shamrock Exploration Company, Diamond Shamrock Refining and Marketing Company and Diamond Shamrock Coal Company (the "Principal Subsidiaries"). The assets so assigned and transferred shall include but not be limited to:

- (1) All of the assets included on the books and records of the Company (including, without limitation, those listed on the asset register attached as Exhibit A), other than those assets designated as assets of the Chemicals Businesses and other than the capital stock of the Principal Subsidiaries.
- (2) All of the Company's stock ownership in and all advances shown on the Company's books and records to:

Boja Realty Corp.
Crile Road Investments, Inc.

- (7) All of the Company's trade and other receivables and payables which relate to the assets and business activities assigned and transferred.

The Subsidiary is authorized to prosecute such claims and causes of action and to collect or otherwise enforce such judgments, at its own expense, in the name of the Company.

Provided, however, that if a consent, license or permit is required to transfer any asset of whatsoever kind or to carry out any business operation or activity then:

- (a) The Company will transfer to the Subsidiary only such interests (beneficial or other) in that asset that will not cause a loss of any part of that asset and will not ultimately result in the violation of any law or applicable regulation. All remaining interests in that asset are retained by the Company until the required consent, license or permit is obtained; and
- (B) Such business operation or activity will, to the extent it can be done lawfully, be continued and carried out for the benefit of the Subsidiary by the Company as trustee with all operating profits or losses being for the account of the Subsidiary until the required consent, license or permit is obtained, at which time the interest not previously transferred and all rights to carry out the business operation or activity will be vested in the subsidiary under the terms of this Agreement.

The Company and the Subsidiary will use their best efforts to obtain any and all necessary consents, permits and licenses as soon as reasonably possible.

Further, the Company assigns to the Subsidiary and the Subsidiary assumes the following liabilities and obligations of the Company:

- (i) All of the Company's liabilities and obligations under any contract, agreement, license, lease, permit and commitment relating to or based upon any of the assets or business activities assigned or transferred;
- (ii) All current liabilities relating to or based upon any of the assets or business activities assigned and transferred;
- (iii) All liabilities and obligations with respect to payrolls, pensions, employee benefits or expenses for the employees employed in the business activities assigned and transferred; and

- (iv) Any and all liabilities for all claims and causes of action which any third party has asserted or may assert against the Company, as well as the liability for such claims and causes of action and judgements entered against the Company, based upon an obligation or duty that the Company allegedly owed or owes to such third party in the Company's capacity as the owner of any of the assets and business so assigned and transferred and which would not have arisen but for such ownership.

Provided, however, that such assignment and assumption of liabilities and obligations shall not include:

(a) any liability or obligation of any nature whatsoever relating to or arising from the Chemicals Businesses or relating to or arising out of the businesses of the Principal Subsidiaries; and

(b) any indebtedness for borrowed money which has not otherwise been expressly assigned by the Company and assumed by the Subsidiary under separate agreement.

The Subsidiary is authorized to defend against such claims and causes of action assigned to and assumed by it, at its own expense, in the name of the Company. Any information received by the Company to the effect that any such claim or cause of action is being asserted shall be delivered immediately by the Company to the Subsidiary.

Provided, however, that if a consent to transfer any liability or obligation of whatsoever kind is required to relieve the Company from liability thereunder and such consent has not been received, or if that consent is withheld or if the transfer of any liability or obligation would constitute a breach of any agreement, the Subsidiary will indemnify the company for any loss, liability or expense incurred by the Company as a direct result of any such claims or causes of action.

Provided, further, that assets that are covered by or the subject of any specific assignment or conveyance to the Subsidiary or to any other person are expressly excluded from this Agreement.

The Company and the Subsidiary each agree to execute such other instruments, assignments and conveyances as may be necessary to effect the intent of this Agreement.

The Company and the Subsidiary both intend that the provisions of the Bulk Sales Act will not be applicable to this Agreement.

This Assignment and Assumption Agreement shall be effective as of January 1, 1984 for all purposes.

Executed as of January 1, 1984.

DIAMOND SHAMROCK CHEMICALS
COMPANY

ATTEST:

By _____

DIAMOND SHAMROCK CORPORATE
COMPANY

ATTEST:

By _____

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me
this _____ day of _____, 1983, by _____, known
by me to have been on _____, 1983, _____
of Diamond Shamrock Chemicals Company, a Delaware corporation,
on behalf of the corporation.

Notary Public

My Commission Expires:

STATE OF KENTUCKY)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me
this _____ day of _____, 1983, by _____,
known by me to have been on _____, 1983, _____
of Diamond Shamrock Corporate Company, a Delaware corporation,
on behalf of the corporation.

Notary Public

My Commission Expires:

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