IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
MET-COIL SYSTEMS CORPORATION,	)	
	)	
Debtor.	)	Case No. 03-12676 (MFW)
	)	

DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE FOR THE CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY MET-COIL SYSTEMS CORPORATION AND MESTEK, INC., AS CO-PROPONENTS

DATED: November 5, 2003

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THIS DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT FOR CIRCULATION TO CREDITORS AND INTERESTHOLDERS OR FOR USE IN THE SOLICITATION OF VOTES ON THE PLAN OF REORGANIZATION PROPOSED BY THE DEBTOR, MET-COIL SYSTEMS CORPORATION AND MESTEK, INC.

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DISCLOSURE STATEMENT EXHIBITS

Exhibit A	Chapter 11 Plan of Reorganization Proposed by Met-Coil Systems Corporation and Mestek, Inc., as Co-Proponents dated November 5, 2003.
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Exhibit D	Liquidation Analysis
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I. INTRODUCTION AND OVERVIEW

THE PLAN PROVIDES FOR THE ISSUANCE OF THIRD PARTY TCE CHANNELING INJUNCTIONS WHICH, ONCE ENTERED, WILL ENJOIN ALL HOLDERS OF TCE CLAIMS FROM SEEKING FURTHER RECOVERY ON ACCOUNT OF THEIR CLAIMS FROM THE DEBTOR, THE REORGANIZED DEBTOR, MESTEK, THE MET-COIL AFFILIATES, THE SETTLING CONTRIBUTORS, THE PROTECTED PARTIES AND VARIOUS OTHER PARTIES DESCRIBED IN THE PLAN. FOR A DESCRIPTION OF THE TCE CHANNELING INJUNCTIONS AND THE PARTIES PROTECTED THEREBY, SEE SECTION 7.03 OF THE PLAN.

ALL CAPITALIZED TERMS SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THE GLOSSARY OF TERMS ATTACHED TO THE PLAN AS EXHIBIT 1 AND ALL SUCH DEFINITIONS ARE INCORPORATED HEREIN BY REFERENCE.

The Debtor and Mestek, as joint Plan proponents, submit this Disclosure Statement pursuant to section 1125 of the Bankruptcy Code, to Claimholders against and Interestholders in the Debtor in connection with the solicitation of acceptances or rejections of the Plan, a copy of which is annexed hereto as Exhibit A, and filed by the Debtor and Mestek with the Bankruptcy Court. The purpose of the Disclosure Statement is to enable Claimholders and Interestholders to make an informed judgment regarding acceptance or rejection of the Plan. The Disclosure Statement generally describes the Plan and contains information concerning, among other things, the Debtor's history, business and assets, voting instructions, classification and treatment of Claims and Interests, Causes of Action, and the Debtor's exit strategy from bankruptcy.

In pursuit of its goal of maximizing value for Creditors, the Debtor has concluded that the Estate would be best served by the Confirmation of the Plan under chapter 11 of the Bankruptcy Code. The Debtor believes that the Plan will maximize recoveries to Claimholders, and that acceptance of the Plan is in the best interests of the Debtor and its creditors. The Debtor urges those Creditors in Impaired Classes that are entitled to vote, to vote to accept the Plan.

On December __, 2003, the Bankruptcy Court entered an Order approving this Disclosure Statement as containing "adequate information", i.e. information of a kind and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the Debtor and the condition of the Debtor's books and records, to enable a hypothetical reasonable investor typical of Claimholders or Interestholders of the Debtor to make an informed judgment as to whether to accept or reject the Plan. THE BANKRUPTCY COURT'S APPROVAL OF THE DISCLOSURE STATEMENT CONSTITUTES NEITHER A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN NOR AN ENDORSEMENT OF THE MERITS OF THE PLAN BY THE BANKRUPTCY COURT.

THE DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PROPOSED PLAN. PLEASE READ THIS DOCUMENT THOROUGHLY AND CAREFULLY.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(c) AND NOT NECESSARILY IN ACCORDANCE WITH ANY FEDERAL OR STATE SECURITIES LAWS, "BLUE SKY" LAWS OR OTHER APPLICABLE LAWS. THIS DISCLOSURE STATEMENT HAS NOT BEEN FILED WITH, OR REVIEWED BY, THE SEC OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE. THE PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY

THE SEC OR ANY STATE SECURITIES COMMISSION, AND NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR THE CONVENIENCE OF CLAIMHOLDERS AND INTERESTHOLDERS, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN, BUT THE PLAN ITSELF QUALIFIES ANY SUMMARY. THE DISCLOSURE STATEMENT CONTAINS INFORMATION SUPPLEMENTARY TO THE PLAN AND IS NOT INTENDED TO SUPPLANT OR SUBSTITUTE FOR THE PLAN ITSELF. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THEN THE TERMS OF THE PLAN CONTROL.

THE DEBTOR DOES NOT AUTHORIZE ANY REPRESENTATIONS CONCERNING THE DEBTOR'S FINANCIAL CONDITION OR ANY ASPECT OF THE PLAN OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE WHICH ARE OTHER THAN AS CONTAINED IN OR INCLUDED WITH THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION TO APPROVE OR REJECT THE PLAN.

THIS DISCLOSURE STATEMENT IS THE ONLY DOCUMENT AUTHORIZED BY THE BANKRUPTCY COURT TO BE USED IN CONNECTION WITH THE SOLICITATION OF VOTES ACCEPTING THE PLAN. NO SOLICITATION OF VOTES MAY BE MADE EXCEPT PURSUANT TO THIS DISCLOSURE STATEMENT, AND NEITHER THE BANKRUPTCY COURT NOR THE DEBTOR HAS AUTHORIZED ANY PERSON TO USE OR DISCLOSE ANY INFORMATION CONCERNING THE DEBTOR OTHER THAN THE INFORMATION CONTAINED HEREIN.

OTHER THAN AS EXPLICITLY SET FORTH IN THIS DISCLOSURE STATEMENT, CREDITORS SHOULD NOT RELY UPON ANY INFORMATION RELATING TO THE DEBTOR, ITS ESTATE, THE VALUE OF ITS ASSETS, AND THE NATURE OF ITS LIABILITIES. THE DEBTOR HAS PROVIDED ALL FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT NECESSARILY BEEN THE SUBJECT OF A CERTIFIED AUDIT.

THIS DISCLOSURE STATEMENT IS ACCURATE TO THE BEST OF THE DEBTOR'S KNOWLEDGE, INFORMATION AND BELIEF. THE DEBTOR, HOWEVER, IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT INACCURACIES OR OMISSIONS. MOREOVER, THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THAT DATE.

THE DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, AND NOTHING STATED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON THE DEBTOR OR CLAIMHOLDERS OR

INTERESTHOLDERS. LISTING A CONTRACT OR LEASE ON EXHIBIT 2 TO THE PLAN SHALL NOT CONSTITUTE AN ADMISSION BY THE DEBTOR THAT SUCH CONTRACT OR LEASE IS AN EXECUTORY CONTRACT OR UNEXPIRED LEASE OR THAT THE DEBTOR HAS ANY LIABILITY THEREUNDER. CERTAIN OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, BY NATURE, ARE FORWARD-LOOKING AND CONTAIN ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ALL OUTCOMES.

SUMMARIES OF CERTAIN PROVISIONS, AGREEMENTS OR OTHER DOCUMENTS REFERRED TO IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE APPLICABLE AGREEMENT OR DOCUMENT, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN SUCH AGREEMENT OR DOCUMENT.

THE CONTENTS OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS LEGAL, BUSINESS, SECURITIES OR TAX ADVICE. EACH CREDITOR OR INTERESTHOLDER IS ENCOURAGED TO CONSULT HIS OR HER OWN LEGAL COUNSEL AND ACCOUNTANT AS TO LEGAL, TAX AND OTHER MATTERS CONCERNING HIS OR HER CLAIM OR INTEREST OR ITS TREATMENT UNDER THE PLAN.

II. SUMMARY OF THE PLAN

A. Overview.

On November 5, 2003, the Debtor and Mestek filed the Plan setting forth the terms pursuant to which the Debtor will seek to reorganize. Subject to acceptance of an Alternative Restructuring Transaction (as described in Article VII of the Plan and Section VII.G. herein), certain Restructuring Transactions will occur on the Effective Date. In exchange for the Restructuring Transactions Consideration, Mestek will acquire 100% of the New Common Stock, will receive an assignment of the proceeds of the Insurance Policies for TCE Claims and the Contribution Actions and will receive the TCE Channeling Injunction if Mestek is the Winning Plan Sponsor. The Restructuring Transactions represent the foundation for the Plan.

On the Effective Date, a portion of the Capital Contribution will be used to fund the TCE Trust which is being created for the benefit of TCE Claimholders. The purpose of the TCE Trust will be to, among other things, (a) direct the liquidation, resolution, payment, and satisfaction of all Class 5.2 Claims (if applicable), Class 5.3 Claims, Class 6.2 Claims (if applicable) and Class 6.3 Claims in accordance with the Plan, the Claims Resolution Procedures, and the Confirmation Order; and (b) preserve, hold, manage, and maximize the TCE Trust Assets for use in paying and satisfying Allowed Class 5.2 Claims (if applicable) Allowed 5.3 Claims, Allowed Class 6.2 Claims (if applicable) and Allowed Class 6.3 Claims.

As part of the Plan and on the Effective Date, the Debtor, Mestek, Formtek and the Met-Coil Affiliates will be entitled to final relief from further environmental, property damage and personal-injury claims through the TCE Channeling Injunctions.

Further, the Debtor's rights, claims and defenses related to TCE Claims will be transferred and automatically vest in the TCE Trust. In exchange, the TCE Trust will resolve and pay

TCE Claims in accordance with the TCE Trust Agreement and the Claims Resolution Procedures. Each holder of a TCE Property Damage Claim or a TCE Personal Injury Claim will be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor will be deemed such Claimholder's sole attorney in fact, as may be appropriate, to prosecute at the Reorganized Debtor's sole discretion, any Direct Action.

In addition, certain Settling Contributors have reached or are expected to reach settlements with the Debtor (before the Effective Date) or the Reorganized Debtor (on or after the Effective Date) for the payment to or reimbursement of the Debtor or Reorganized Debtor (as applicable) for liability, indemnity or defense costs arising from or related to TCE Claims under Insurance Policies. In exchange, such parties may receive the benefits of the TCE Channeling Injunctions as extended to such Settling Contributors.

The proposed treatment for the various Classes set forth in the Plan and the compromises and settlements embodied in the Plan give due consideration to the strengths and weaknesses of potential litigation outcomes. The Debtor believes that the distribution to any particular Creditor is not better than the best possible judicial determination in favor of such Creditor while being no less than the worst possible outcome if such disputes were resolved by judicial determination. Accordingly, the Debtor believes the compromises embodied in the Plan are within the range of likely results in the event each issue was pursued to judgment. The Debtor also believes that the compromises and settlements adequately address the probability of success in litigation, the complexity, expense and likely duration of litigation, and are fair, equitable, represents the exercise of the Debtor's sound business judgment, are in the best interests of the Debtor, its Creditors and other parties in interest and thus satisfy the requirements of Rule 9019 of the Federal Rules of Bankruptcy Procedure.

Accordingly, the entry of the Confirmation Order will constitute the Bankruptcy Court's approval pursuant to Bankruptcy Rule 9019 and any applicable state law, as of the Effective Date, of the good-faith compromise or settlement of all such claims or controversies (including any Recovery Action or Avoidance Action) and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtor, the Reorganized Debtor, and their respective property, Estate and Claimholders and Interestholders and is fair, equitable and reasonable. The Bankruptcy Court's approval of these compromises and settlements in connection with Confirmation will bar any Causes of Action relating to the Plan or the treatment of Classes of Claims and Interests thereunder which could have been brought by any Claimholder or Interestholder except that such approval will not impair any party's rights, benefits or obligations under the Plan. It is a condition to the Confirmation of the Plan that the Recovery Actions be determined to be the exclusive property of the Debtor and that, as such, the Recovery Actions will be fully settled and released as of the Effective Date.

THE PLAN PROVIDES FOR THE ISSUANCE OF THE TCE CHANNELING INJUNCTIONS WHICH, ONCE ENTERED, WILL ENJOIN ALL TCE CLAIMHOLDERS FROM SEEKING FURTHER RECOVERY ON ACCOUNT OF THEIR CLAIMS FROM THE DEBTOR, THE REORGANIZED DEBTOR, MESTEK, FORMTEK, THE OTHER MET-COIL AFFILIATES, THE SETTLING CONTRIBUTORS, THE PROTECTED PARTIES AND VARIOUS OTHER PARTIES DESCRIBED IN THE PLAN.

B. Summary of Classification and Treatment of Claims and Interests.

THE FOLLOWING TABLE IS ONLY A SUMMARY OF THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN. REFERENCE SHOULD BE MADE TO THE ENTIRE DISCLOSURE STATEMENT AND THE PLAN FOR A COMPLETE DESCRIPTION OF THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS.

CLASS	EST. CLAIM AMT. ($ IN THOUSANDS).[1]	PLAN TREATMENT	RECOVERY AS A % OF CLAIM
Administrative Claims	$_____	Unimpaired. Unless otherwise provided for herein, each holder of an Allowed Administrative Claim shall receive either (A) an amount equal to the unpaid amount of such Allowed Claim in Cash commencing on the later of (i) the Effective Date, (ii) the date that is ten (10) Business Days after such Claim becomes an Allowed Administrative Claim by a Final Order and (iii) a date agreed to by the Claimholder and either the Debtor or the Reorganized Debtor; or (B) such other treatment (x) as may be agreed upon in writing by the Claimholder and the Debtor or the Reorganized Debtor or (y) as the Bankruptcy Court has ordered or may order. Notwithstanding the foregoing, Allowed Administrative Claims representing (a) liabilities, accounts payable or other Claims, liabilities or obligations incurred in the ordinary course of business of the Debtor consistent with past practices subsequent to the Petition Date and (b) contractual liabilities arising under loans or advances to the Debtor, whether or not incurred in the ordinary course of business of the Debtor subsequent to the Petition Date, shall be paid or performed by the Debtor or the Reorganized Debtor in accordance with the terms and conditions of the particular transactions relating to such liabilities and any agreements relating thereto; provided, that, notwithstanding any contract provision or applicable law, or otherwise, that entitles a holder of an Allowed Administrative Claim to postpetition interest, no Allowed Administrative Claim shall receive postpetition interest on account of such Claim.	100 %

[1] Each "Estimated Claims Amount" shown herein is based upon Debtor's books and records and may be substantially revised following the completion of a detailed analysis of the Claims Filed. A number of Disputed Claims are expected to be material, and the total amount of all Claims (including Disputed Claims) may be materially in excess of the total amount of Allowed Claims assumed in the development of the Plan. Further, the amount of any Disputed Claim that ultimately is Allowed by the Bankruptcy Court may be significantly more or less than the estimated amount of such Claim. Moreover, the Estimated Claims Amount does not reflect amounts that may be subject to rights of recoupment or setoff asserted by holders of Claims. Accordingly, the actual ultimate aggregate amount of Allowed Claims may differ significantly from the estimate set forth herein. Thus, distributions that ultimately will be received by a particular holder of an Allowed Claim may be adversely or favorably affected by the aggregate amount of Claims ultimately allowed in such Class. Moreover, distributions to holders of Allowed Claims will be made on an incremental basis until all Disputed Claims in such Class have been resolved. Accordingly, no representation can be or is being made with respect to whether the percentage recoveries shown in the table actually will be realized by a holder of an Allowed Claim.

CLASS	EST. CLAIM AMT. ($ IN THOUSANDS).[1]	PLAN TREATMENT	RECOVERY AS A % OF CLAIM
Priority Tax Claims	$_____	Unimpaired. Each holder of an Allowed Priority Tax Claim shall receive, at the sole discretion of the Debtor, and in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Tax Claim, (A) an amount equal to the unpaid amount of such Allowed Claim in Cash commencing on the later of (i) the Effective Date, (ii) the date that is ten (10) Business Days after such Claim becomes an Allowed Priority Tax Claim by a Final Order and (iii) a date agreed to by the Claimholder and either the Debtor or the Reorganized Debtor, (B) as provided in section 1129(a)(9)(C) of the Bankruptcy Code, Cash payments made in equal annual installments beginning on or before the first anniversary following the Effective Date, with the final installment payable not later than the sixth (6th) anniversary of the date of the assessment of such Allowed Priority Tax Claim, together with interest (payable in arrears) on the unpaid portion thereof at the Tax Rate from the Effective Date through the date of payment thereof, or (C) such other treatment as to which the Debtor and such Claimholder shall have agreed on in writing or the Bankruptcy Court has ordered or may order; provided, however, that the Debtor reserves the right to pay any Allowed Priority Tax Claim, or any remaining balance of any Allowed Priority Tax Claim, in full at any time on or after the Distribution Date without premium or penalty; and provided further, that no holder of an Allowed Priority Tax Claim shall be entitled to any payments on account of any pre-Effective Date interest accrued on or penalty arising after the Petition Date with respect to or in connection with such Allowed Priority Tax Claim.	100 %
Class 1 Priority Non-Tax Claims	$ ____	Unimpaired. Unless otherwise provided for herein, each holder of an Allowed Priority Non-Tax Claim shall receive either (A) an amount equal to the unpaid amount of such Allowed Claim in Cash commencing on the later of (i) the Effective Date, (ii) the date that is ten (10) Business Days after such Claim becomes an Allowed Priority Non-Tax Claim, by a Final Order and (iii) a date agreed to by the Claimholder and either the Debtor or the Reorganized Debtor; or (B) such other treatment (x) as may be agreed upon in writing by the Claimholder and the Debtor or the Reorganized Debtor or (y) as the Bankruptcy Court has ordered or may order.	100 %
Class 2 DIP Claims	$ ____	Unimpaired. The Class 2 Claims shall be Allowed in an amount equal to the principal amount plus accrued and unpaid interest, costs and attorneys' fees and expenses through the day immediately prior to the Effective Date and paid in full, in Cash, on the Effective Date in accordance with the DIP Order and the DIP Loan Agreement.	100%
Class 3.1 Miscellaneous Secured Claims	$ 0	Impaired. On or as soon as practicable after the Effective Date, each holder of an Allowed Class 3.1 Claim shall receive, at the option of and in the sole discretion of the Debtor or the Reorganized Debtor, one of the three following forms of treatment: (a) an amount equal to the unpaid amount of such Allowed Claim in Cash commencing on the later of (i) the Effective Date or (ii) the date that is ten (10) Business Days after such Claim becomes an Allowed Class 3.1 Claim by a Final Order; or (b) the Reorganized	100 %

CLASS	EST. CLAIM AMT. ($ IN THOUSANDS).[1]	PLAN TREATMENT	RECOVERY AS A % OF CLAIM
		Debtor shall abandon the Property that secures the Allowed Class 3.1 Claim to the Claimholder on or as soon as practicable after the later of (i) the Effective Date or (ii) the date that is ten (10) Business Days after the date on which such Claim becomes an Allowed Class 3.1 Claim by a Final Order; or(c) such other treatment as the holder and the Debtor or the Reorganized Debtor shall have agreed upon in writing.	
Class 3.2 Mestek Prepetition Secured Claims	$ _____	Impaired. The Class 3.2 Claims shall be Allowed in the principal amount outstanding as of the day immediately prior to the Effective Date plus accrued and unpaid interest through the day immediately prior to the Effective Date. In the event that Mestek is the Winning Plan Sponsor, on the Effective Date, Mestek will contribute the Allowed Amount of its Class 3.2 Claim to the capital of the Reorganized Debtor as part of the Capital Contribution. In the event that Mestek is not the Winning Plan Sponsor, the Reorganized Debtor shall pay Mestek the amount of its Allowed Class 3.2 Claim in full, in Cash, on the Effective Date.	0 %
Class 4.1 General Unsecured Claims	$ ____	Impaired. Each holder of an Allowed Class 4.1 Claim shall receive payment of such Claimholder's Pro Rata Share of the Unsecured Claims Distribution Fund in the aggregate amount up to, but not exceeding, the Unsecured Claims Distribution Cap as soon as practicable following the Effective Date. Notwithstanding the foregoing, to the extent that there is any insurance available to pay Allowed General Unsecured Claims, such Claimholders shall first seek payment from the insurance and to the extent such Claim is not paid in full, the balance of such Allowed General Unsecured Claim shall be paid in accordance with this Section 3.08 of the Plan. Moreover, the Reorganized Debtor intends to complete the remediation of the Lockformer Site and will work with the IEPA an the USEPA on such remediation. Nothing in this Plan should be construed as alleviating the Reorganized Debtor's responsibility for such remediation. Furthermore, notwithstanding the foregoing, the IEPA's and USEPA's costs and penalties shall be treated in accordance with Section 3.18 of the Plan.	___ %
Class 4.2 Convenience Claims	$ ____	Impaired. All Allowed Convenience Claims shall be paid in Cash, in full (without interest), as soon as practicable following the Effective Date	___ %
Class 4.3 Mestek Secured Claims	$ ____	Impaired. In the event that Mestek is the Winning Plan Sponsor, on the Effective Date, Mestek shall contribute to the capital of the Reorganized Debtor as part of the Capital Contribution all of its Allowed Class 4.3 Claim and shall not receive or retain any property under the Plan on account of such Class 4.3 Claims. In the event that Mestek is not the Winning Plan Sponsor, Mestek's Allowed Class 4.3 Claims shall be treated as Class 4.1 Claims and the distribution with respect to the Allowed Class 4.3 Claims shall be contributed to the TCE Trust Distribution Fund in exchange for	___ %

CLASS	EST. CLAIM AMT. ($ IN THOUSANDS).[1]	PLAN TREATMENT	RECOVERY AS A % OF CLAIM
		the TCE Channeling Injunctions with Mestek receiving the balance of any distribution on such Claims.	
Class 4.4 Honeywell Claims	$ ____	Impaired. The treatment of the Class 4.4 Claims shall be one of the following three options as selected by Honeywell and consented to by Mestek and the Debtor: (a) if Honeywell makes the Honeywell TCE Trust Contribution, waives the Honeywell Claims, voids the Honeywell Indemnification Agreement and votes to accept the Plan, Honeywell shall receive in respect of its Class 4.4 Claims, the TCE Channeling Injunction; (b) if Honeywell fails to make the Honeywell Trust Contribution, refuses to waive the Honeywell Claims, refuses to void the Honeywell Indemnification Agreement or votes to reject the Plan, Honeywell shall not receive the TCE Channeling Injunction; and the Debtor shall pursue an adversary proceeding against Honeywell seeking subordination of the Class 4.4 Claims which, if successful, will result in Honeywell receiving no distribution under the Plan; or(c) if Honeywell fails to make the Honeywell Trust Contribution, refuses to waive the Honeywell Claims, refuses to void the Honeywell Indemnification Agreement or votes to reject the Plan AND if the Bankruptcy Court rules in favor of Honeywell in the adversary proceeding described in subsection (b) herein, Honeywell shall not receive the TCE Channeling Injunction but Allowed Honeywell Claims shall receive the treatment given Class 4.1 Claims herein.	___ %
Class 5.1 Mejdrech Class Claims	Unliquidated	Impaired. The Class 5.1 Claims shall be Allowed in the amount of $12,500,000. On the Effective Date, the Reorganized Debtor shall escrow the Allowed Amount of the Class 5.1 Claims in full, in Cash, and such monies will be distributed in accordance with an order of the Illinois District Court. Each holder of a Class 5.1 Claim shall be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor shall be deemed such Claimholder's sole attorney in fact, as may be appropriate, to prosecute at the Reorganized Debtor's sole discretion, any Direct Action.	__ %
Class 5.2 DeVane Claims	Unliquidated	Impaired. The Class 5.2 Claims shall be Allowed in the aggregate amount of $_____, and such amount shall be paid in Cash pro rata to the Class 5.2 Claimholders by the Reorganized Debtor on the Effective Date; provided, that each holder of a Class 5.2 Claim elects on a timely-filed Ballot to accept such Claimholder's treatment under the Plan as a Class 5.2 Claimholder. Each holder of a Class 5.2 Claim accepting its treatment under the Plan shall be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor shall be deemed such Claimholder's sole attorney in fact, as may be appropriate, to prosecute at the Reorganized Debtor's sole discretion, any Direct Action. If the election in the foregoing paragraph is not fully satisfied, then on the Effective Date, the liability for all Class 5.2 Claims shall be automatically and without further act or deed assumed by the TCE Trust (as described in Article VIII of the Plan). The sole recourse of the holder of Class	___ %

CLASS	EST. CLAIM AMT. ($ IN THOUSANDS).[1]	PLAN TREATMENT	RECOVERY AS A % OF CLAIM
		5.2 Claim shall be the TCE Trust, and, in accordance with the TCE Channeling Injunctions, such Claimholder shall have no right whatsoever at any time to assert its Claims against any Protected Party. Distribution on the Allowed Amounts of Class 5.2 Claims shall be determined and paid by the TCE Trust pursuant to and in accordance with Section 3.14 of the Plan and the Claims Resolution Procedures. Each holder of a Class 5.2 Claim under the Plan shall be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor shall be deemed such Claimholder's sole attorney in fact, as may be appropriate, to prosecute at the Reorganized Debtor's sole discretion, any Direct Action.	
Class 5.3 Unasserted TCE Property Damage Claims	Unliquidated	Impaired. On the Effective Date, all Class 5.3 Claims shall be automatically and without further act or deed assumed by the TCE Trust (as described in Article VIII herein). The sole recourse of the holder of a Class 5.3 Claim shall be the TCE Trust, and, in accordance with the TCE Channeling Injunction, such Claimholder shall have no right whatsoever at any time to assert its Claims against any Protected Party. Each holder of a Class 5.3 Claim shall be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor shall be deemed such Claimholder's sole attorney in fact, as may be appropriate, to prosecute at the Reorganized Debtor's sole discretion, any Direct Action. Distributions on the Allowed Amounts of Class 5.3 Claims shall be determined and paid by the TCE Trust pursuant to and in accordance with Section 3.14 of the Plan and the Claims Resolution Procedures.	__ %
Class 6.1 Schreiber Claims	Unliquidated	Impaired. The Class 6.1 Claims shall be Allowed in the amount of $6,000,000. On the Effective Date, the Reorganized Debtor shall pay the Allowed Amount of the Class 6.1 Claims in full, in Cash. Each holder of a Class 6.1 Claim accepting its treatment under the Plan shall be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor shall be deemed such Claimholder's sole attorney in fact, as may be appropriate, to prosecute at the Reorganized Debtor's sole discretion, any Direct Action.	__ %
Class 6.2 Personal Injury Actions Claims	Unliquidated	Impaired. The Class 6.2 Claims shall be Allowed in the amount of $_____ each, and such amount shall be paid by the Reorganized Debtor to each Class 6.2 Claimholder in full, in Cash, on the Effective Date; provided, however that such Class 6.2 Claimholder elects on a timely-filed Ballot to accept such Claimholder's treatment under the Plan as a Class 6.2 Claimholder. Each holder of a Class 6.2 Claim accepting its treatment under the Plan shall be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor shall be deemed such Claimholder's sole attorney in fact, as may be	__ %

CLASS	EST. CLAIM AMT. ($ IN THOUSANDS).[1]	PLAN TREATMENT	RECOVERY AS A % OF CLAIM
		appropriate, to prosecute at the Reorganized Debtor's sole discretion, any Direct Action. If the election of the foregoing paragraph is not fully satisfied, then on the Effective Date, all Class 6.2 Claims shall be automatically and without further act or deed assumed by the TCE Trust. The sole recourse of the holder of a Class 6.2 Claim shall be the TCE Trust, and, in accordance with the TCE Channeling Injunction, such Claimholder shall have no right whatsoever at any time to assert its Claims against any Protected Party. Distributions on the Allowed Amounts of Class 6.2 Claims shall be determined and paid by the TCE Trust pursuant to and in accordance with Section 3.17 of the Plan and the Claims Resolution Procedures. Each holder of a Class 6.2 Claim under the Plan shall be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor shall be deemed such Claimholder's sole attorney in fact, as may be appropriate, to prosecute at the Reorganized Debtor's sole discretion, any Direct Action.	
Class 6.3 Unasserted TCE Personal Injury Claims	Unliquidated	Impaired. On the Effective Date, all Class 6.3 Claims shall be automatically and without further act or deed assumed by the TCE Trust. The sole recourse of the holder of a Class 6.3 Claim shall be the TCE Trust, and, in accordance with the TCE Channeling Injunction, such Claimholder shall have no right whatsoever at any time to assert its Claims against any Protected Party. Each holder of a Class 6.3 Claim shall be deemed to have assigned to the Reorganized Debtor its entire interest in any Direct Action, and the Reorganized Debtor shall be deemed such Claimholder's sole attorney in fact, as may be appropriate, to prosecute at the Reorganized Debtor's sole discretion, any Direct Action. Distributions on the Allowed Amounts of Class 6.3 Claims shall be determined and paid by the TCE Trust pursuant to and in accordance with this section 3.17 of the Plan and the Claims Resolution Procedures.	__ %
Class 7 Non-Compensatory Damages Claimholders	N/A	Impaired. The holders of Class 7 Claims shall not receive or retain any property under the Plan on account of such Claims.	0 %
Class 8 Interests in Debtor	N/A	Impaired. Holders of Class 8 Interests will receive no distribution and retain no rights or Property on account of their Class 8 Interests.	0 %

III. VOTING PROCEDURES AND PLAN CONFIRMATION GENERALLY

A. Parties Entitled to Vote on the Plan.

Pursuant to the Bankruptcy Code, only the holders of Claims against or Interests in the Debtor that are Impaired are entitled to vote to accept or reject the Plan (unless, as discussed below, the class is presumed under Bankruptcy Code to accept or reject the Plan).

Classes of Claims or Interests that are Unimpaired are *not* entitled to vote on the Plan. In this Chapter 11 Case, Class 1 Claims and Class 2 Claims are Unimpaired under the Plan. Accordingly, these Classes are deemed to have accepted the Plan, and Claimholders in this Class are not entitled to vote on the Plan.

Claimholders in the following Classes are entitled to vote to accept or reject the Plan because their Claims are Impaired:

- Class 3.1 Claims shall consist of all Miscellaneous Secured Claims ("**Class 3.1 Claims**").
- Class 3.2 Claims shall consist of Mestek Prepetition Secured Claims ("**Class 3.2 Claims**").
- Class 4.1 Claims shall consist of all General Unsecured Claims other than Non-Compensatory Damages ("**Class 4.1 Claims**").
- Class 4.2 Claims shall consist of Convenience Claims other than Non-Compensatory Damages ("**Class 4.2 Claims**").
- Class 4.3 Claims shall consist of Mestek Unsecured Claims ("**Class 4.3 Claims**").
- Class 4.4 Claims shall consist of Honeywell Claims ("**Class 4.4 Claims**").
- Class 5.1 Claims shall consist of all Claims arising in connection with the Mejdrech Litigation other than Non-Compensatory Damages ("**Class 5.1 Claims**").
- Class 5.2 Claims shall consist of all Claims other than Non-Compensatory Damages arising in connection with the DeVane Action ("**Class 5.2 Claims**").
- Class 5.3 Claims shall consist of all Unasserted TCE Property Damage Claims other than Non-Compensatory Damages ("**Class 5.3 Claims**").
- Class 6.1 Claims consist of all Claims arising in connection with the Schreiber Litigation other than Non-Compensatory Damages (the "**Class 6.1 Claims**").
- Class 6.2 Claims consist of all Claims arising in connection with the Personal Injury Actions other than Non-Compensatory Damages (the "**Class 6.2 Claims**").
- Class 6.3 Claims consist of all Unasserted TCE Personal Injury Claims other than Non-Compensatory Damages ("**Class 6.3 Claims**").

Claimholders in the following Classes are Impaired but are not entitled to vote to accept or reject the Plan because such Claimholders are not entitled to any distributions in respect of their Claims or Interests:

(a) Class 7 Claims consist of all Non-Compensatory Damages whether arising from the Illinois Actions, the AG Action or otherwise (the "**Class 7 Claims**"); and

(b) Class 8 Interests consist of Formtek's Interests in the Debtor (the "**Class 8 Interests**").

Unclassified Claims (Administrative Claims and Priority Tax Claims) are not entitled to vote under the Plan. Similarly, because they are not entitled to any distribution under the Plan, Class 7 Claims and Class 8 Interests are deemed to have rejected the Plan and therefore are entitled to vote on the Plan.

Therefore, only holders of Class 3.1 Claims, Class 3.2 Claims, Class 4.1 Claims, Class 4.2 Claims, Class 4.3 Claims, Class 4.4 Claims, Class 5.1 Claims, Class 5.2 Claims, Class 5.3 Claims, Class 6.1 Claims, Class 6.2 Claims, and Class 6.3 Claims may vote to accept or reject the Plan. Moreover, unless otherwise provided for in the Plan, the holders of Disputed Claims (which include, among other things, Claims that are objected to prior to the Voting Deadline) are not eligible to vote to accept or reject the Plan unless the objection is resolved, or after notice and a hearing pursuant to Bankruptcy Rule 3018(a), the Bankruptcy Court allows the Claim temporarily for the sole purpose of voting to accept or reject the Plan. Any Creditor who wants its Claim to be allowed temporarily for the purpose of voting must take steps necessary to arrange an appropriate hearing with the Bankruptcy Court under Bankruptcy Rule 3018(a).

B. Voting Procedures, Ballots and Voting Deadline.

The record date for determining any Creditor's eligibility to vote on the Plan is _____. In this Chapter 11 Case, only holders of Class 3.1 Claims, Class 3.2 Claims, Class 4.1 Claims, Class 4.2 Claims, Class 4.3 Claims, Class 4.4 Claims, Class 5.1 Claims, Class 5.2 Claims, Class 5.3 Claims, Class 6.1 Claims, Class 6.2 Claims and Class 6.3 Claims are Impaired and entitled to vote to accept or reject the Plan. Some creditors might hold Claims in more than one Impaired Class and must vote separately in each Class. Such creditors should receive a Ballot for all of their Claims in each Class and should complete and sign each Ballot received.

In voting for or against the Plan, please use only the Ballot or Ballots sent to you with this Disclosure Statement. You may receive more than one Ballot, and if you do, you should assume each Ballot is for a Claim in a different Class in which you are entitled to vote. Votes cast to accept or reject the Plan will be counted by Class. You are not required to vote all of your Claims in different Classes the same way. You are required, however, to vote all of your Claims within a Class the same way.

To vote on the Plan, you must: (1) indicate on the Ballot that (a) you accept the Plan or (b) you reject the Plan; and (2) sign your name and mail the Ballot in the envelope provided for this purpose. Please complete and return each Ballot you receive. Put your taxpayer identification number (or social security number) on your Ballot on the place indicated. The designated disbursing agent(s) cannot make distributions without your taxpayer identification or social security number. PLEASE CAREFULLY FOLLOW THE DIRECTIONS CONTAINED ON THE BALLOT.

Under the Bankruptcy Code, for purposes of determining whether the requisite acceptances have been received, only those Claimholders that vote to accept or reject the Plan will be counted. **Votes cannot be transmitted orally or by facsimile transmission.** Accordingly, it is

important that you return your signed and completed Ballot(s) promptly. Failure by any Claimholder to send a duly executed Ballot with an original signature will be deemed an abstention by such Claimholder with respect to a vote on the Plan and will not be counted as a vote for or against the Plan. To accept the Plan, the Claimholder must check the box entitled "accept the Plan" on the appropriate Ballot. Any Ballot cast that does not indicate whether the Claimholder is voting to accept or reject the Plan will not be counted as either an acceptance or rejection of the Plan. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

You may enclose a self-addressed postage pre-paid envelope and a copy of your Ballot(s) to be returned and stamped "Filed" from the Debtor's voting agent confirming the delivery and filing of your Ballot(s). You may not change your vote after the voting deadline unless the Bankruptcy Court permits you to do so after notice and a hearing to determine whether sufficient cause exists to permit the change. **Do not return any stock certificates or any other instrument evidencing your Claim with the Ballot.**

If you are entitled to vote to accept or reject the Plan, a Ballot is enclosed with this copy of the Disclosure Statement for the purpose of voting on the Plan. If you hold a Claim in more than one Class and you are entitled to vote Claims in more than one Class, you will have received separate Ballots which must be used for each separate Class of Claims. Please vote and return your Ballot(s) to:

If via U.S. mail:	**If via Fed Ex, overnight courier or hand delivery:**
Bankruptcy Management Corporation Attn: Met-Coil Systems Corporation, Claims Processing P.O. Box 1033 1330 East Franklin Avenue El Segundo, California 90245-1033	Bankruptcy Management Corporation Attn: Met-Coil Systems Corporation, Claims Processing 1330 East Franklin Avenue El Segundo, California 90245

If you are a Claimholder entitled to vote on the Plan and did not receive a Ballot, received a damaged Ballot or lost your Ballot, or if you have any questions concerning the Disclosure Statement, the Plan or the procedures for voting on the Plan, please contact counsel for the Debtor:

GOLDBERG KOHN BELL BLACK ROSENBLOOM
& MORITZ, LTD.
55 East Monroe Street, Suite 3700
Chicago, IL 60603
Attn.: Ronald Barliant, Esquire
Telephone: 312-201-4000
Facsimile: 312-332-2196

– OR –

MORRIS NICHOLS ARSHT & TUNNELL
1201 North Market Street
P.O. Box 1347

Wilmington, DE 19899-1347
Attn.: Eric D. Schwartz, Esquire

In order to be counted, Ballots must be marked, signed and returned so that they are **actually received** no later than _____ at 5:00 p.m. (Pacific Time).

Your vote as a Creditor is important to the Chapter 11 Case. Only those Creditors who actually vote are counted for the purpose of determining whether the Plan has been accepted or rejected. Your failure to vote will leave to other Creditors, whose interests may not be the same as yours, the decision to accept or reject the Plan. To have your vote counted, you must complete properly your Ballot(s) and return all Ballots by the voting deadline provided in the preceding section.

C. Confirmation Hearing and Objections to Confirmation.

Section 1128 of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on whether the Plan and its proponents have fulfilled the confirmation requirements of section 1129 of the Bankruptcy Code. "Confirmation" is the technical term for the Bankruptcy Court's approval of a plan of reorganization.

The timing, standards and factors considered by the Bankruptcy Court in deciding whether to confirm a Plan are discussed in **Article VIII "CONFIRMATION OF THE PLAN."**

Any objections to Confirmation of the Plan must be made in writing and must be filed with the Office of the Clerk of the Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, with a copy delivered, on or before _____, 2003, to the following parties: (a) counsel to the Debtor (i) Goldberg Kohn Bell Black Rosenbloom & Moritz, Ltd., 55 East Monroe Street, Suite 3700, Chicago, IL 60603, Attn: Ronald Barliant, Esquire and (ii) Morris, Nichols, Arsht & Tunnell, LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, DE 19899-1347, Attn: Eric D. Schwartz, Esquire and; (b) counsel for Mestek, (i) Greenberg Traurig, P.C., 77 West Wacker Drive, Suite 2500, Chicago, IL 60601, Attn: Nancy A. Peterman, Esquire and (ii) Greenberg Traurig, LLP, The Brandywine Building, 1000 West Street, Suite 1540, Wilmington, Delaware 19801, Attn: Scott D. Cousins, Esquire; (c) counsel for the Committee, Klehr, Harrison, Harvey, Branzburg & Ellers, 222 Delaware Avenue, Suite 1000, Wilmington, DE 19801, Attn: Joanne B. Wills, Esquire; (d) counsel for the Legal Representative, Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, DE 19801, Attn: James L. Patton, Jr., Esquire; and (e) the U.S. Trustee, District of Delaware, 844 North King Street, Room 2311, Lockbox 35, Wilmington, DE 19801, Attn: Margaret Harrison, Esquire.

Any objection to Confirmation must be made in writing and must specify in detail the name and the address of the Entity objecting, the grounds for the objection and the nature and amount of the Claim or Interest held by the objector. Any such objection must be filed with the Bankruptcy Court and served upon the parties designated in the Confirmation Notice of the Confirmation Hearing on or before _____, 2003. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

The Bankruptcy Court will hold the Confirmation Hearing in connection with the Plan on January 20, 2004 at 10:30 a.m. (Wilmington, Delaware time), in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware. The Honorable Mary F.

Walrath or other Judge sitting in her place and stead will preside over the Confirmation Hearing, and will determine whether the Plan has been accepted by the requisite number of Creditors and whether the other requirements for Confirmation of the Plan have been satisfied. **ANY ANNOUNCEMENT OF ADJOURNMENT OF THE DATE AND TIME OF THE CONFIRMATION HEARING MADE IN COURT WILL BE THE ONLY NOTICE PROVIDED TO PARTIES-IN-INTEREST, UNLESS THE BANKRUPTCY COURT ORDERS OTHERWISE.** If the Bankruptcy Court confirms the Plan, it will do so through the entry of a Confirmation Order.

IV. DESCRIPTION OF THE DEBTOR

A. General Overview.

The Debtor is a metal forming company with two separate operating divisions: Lockformer located in Lisle, Illinois, and IPI located in Cedar Rapids, Iowa. Through its two divisions, the Debtor manufactures advanced sheet-metal forming equipment, fabricating equipment and computer-controlled fabrication systems for HVAC sheet metal contractors, steel service centers and manufacturers of various metal products in the global market. Met-Coil's corporate predecessors have been in the metal forming industry for more than 60 years, and Met-Coil's two operating divisions, Lockformer and IPI, have strong industry reputations.

Met-Coil is a wholly-owned subsidiary of Formtek, which in turn is a wholly-owned subsidiary of Mestek. On June 3, 2000, Met-Coil merged with a Formtek subsidiary, and Mestek indirectly acquired 100% of the stock of Met-Coil. Mestek, a Pennsylvania corporation since 1898 which is currently traded on the New York Stock Exchange, is comprised of two operating segments: a segment which manufactures HVAC equipment; and a "Metal Forming Segment" which manufactures metal forming equipment. Met-Coil is one of the subsidiaries comprising the Metal Forming Segment, together with IPI and certain other subsidiaries of Formtek.

The Debtor's business is highly cyclical and is subject to pricing pressures in the marketplace for its products. Some of the Debtor's products are custom-designed and manufactured to meet unique customer specifications, and the products are often incorporated into the customer's standard product line. The primary customers for the Debtor's products are sheet metal contractors, steel service centers, and manufacturers of large and small appliances, commercial and residential lighting fixtures, automotive parts and accessories, office furniture and equipment, tubing and pipe products, metal construction products, doors, windows and screens, electrical enclosures, shelves and racks and HVAC equipment.

B. Met-Coil's Reliance upon its Relationship with Mestek.

Since the acquisition in June 2000, Met-Coil has continued to retain responsibility for management of its own day-to-day affairs and operates as a separate subsidiary, with its own officers and board of directors and separate books and records. As part of a larger family of Affiliate companies, however, Met-Coil enjoys a variety of benefits including cost-effective management, administrative, and technology services with a high level of specialized industry expertise that in some instances would be difficult or impossible for Met-Coil to duplicate on a stand-alone basis. Mestek and Formtek provide Met-Coil with support in areas such as, accounting, payroll services, human resources, information technology, and legal and regulatory matters. Through Mestek's centralized Manufacturing Services Group, Met-Coil can also obtain cost-effective expert assistance on an as-needed basis for matters such as

manufacturing equipment purchases, plant layouts, and guidance in benchmarking manufacturing techniques and changes in health and safety standards. Met-Coil believes that its present business model within the Metal Forming Segment of Mestek has materially enhanced Met-Coil's competitive position in the metal forming industry.

Mestek's indirect ownership of Met-Coil also enhances Met-Coil's competitive position by creating the opportunity for collaborative ventures among Met-Coil and the other Formtek subsidiaries in the Metal Forming Segment, with which Met-Coil shares complementary products and distribution channels, potential manufacturing and purchasing synergies, shared technologies and engineering skills, common field service skills and organizations, and shared customer bases. The most significant synergy is the existing and potential common customer base. To a large degree, any historical customer of one of the companies is a potential customer for any of the others. Exploiting cross selling opportunities is an important element of Met-Coil's business plan.

Moreover, while Met-Coil handles its basic purchasing functions locally, Met-Coil benefits from reduced prices as part of high-volume supply contracts negotiated by Mestek and Formtek. Due to the combined purchasing volume of Mestek entities, material purchase prices are negotiated from a stronger position than from any of the companies individually.

Formtek also assists Met-Coil and its divisions developing and coordinating their respective long-term sales and marketing plans to maximize the strong synergies among these companies. For example, Formtek coordinates trade shows and advertising for a variety of the entities in the Metal Forming Segment, including Met-Coil, which results in more efficient and effective marketing and advertising. As part of Mestek/Formtek family, Met-Coil enjoys prestige in the marketplace for its products and services that would be lacking as a stand-alone company. In addition, Formtek coordinates international sales and marketing for Met-Coil and its divisions. Formtek has allowed Met-Coil to reduce its sales costs in international markets while continuing to enjoy the services of employees whose salaries are allocated among the participating Formtek subsidiaries.

Finally, and as detailed herein, Mestek has extended more than $20 million in credit, guarantees, and loans to Met-Coil to assist Met-Coil in meeting its ordinary business requirements and the extraordinary demands of Met-Coil's environmental liabilities. Had Met-Coil faced the environmental liabilities as a stand-alone company, it is unlikely Met-Coil could have obtained sufficient credit from a commercial lender to fund its investigation, remediation, and defense and settlement costs in the environmental litigation.

V. EVENTS LEADING TO THE FILING OF THE CHAPTER 11 CASE.

Like many companies in the 1970's and early 1980's, TCE, a metal "degreaser", was used at the Lockformer Site. The TCE was stored in a rooftop tank on the Lockformer Site. Honeywell and its predecessors, including AlliedSignal, owned and maintained the rooftop storage tank and supplied the TCE to Lockformer.

Apparently, in the 1970's and early 1980's, TCE was spilled by AlliedSignal's employees as they transferred the solvent from its delivery tanker trucks to the rooftop storage tank. In response to increased awareness of potential health risks associated with TCE solvents in the 1980's, Lockformer took steps to mitigate the risk of accidental releases of TCE in the transfer from tanker trucks to the rooftop storage tank. Met-Coil is aware of no release of TCE at the Lockformer Site after 1985.

In or about 1991, during the course of repairs at the Lockformer Site, Met-Coil discovered a concentration of TCE deposited in the soil near the fill pipe for the TCE storage tank. Lockformer thereafter retained an environmental consulting firm to investigate the TCE contamination and to recommend appropriate remediation.

After the acquisition of Met-Coil in June 2000, the Lockformer Site became the subject of public allegations that TCE associated with the Lockformer Site had migrated beyond the Lockformer Site and contaminated the soil or groundwater in certain nearby residential neighborhoods. Since that time, Lockformer has been subjected to more than 10 lawsuits commenced by individuals and governmental entities relating to the alleged discharge of TCE. The plaintiffs in these actions allege, among other things, property damage and personal injury claims against Lockformer, Met-Coil and Honeywell, and, in some cases, assert claims against Mestek as well, either as the indirect corporate parent of Met-Coil or as the purported operator of the Lockformer Site. Met-Coil and Mestek have faced a staggering financial burden to defend these actions and to satisfy any resulting judgments or negotiated settlements. In 2002 alone, Met-Coil recorded expenses of slightly more than $18 million related to remediation efforts as well as litigation defense and settlement costs, which are ongoing.

A. The Enforcement Actions.

On January 19, 2001, the AG Plaintiffs filed the AG Action, a four-count Complaint seeking recovery of the State of Illinois' response and investigatory costs, remediation of the twelve acre Lockformer Site, an Order requiring Met-Coil to pay the cost of connecting certain households to public water supplies, and civil penalties.

Concurrent with the filing of the AG Action, the AG Plaintiffs filed the Preliminary Injunction Motion seeking an order from the Court: (a) finding that Lockformer "created and maintained a substantial danger to the environment and public health and welfare;" (b) entering temporary injunctive relief requiring Lockformer to provide bottled water to certain residences and to hire an engineering firm to prepare a comprehensive VOC Work Plan[2], with remediation to be completed thereon; and (c) entering permanent injunctive relief in the same manner as set forth above.

Subsequent to the filing of the AG Action and the Preliminary Injunction Motion, Met-Coil reached an interim settlement with the Illinois AG in which Met-Coil agreed to pay the cost of connecting approximately 175 households to public water supplies. Moreover, on January 22, 2001, the parties entered into the Agreed Order. The Agreed Order will not be modified by the Plan, and the cost of compliance with the Agreed Order is included in the projections attached hereto as Exhibit E. Since September 2002, the AG Plaintiffs and the Debtor have engaged in discussions in an effort to settle the matters raised in the AG Action but, to date, have not reached any final settlement. If the parties were able to reach a settlement, the AG Action could be resolved in its entirety.

On August 23, 2001, the Village of Lisle filed a petition to intervene in the matter which was granted a week later. Thereafter, the Village filed a complaint against on September 7, 2001. The single count complaint seeks reimbursement of certain expenditures made and costs to be incurred in relation to "extending the Village's water mains to all property with potable well water in the vicinity of the Lockformer Site."

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[2] A VOC Work Plan is a volatile compound work plan, and, as used here, refers to the remediation plan to clean-up the TCE on the Lockformer Site.

In addition, on October 4, 2001, the USEPA filed an Administrative Order Pursuant to Section 106(a) of CERCLA (Docket No. V-W-'02-C-665) against Lockformer and Met-Coil, requiring them to conduct removal actions at the Lockformer Site. Accordingly, both the USEPA and the IEPA are overseeing the investigation and remediation at and around the Lockformer Site.

B. The Property Damage Actions.

In 2000, the LeClerq Class Action was commenced in the Illinois District Court on behalf of 187 homeowners in neighborhoods near the Lockformer Site. The class sought damages under both federal environmental statutes for remediation of their property and under Illinois common law for, inter alia, diminution of the value of their property and for punitive damages. The LeClercq Class Action proceeded to trial in May 2002, and during the trial's pendency, the parties announced that they had reached a settlement. Without admitting liability, Met-Coil agreed to pay class members approximately $10 million to resolve the matter. Met-Coil has paid this settlement in full.

In the DeVane Action, the plaintiffs alleged property damage and nuisance relating to the alleged contamination of their properties and drinking water wells. The action proceeded to trial in June 2003 against Met-Coil and Honeywell (as Mestek was dismissed as a defendant), and the jury returned a verdict on July 11, 2003. The jury awarded the DeVane plaintiffs a total of $368,500 in compensatory damages for diminution of the value of their properties against Met-Coil and Honeywell and $2,000,000 in punitive damages against Met-Coil. This action has been stayed as to Met-Coil pursuant to the provisions of Section 362 of the Bankruptcy Code.

The Mejdrech Litigation mirrors the allegations and claims asserted in the LeClercq Class Action except on behalf of approximately 1,400 homeowners whose properties are further away from the Lockformer Site. The Mejdrech Class seeks damages under federal environmental statutes for remediation of their property and under Illinois common law for, inter alia, diminution of the value of their property and punitive damages. The Mejdrech Class was certified on August 12, 2002, and the trial of those claims was scheduled to commence on September 8, 2003. As discussed in Section VI.B. below, this matter has been settled subject to Confirmation of the Plan.

C. The Non-Settled Personal Injury Actions.

The Debtor is currently a defendant in the Personal Injury Actions:

1. **Pelzer and Pepping v. Lockformer, et al., Case No. 01-C-6485.** Plaintiffs Daniel Pelzer and Sally Pepping, who are siblings, grew up at 4708 Elm Street in Lisle, Illinois, which is located within a few hundred yards of the Lockformer Site. Plaintiffs allege that long-term TCE exposure emanating from the Lockformer Site has caused kidney disease in Pelzer. Pepping, who donated the kidney for Pelzer's first transplant, seeks damages for the loss of her kidney, and claims that she has experienced infertility problems as a result of her TCE exposure. In addition, plaintiffs claim to have spent a significant amount of time on the Lockformer Site riding dirt bikes, sledding on a hill just south of the facility where they ate snow, and playing in and around a creek that flowed from east to west along the northern boundary of their property. Plaintiffs have been deposed in the case, and have been examined by their expert, Dr. Alan Hirsch, who allegedly found "TCE markers" in both of them. Plaintiffs filed this lawsuit against Met-Coil, Mestek, Lockformer, and Honeywell.

2. Meyer v. Lockformer, et al., Case No. 02-C-2672. This case was originally filed as a wrongful death action by Deborah Meyer, as Administratrix of the Estate of Nicholas Meyer, deceased. The complaint was amended to add claims by Deborah, Derek, and Danielle Meyer, who are the widow and children of the deceased. Deborah Meyer and her children do not claim any present physical injury as a result of their alleged TCE exposure, but instead claim that they are at an increased risk of future injury. Plaintiffs filed this lawsuit against Met-Coil, Mestek, Lockformer, and Honeywell.

The Meyer family moved to 5230 Oakview Drive in Lisle, Illinois in November 1993. From that time until June 1996, their residence was served with well water provided by Citizens Utilities. On March 7, 2000, Mr. Meyer was hospitalized for abdominal pain, and studies revealed renal cell carcinoma and a kidney tumor that extended into his spleen. Emergency surgery was performed to remove the tumor, but Mr. Meyer experienced a number of postoperative complications and died on March 22, 2000.

3. Wroble v. Lockformer, et al., Case No. 02-C-4992. Plaintiff Laura Wroble is the sister of plaintiffs Sally Pepping and Daniel Pelzer. Both her childhood home and her current home are within a few hundred yards of the Lockformer Site, and Wroble claims to have contracted cervical cancer as a result of TCE exposure emanating from the Lockformer facility. Plaintiff filed this lawsuit against Met-Coil, Mestek, Lockformer, and Honeywell. Mestek has since been dismissed as a defendant in this lawsuit.

Wroble claims to have consumed as much as 100 ounces of tap water per day while growing up, and claims to have spent a great deal of time on the Lockformer Site. Each day after school she claims to have hunted for bugs, sledded, skated, picked berries, rode dirt bikes, or otherwise played on the property. Like her siblings, Wroble claims to have eaten snow while sledding on a hill immediately south of the Lockformer Site. Wroble claims that she still fears that her family is being exposed to TCE. Despite this, she has acknowledged picking berries on the Lockformer Site with her children, and her husband built a waterfall pond in their backyard, which is fed by water from the well.

4. Hallmer v. Lockformer, et al., Case No. 02-C-7066. Plaintiff Virginia Hallmer is 53 years old and has resided at 591 Reidy Road in Lisle, Illinois since 1968. Her residence has been served by a private well during that entire period, and, in 2001, her well tested positive for TCE. Hallmer suffers from an unknown autoimmune disorder, and has had a significant medical history, including a stroke, pulmonary embolism, back problems, peripheral neuropathy, and polyneuropathies. She has testified that she is in constant pain, and reports that the medications she is taking have offered little relief. Hallmer claims that her current condition is caused by her exposure to TCE emanating from the Lockformer Site. Plaintiff filed this lawsuit against Met-Coil, Mestek, Lockformer, Honeywell, and Carlson Environmental, Inc.

5. Ehrhart v. Lockformer, et al., Case No. 02-CV-7068. Plaintiff Denise Ehrhart is 24 years old, and resided at 641 Reidy Road in Lisle, Illinois from 1980 through 1997. In her early twenties, she was diagnosed with kidney disease and she had a kidney transplant last year. The Ehrhart well has never been tested for TCE, but Ehrhart believes that she was exposed to TCE through drinking water contaminated with TCE from the Lockformer Site. Plaintiff filed this lawsuit against Met-Coil, Mestek, Lockformer, Honeywell, and Carlson Environmental, Inc.

One of Ehrhart's nephrologists has testified that he found no evidence in the medical literature to link her kidney disease with TCE exposure. Similarly, her kidney transplant nephrologist

testified that her form of kidney disease is not associated with TCE exposure. In fact, none of Ehrhart's doctors have told her that her kidney disease was caused by TCE exposure.

All five cases have been consolidated for purposes of discovery. The sole medical causation expert in the Personal Injury Actions, except the Ehrhart case, was Dr. Alan Hirsch, a neurologist and psychiatrist. Dr. Hirsch had not offered an opinion in the Personal Injury Actions that the alleged TCE exposure caused the plaintiffs' personal injuries. Rather, Dr. Hirsch opined only that the exposure resulted in neurological injuries and a risk of future diseases. At a status hearing held on October 7, 2003, the plaintiffs withdrew Dr. Hirsch as their expert, and the Illinois District Court has not granted the plaintiffs leave to name a new expert. Although the Debtor believes that the personal injury plaintiffs in each of these lawsuits face an uphill battle in establishing that their alleged injuries were caused by TCE exposure emanating from the Lockformer Site, the plaintiffs are seeking large jury awards, including punitive damages.

D. The Settled Personal Injury Action.

Plaintiff Anne Schreiber is a 33-year-old obstetrician who lived with her family at 733 Hitchcock Avenue in Lisle, Illinois between 1981 and 1992. This residence falls within the LeClercq class area. In May 2002, Dr. Schreiber was diagnosed with non-Hodgkin's lymphoma (***"NHL"***). Dr. Schreiber has undergone chemotherapy, and her NHL is currently in remission. Her oncologist believes, however, that her life expectancy is only seven to eleven years because the recurrence of her NHL is a virtual certainty. Dr. Schreiber claims that her NHL was caused by exposure to TCE emanating from the Lockformer facility. Plaintiff filed this lawsuit against Met-Coil, Mestek, Lockformer, and Honeywell.

Discovery in the case was set to close on October 1, 2003, with a jury trial set to begin on March 1, 2004. However, as discussed in Section VI.B., Schreiber has reached potential settlements with the Debtor and Mestek. As a result of the pending settlements, this case is currently stayed as to all issues.

E. Honeywell.

In March 1993, Lockformer commenced an action against AlliedSignal seeking recovery of investigation and remediation costs related to the TCE contamination at the Lockformer Site. On or about December 6, 1994, Lockformer, Met-Coil and AlliedSignal, on behalf of itself and its successors (including Honeywell), entered into the Honeywell Indemnity Agreement. Under the Honeywell Indemnity Agreement, AlliedSignal paid $400,000 to Lockformer and agreed to pay to Lockformer an additional $400,000 should Lockformer's costs of investigation and remediation exceed $400,000. In exchange, Met-Coil agreed to "defend, hold harmless, and indemnify AlliedSignal from all claims, demands, damages, expenses, costs, attorneys' fees, actions and liabilities of any kind and nature" including those "brought by any person or entity, private, governmental or otherwise" for any "act or omission on the part of AlliedSignal."

At the time the Honeywell Indemnity Agreement was executed, Met-Coil was unaware that thousands of property owners would thereafter assert that the TCE allegedly spilled by AlliedSignal had migrated into the surrounding property and groundwater. The alleged TCE migration spurred the wave of property and personal injury actions that caused Met-Coil to seek bankruptcy protection in this Court. Since entering into the broad Honeywell Indemnity Agreement, and since the wave of property and personal injury actions commenced, Met-Coil has indemnified Honeywell in excess of $1.9 million

under the Honeywell Indemnity Agreement, on Honeywell demands of approximately $2.6 million, for its separate liability and defense costs relating to the TCE actions.

F. Other Actions.

Though not events leading to the filing of the chapter 11 case, the Debtor has Contribution Actions, Alter-Ego Claims and Insurance Recovery actions pending which are related to the foregoing environmental litigation matters. For a discussion of these matter, see Section IX.A. herein.

VI. SIGNIFICANT EVENTS DURING THE COURSE OF THE CHAPTER 11 CASE.

A. Bankruptcy Pleadings.

By reason of the foregoing events, on August 26, 2003, the Debtor filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court. During the course of the Chapter 11 Case, numerous pleadings have been filed with the Bankruptcy Court and numerous hearings have been conducted in connection therewith. The following is a general description of the more significant events which have transpired during the pendency of the Chapter 11 proceedings.

1. Retention of Charles F. Kuoni III as President and Chief Executive Office.

As one of the so-called first day motions, the Debtor filed a motion to assume the employment agreement that it had entered into with Charles F. Kuoni, III, who had been appointed President and Chief Executive Office of Met-Coil prior to the Petition Date. On October 20, 2003, the Bankruptcy Court held a hearing on the motion and the Committee's limited objection to the motion. After hearing oral argument on the motion, the Bankruptcy Court overruled the Committee's objection and granted the Debtor's motion to assume Mr. Kuoni's employment agreement. Pursuant to this employment agreement, Mr. Kuoni receives a base salary of $360,000 and is entitled to a $280,000 performance bonus upon consummation of a plan of reorganization by Met-Coil which has been accepted by all classes of Claimholders and Interestholders.

2. Retention of Counsel.

The Debtor retained the services of Goldberg, Kohn, Bell, Black, Rosenbloom & Moritz, Ltd. as its bankruptcy counsel and Morris, Nichols, Arsht & Tunnell as its local counsel, which the Court approved on September 23, 2003 and October 20, 2003, respectively.

3. Post-Petition Financing.

On the Petition Date, the Debtor filed a Motion to Approve DIP Financing or Use of Cash Collateral pursuant to which, among other things, (a) Mestek, the Debtor's prepetition secured lender, consented to the use of cash collateral subject to the granting of replacement liens and certain other conditions and (b) the Debtor sought approval of the DIP Facility. The motion was granted on an interim basis on August 28, 2003 and on a final basis on October 24, 2003. Under the DIP Facility, Mestek committed to provide up to $8,000,000 in financing to the Debtor, consisting of revolving loans. The maturity date of the DIP Facility is the earliest of (a) December 26, 2003, (b) the effective date of a confirmed plan of reorganization, or (c) the occurrence of an Event of Default (as defined in the DIP Loan Agreement).

To secure the borrowings under the DIP Facility, Mestek was granted (on an interim basis) an Allowed Administrative Expense claim pursuant to Bankruptcy Code sections 364(c)(1) and 507(b) having priority over any and all Administrative Expenses of the kind specified in or incurred pursuant to sections 503(b) or 507(b) of the Bankruptcy Code, with certain limited exceptions provided for in the DIP Loan Documents. Mestek also was granted (on an interim basis) a perfected first priority lien against and security interest in all unencumbered presently owned and hereafter acquired property, assets, and rights, of any kind or nature of the Debtor and proceeds thereof (with certain exceptions and limitations provided for in the DIP Loan Documents), pursuant to section 364(c)(2) of the Bankruptcy Code, as well as a perfected first priority lien against and security interest in all such assets subject only to a pre-petition lien in favor of Mestek. Finally, Mestek was granted (on an interim basis) a junior perfected lien in all encumbered assets of the Debtor (other than those encumbered by Mestek prepetition) pursuant to section 364(c)(3) of the Bankruptcy Code.

Mestek has agreed to subordinate its liens and administrative claims to pay the following carve-outs: (a) fees pursuant to 28 U.S.C. Section 1930; and (b) certain other allowed fees and expenses.

4. Appointment of Statutory Unsecured Creditors Committee.

On September 11, 2003, the Office of the United States Trustee for the District of Delaware, pursuant to section 1102 of the Bankruptcy Code, appointed the Committee to represent the interests of all unsecured creditors in the Chapter 11 Case. The members of the Committee consist of:

Production Products, Ltd.

Hypertherm, Inc.

Fletcher-Reinhardt Company

Groundwater Services

The Committee retained Klehr, Harrison, Harvey, Branzburg & Ellers, LLP as its counsel and Parente Randolph LLC as its financial advisors.

5. Appointment of TCE Trust Legal Representative.

In order to implement the Plan and to effectively obtain the TCE Channeling Injunctions, the Debtor believed it was appropriate and necessary to appoint the Legal Representative to protect the rights of Future TCE Claimants. The appointment of a Legal Representative will assure that all parties in interest, including Future TCE Claimants, have a fair opportunity to participate in the reorganization process and will facilitate the negotiation of a consensual plan of reorganization. In order to propose the Plan, the Debtor needed to assess the extent of and present value of potential, future property damage and personal injury claims relating to TCE exposure.

The Debtor identified Eric D. Green as an appropriate candidate to serve as the Legal Representative for the Future TCE Claimants. The Debtor believes that Mr. Green's years of experience in the area of mass tort litigation and future claimants representation make him well-qualified to fully comprehend the issues relevant to this Chapter 11 Case and to effectively represent the interests of the Future TCE Claimants. Mr. Green is a professor at Boston University School of Law, where he teaches

classes on mass torts, complex litigation, negotiation and mediation. He has been a court appointed mediator and a court appointed futures representative in asbestos cases.

On or about September 23, 2003, the Debtor filed a motion for entry of an Order authorizing the appointment of Eric D. Green as the Legal Representative for Future TCE Claimants. On October 20, 2003, the Court granted the Debtor's motion. On or about September 23, 2003, the Legal Representative sought authority to employ Young Conaway Stargatt and Taylor, LLP as his counsel which the Court approved on October 20, 2003.

On October 10, 2003, the Legal Representative sought authority to retain Analysis, Research & Planning Corporation, as a consultant, to assist the Legal Representative in analyzing and quantifying the Debtor's future TCE liability. Additionally, on October 24, 2003, the Legal Representative filed an application for an Order authorizing the retention and employment of Exponent as toxicologists and epidemiologists. Exponent is to provide consulting services and to analyze and produce studies and estimates of potential health problems and accompanying damages resulting from the alleged release of TCE from the Lockformer Site, and provide other services or litigation support as may be necessary. As of the filing of this Disclosure Statement, the Bankruptcy Court had not yet held a hearing on the retention of Analysis, Research and Planning and Exponent.

6. The Prepetition Claims Bar Date Order.

On September 23, 2003, the Bankruptcy Court entered the Bar Date order establishing November 14, 2003 as the last date and time for filing Proofs of Claim against the Debtor, subject to other provisions of the Order regarding post-September 30, 2003 mailings of the notice of the Bar Date. On or about September 30, 2003, the Debtor served on all known creditors a Notice of Last Date for Creditors to File Proofs of Claim. The Debtor also published notice of the Bar Date on October 22, 2003 in the Wall Street Journal (National Edition), the Chicago Tribune, the Chicago Sun Times, the Daily Herald which is a local paper serving Lisle, Illinois and the Cedar Rapids Gazette, and on October 29, 2003 and November 5, 2003, in the Daily Herald and the Cedar Rapids Gazette.

7. The Administrative Claims Bar Date.

With the exception of applications for compensation for fees and reimbursement of expenses Filed by holders of Professional Claims for services rendered on or before the Effective Date, and except as otherwise set forth herein or in an order of the Bankruptcy Court regarding a specific claim, all requests for payment of Administrative Claims shall be Filed by the Administrative Claims Bar Date; provided, however, that no such request or application need be Filed with respect to (i) U.S. Trustee's Fee Claims; (ii) Claims, liabilities or obligations incurred in the ordinary course of the Debtor's business after the Petition Date unless a dispute exists as to any such liabilities, or unless the provisions of the Bankruptcy Code require the Filing of a request for payment as a precondition to payments being made on any such liability; and (iii) any Claims held by any other party as to whom an order of the Bankruptcy Court has been entered approving a later bar date for Filing Administrative Claims against the Debtor. If requests for payment of Administrative Claims are not timely Filed, the holders of such Claims shall be forever barred, estopped and enjoined from asserting such Claims in any manner against the Debtor or its Property. The Debtor intends to File a motion for approval of the Administrative Claims Bar Date, so as to be heard at the December omnibus hearing in the Case.

8. Bar Date for Professionals.

Applications for compensation for services rendered and reimbursement of expenses incurred by Professionals (i) from the later of the Petition Date or the date on which retention was approved through the Effective Date or (ii) at any time during the Chapter 11 Case when such compensation is sought pursuant to sections 503(b)(3) through (b)(5) of the Bankruptcy Code, shall be Filed no later than forty-five (45) days after the Effective Date or such later date as the Bankruptcy Court approves, and shall be served on (a) counsel to the Debtor (i) Goldberg Kohn Bell Black Rosenbloom & Moritz, Ltd., 55 East Monroe Street, Suite 3700, Chicago, IL 60603, Attn: Ronald Barliant, Esquire and (ii) Morris, Nichols, Arsht & Tunnell, LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, DE 19899-1347, Attn: Eric D. Schwartz, Esquire; (c) counsel for Mestek, (x) Greenberg Traurig, P.C., 77 West Wacker, Suite 2500, Chicago, IL 60601, Attn.: Nancy A. Peterman, Esquire and (y) Greenberg Traurig, LLP, The Brandywine Building, 1000 West Street, Suite 1540, Wilmington, Delaware 19801, Attn: Scott D. Cousins, Esquire; (d) counsel for the Committee, Klehr, Harrison, Harvey, Branzburg & Ellers, 222 Delaware Avenue, Suite 1000, Wilmington, DE 19801, Attn: Joanne B. Wills, Esquire; (e) counsel for the Legal Representative, Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, DE 19801, Attn: James L. Patton, Jr., Esquire; and (e) the U.S. Trustee, District of Delaware, 844 North King Street, Room 2311, Lockbox 35, Wilmington, DE 19801, Attn: Margaret Harrison, Esquire. Applications that are not timely Filed will not be considered by the Bankruptcy Court. The Reorganized Debtor may pay any Professional fees and expenses incurred after the Effective Date without any application to the Bankruptcy Court.

B. The Settlement with the Mejdrech Class and Schreiber.

On August 29, 2003, the Debtor, Mestek and counsel for the Mejdrech Class and Schreiber entered into the Mejdrech/Schreiber Settlement Agreement that forms the basis of the treatment of the Mejdrech Class and Schreiber under the Plan. The Mejdrech/Schreiber Settlement Agreement is subject to Confirmation of the Plan. The Mejdrech/Schreiber Settlement Agreement provides for a 150-day "standstill" period which expires on January 26, 2004, while the Debtor proceeds toward Confirmation of the Plan. The Mejdrech/Schreiber Settlement Agreement provides, in part:

- In connection with the Plan, the Debtor and Mestek will pay $12,500,000 to the Mejdrech Class and $6,000,000 to Schreiber in full and complete satisfaction of all claims, including claims for attorneys' fees and expenses, that the Mejdrech Class and Schreiber have asserted against each of the Debtor and Mestek;

- The payments to be made under the Plan to the Mejdrech Class and Schreiber do not include:

  (a) the funding necessary for resolving the AG Action and completing remediation of the Lockformer Site, which are to be funded (to the extent unpaid as of the Effective Date) separately under the Plan; and

  (b) funding the Mejdrech Hook-up Costs;

- The Mejdrech/Schreiber Settlement Agreement will not prejudice the rights of the Debtor and Mestek with respect to the Insurance Assets or with respect to the Debtor's pursuit of Causes of Action, including the Contribution Actions, against

third-parties, including insurance companies and PRPs (and the Mejdrech Class and Schreiber will not object to or oppose such rights);

- The Mejdrech/Schreiber Settlement Agreement will not prejudice the rights of the Mejdrech Class and Schreiber to continue to pursue their Claims against Honeywell;[3]

- The Debtor and Mestek will be responsible for developing the treatment of TCE Claims under the Plan and obtaining approval by the Bankruptcy Court in connection with the Plan;

- In the event that the Bankruptcy Court does not confirm the Plan on or before January 26, 2004, the Mejdrech Class and Schreiber may terminate the Mejdrech/Schreiber Settlement Agreement. In the event of such termination, the Debtor may withdraw the Plan, the Mejdrech Class and Schreiber may seek to lift the automatic stay imposed in the Chapter 11 Case, transfer venue of the Chapter 11 Case or raise in the Bankruptcy Court whatever rights they may maintain;

- Mestek has agreed to reimburse counsel to the Mejdrech Class and Schreiber for all reasonable fees and expenses incurred in connection with the Chapter 11 Case;

- Finally, the parties to the Mejdrech/Schreiber Settlement Agreement agree:

  (a) that approval of the settlement of the Mejdrech Litigation will be obtained from Judge Leinenweber of the Illinois District Court on or about the date of the Confirmation Hearing, if possible, and Judge Leinenweber's approval will be a condition precedent to the Effective Date of the Plan. Furthermore, the parties will seek a finding by Judge Leinenweber that the settlement of the Mejdrech Litigation constitutes a good faith settlement pursuant to the provisions of the Illinois Joint Tortfeasor Contribution Act on or about the date of Confirmation of the Plan.

  (b)(i) that approval of the settlement of the Schreiber Litigation will be obtained from Judge Zagel of the Illinois District Court on or about Confirmation of the Plan, if possible, and Judge Zagel's approval will be a condition precedent to the Effective Date of the Plan. Furthermore, the parties will seek a finding by Judge Zagel that the settlement with Schreiber action constitutes a good faith settlement pursuant to the provisions of the Illinois Joint Tortfeasor Contribution Act on or about the date of Confirmation of the Plan.

[3] Subsequent to the Mejdrech/Schreiber Settlement Agreement, the Mejdrech Class and Schreiber apparently reached an agreement in principle with Honeywell which is not incorporated into the Plan given that Met-Coil was not a party thereto.

C. The Temporary Restraining Order

On August 27, 2003, Met-Coil commenced an adversary proceeding captioned Met-Coil Systems Corporation v. Mejdrech et al., 03-55626, and filed concurrently with its complaint therein a motion for temporary and preliminary relief staying certain actions, including the Mejdrech Class Action, the DeVane Action, and the Personal Injury Actions in which the plaintiffs asserted claims against the Debtor, its non-debtor indirect parent Mestek, and Honeywell. Pursuant to sections 105 and 362 of the Bankruptcy Code, the Adversary Proceeding sought a declaration that all further proceedings in such actions are subject to the automatic stay or, in the alternative, preliminary and permanent injunctive relief staying further proceedings in such actions.

The Debtor's complaint in this Adversary Proceeding asserts four counts. By its first count, the Debtor sought a declaration that the automatic stay under Bankruptcy Code section 362(a)(1) prevented the pursuit of various causes of action, including the Mejdrech Class Action, the DeVane Action, and the Personal Injury Actions, with respect to both the Claims against the Debtor and their Claims against Mestek and Honeywell. The Debtor asserted, among other things, that the claims against Mestek are effectively claims against the Debtor, and continuing litigation of the claims against Mestek would prejudice the Debtor. The Debtor further alleges that by virtue of the contractual indemnity between the Debtor and Honeywell, an adverse judgment against Honeywell or Mestek could result in liability for the Debtor even if the litigation were stayed as against the Debtor. By its second count, the Debtor sought a declaration that any Alter-Ego Claims are subject to the automatic stay pursuant to section 362(a)(3) of the Bankruptcy Code because any such claim is property of the Estate under section 541 of the Bankruptcy Code. As to the third count, the Debtor sought preliminary and permanent injunctive relief staying the various actions pursuant to section 105(a) of the Bankruptcy Code to preserve the Estate and protect the Debtor's ability to achieve a successful reorganization, which would be gravely prejudiced by prosecution of the actions against Honeywell or Mestek. The fourth count sought a declaration that that any Alter Ego Claim is a claim that may be asserted solely by the Debtor as debtor-in-possession under section 544(a)(1) of the Bankruptcy Code.

As described in Section IV.B. above, on August 29, 2003, the Mejdrech/Schreiber Settlement Agreement was executed, as a result of which, on September 5, 2003, the Bankruptcy Court entered an order on consent granting an extension of the automatic stay for 150 days for the Mejdrech Class Litigation and the Schreiber Litigation, as to Mestek and the current and former officers, directors, and employees of Mestek and Met-Coil.

D. Honeywell Litigation.

After the Petition Date, Honeywell commenced litigation first in the Illinois District Court and then in the state court for Cook County, Illinois against Mestek and Formtek concerning the alleged obligations of Mestek and Formtek to indemnify Honeywell for its costs to defend and settle certain of the Illinois Actions pursuant to the Honeywell Indemnity Agreement. Prior to Honeywell's commencement and pursuit of such litigation against Mestek and Formtek, the Debtor, Mestek and Formtek had commenced litigation against Honeywell before the Bankruptcy Court relating to the Honeywell Indemnity Agreement. The status of the various pieces of litigation is as follows:

1. The Adversary Complaint

On September 5, 2003, the Debtor and Mestek filed an Adversary Proceeding, Case No. 03-55714, against Honeywell, which complaint was amended on September 26, 2003 to add Formtek as an additional named plaintiff. In Count I, the Debtor seeks preliminary and permanent injunctive relief pursuant to section 105 of the Bankruptcy Code, staying prosecution of the Honeywell action discussed below (the "Honeywell Illinois Action") and any other claim for indemnification that Honeywell may assert against Mestek or Formtek under the Indemnity Agreement. In Count II, the Debtor asserts a claim for declaratory relief that Mestek and Formtek are not liable to Honeywell under the Honeywell Indemnity Agreement. Mestek and Formtek joined in the first and second counts of the Complaint. In Counts III and IV of the Amended Complaint, the Debtor seeks a declaration that any veil-piercing claim is property of the Estate and that any attempt to assert such a Claim by Honeywell against Mestek or Formtek is thus subject to the automatic stay, and further that the Debtor as debtor-in-possession has exclusive standing to assert the veil-piercing claim under section 544 of the Bankruptcy Code.

Currently, the parties are briefing the Motion for Summary Judgment filed by Mestek and Formtek on Counts I and II of the Adversary Complaint, with Mestek's and Formtek's reply brief due to be filed on Tuesday, November 11, 2003. The Debtor intends to file a joinder in the motion and in the reply brief. The parties are also briefing Honeywell's Motion to Dismiss the Adversary Complaint, which is set on the same briefing schedule as the Motion for Summary Judgment. The Debtor joined with Mestek and Formtek in their response to the Motion to Dismiss.

2. The Honeywell Illinois Action

On September 9, 2003, Honeywell commenced the Honeywell Illinois Action against both Formtek and Mestek in the Circuit Court of Cook County, Illinois, *Honeywell Int'l, Inc. v. Mestek, Inc., and Formtek, Inc.,* No. 03 L 010812. By its Complaint, Honeywell asserts four counts. By the first and second counts, respectively, Honeywell asserts a breach of contract claim for damages against Mestek and Formtek arising from their alleged failure to indemnify Honeywell and a declaratory judgment that Mestek and Formtek have breached and are liable to Honeywell under the Indemnity Agreement. By Count III, Honeywell seeks to impose upon Mestek liability for the Debtor's alleged obligations to Honeywell under the Indemnity Agreement, asserting that Met-Coil is the alter ego of Mestek. Count IV asserts a fraud claim against both Mestek and Formtek for alleged fraud by the Debtor in its performance of certain obligations under the Honeywell Indemnity Agreement.

The Honeywell Illinois Action was removed to the Northern District of Illinois. Currently pending before the Illinois District Court are Mestek's and Formtek's motion to transfer venue

of the action to Delaware and Honeywell's motion to remand the action to the Circuit Court of Cook County. These motions are not scheduled to be fully briefed and resolved until January 2004.

3. Significance of Litigation

What will be resolved by these two competing pieces of litigation is whether Mestek and Formtek can be held liable, either under the Indemnity Agreement, or under alter ego theories of liability, for Honeywell's attorneys' fees, costs, settlements and judgments associated with certain of the Illinois Actions. This issue is significant to the estate because if Mestek and/or Formtek is liable to Honeywell under any of these theories, then Mestek is less likely to participate in and fund the Debtor's plan of reorganization. Furthermore, this litigation must be favorably resolved in order for the Plan to become effective.

E. TRAVELERS LITIGATION

1. The Illinois Litigation

In June 2002, the Debtor, Lockformer and Mestek filed their third amended complaint (incorrectly styled the second amended complaint), naming Travelers Casualty and Surety Company and The Travelers Indemnity Company of Illinois (collectively "Travelers") as a defendant in their declaratory judgment action with respect to Travelers' coverage obligations under certain insurance policies, in the Circuit Court of DuPage County, Illinois, and filed the fourth amended complaint on November 26, 2002. The main piece of litigation right now focuses on Travelers' Motion to Enforce Settlement Agreement, which Travelers and the Debtor believe was finalized in July 2003. There are also still pending claims against two other insurance companies seeking coverage. On October 14, 2003, the Debtor removed the action to the Illinois District Court. The court granted Mestek's and Met-Coil's motion to stay discovery and briefing on the Motion to Enforce Settlement Agreement. Currently being briefed are Travelers' motion to remand or for abstention, and Travelers' motion to refer the matter to the United States Bankruptcy Court for the Northern District of Illinois. The briefing on the motion to remand is scheduled to continue through the middle of December 2003.

2. The Iowa Litigation

There is nearly identical litigation pending in Iowa. On October 14, 2003, the Debtor removed to the Northern District of Iowa the state court action, Case No. LACV045117, Travelers had filed in January 2003 against the Debtor, Mestek and Lockformer seeking a declaration of the parties' right and obligations under the insurance policies. Travelers has a motion to enforce settlement agreement on file in Iowa, which is nearly identical to the motion it filed in Illinois. On October 28, Travelers also filed a motion to remand or for abstention, which is also nearly identical to the motion it filed in Illinois. On October 31, Met-Coil filed a Local Rule 81.1 Statement of the Case providing a status and requesting a hearing on Mestek's still pending motion to stay the matter. It is likely that a hearing date will not be set until January 2004 on the motion to stay.

3. Motion to Assume

Finally, the Debtor also has on file in the Bankruptcy Court a Motion to Assume, seeking to assume or approve the settlement agreement that Travelers is also seeking to enforce. The parties have agreed to brief the motion to assume so that it will be heard on December 10, 2003. Mestek has indicated

that it will oppose this motion given that Travelers is requiring Mestek to grant it an unlimited indemnification.

4. Significance of Litigation

It is significant to the estate that the settlement with Travelers be enforced by the Bankruptcy Court so that the money Travelers has committed can be paid to the Estate. Because the resolution of this dispute is so critical to the Plan, it is important to the Debtor that the dispute over the settlement agreement be resolved by the Bankruptcy Court, and not by the Illinois or Iowa courts. If Travelers continues to press forward with the Illinois or Iowa actions, there could be inconsistent judgments that could affect the estate. Resolution of the remaining coverage dispute in Illinois is just as critical to the Estate, which the Bankruptcy Court also should resolve.

VII. THE PLAN

A. Introduction.

The Plan is the product of diligent efforts by the Debtor and Mestek to maximize value for Creditors in a manner consistent with the mandates of the Bankruptcy Code. The Debtor believes that, under the Plan, Allowed Claimholders will obtain a substantially greater recovery from the Estate than any recovery that would be available if the assets of the Debtor were liquidated under chapter 7 of the Bankruptcy Code. The Plan is annexed hereto as Exhibit A and forms a part of this Disclosure Statement. The summary of the Plan set forth below is qualified in its entirety by reference to the more detailed provisions set forth in the Plan and any defined terms used in this summary are used as defined in the Plan or the Glossary of Terms attached thereto.

THE FOLLOWING IS A SUMMARY OF THE MATTERS ANTICIPATED TO OCCUR EITHER PURSUANT TO OR IN CONNECTION WITH CONFIRMATION OF THE PLAN. THIS SUMMARY ONLY HIGHLIGHTS THE SUBSTANTIVE PROVISIONS OF THE PLAN AND IS NOT INTENDED TO BE A COMPLETE DESCRIPTION OF THE PLAN OR A SUBSTITUTE FOR A FULL AND COMPLETE READING OF THE PLAN.

B. Impairment, Treatment and Acceptance or Rejection of a Plan.

1. Generally.

The Bankruptcy Code requires that, for purposes of treatment and voting, a chapter 11 plan divide the different claims against, and equity interests in, a debtor into separate classes based upon their legal nature. Section 1122 of the Bankruptcy Code sets forth the requirements relating to classification of claims. Section 1122(a) provides that claims or interests may be placed in a particular class only if they are substantially similar to the other claims or interests in that class.

Further, under a chapter 11 plan, claims and interests must be designated either as "impaired" or "unimpaired". If a class of claims is "impaired," the Bankruptcy Code affords certain rights to the holders of such claims or interests, such as the right to vote on the plan (unless the plan provides for no distribution to the holder), and the right to receive an amount under the plan that is not less than the value that the holder would receive if the debtor were liquidated under chapter 7 of the Bankruptcy Code. Under section 1124 of the Bankruptcy Code, a class of claims or interests is "impaired" unless, with

respect to each claim or interest of such class, the plan (i) does not alter the legal, equitable, and contractual rights of the holders of such claims or interests or (ii) irrespective of the holder's right to receive accelerated payment of such claims or interests after the occurrence of a default, cures all defaults (other than those arising from, among other things, the debtor's insolvency or the commencement of a bankruptcy case), reinstates the maturity of the claims or interests in the class, compensates the holders of such claims or interests for any damages incurred as a result of their reasonable reliance upon any acceleration rights, and does not otherwise alter their legal, equitable or contractual rights.

2. Presumed Acceptance of a Plan by Unimpaired Classes.

Unclassified claims are treated in accordance with section 1129(a)(9)(A) and section 1129(a)(9)(C) of the Bankruptcy Code, respectively. Such claims are unimpaired and are not designated as classes of claims, in accordance with section 1123(a)(1). Pursuant to section 1126(f) of the Bankruptcy Code, each such claimholder is conclusively presumed to have accepted a plan in respect of such claims. Accordingly, such claimholders are not entitled to vote to accept or reject a plan, and the votes of such claimholders are not solicited in connection with such plan.

In addition, pursuant to section 1126(f) of the Bankruptcy Code, classified claims which are unimpaired are conclusively presumed to have accepted a plan in respect of such claims. Accordingly, claimholders in such classes are not entitled to vote to accept or reject a plan, and the votes of such claimholders are not solicited in connection with such plan.

3. Acceptance of a Plan by Impaired, Voting Classes.

Pursuant to section 1126(c) of the Bankruptcy Code, an impaired class of claims shall have accepted a plan if (a) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims actually voting in such class (other than claims held by any holder designated pursuant to section 1126(e) of the Bankruptcy Code) have timely and properly voted to accept a plan and (b) more than one-half (½) in number of such allowed claims actually voting in such class (other than claims held by any holder designated pursuant to section 1126(e) of the Bankruptcy Code) have timely and properly voted to accept a plan. Pursuant to section 1129(a)(8) of the Bankruptcy Code, all of the impaired classes of claims and interests must vote to accept a plan in order for the plan to be confirmed on a consensual basis. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

4. Other Impaired Classes Deemed to Reject the Plan.

Impaired classes of claims or interests that will receive no distribution on account of their respective claims or interests are conclusively presumed to have rejected the Plan. Since each claimholder or interestholder in such classes is conclusively presumed to have rejected a plan, each such claimholder or interestholder is not entitled to vote to accept or reject the plan. Accordingly, the votes of such claimholders or interestholders are not solicited in connection with confirmation of such plan.

C. Classification and Treatment of Claims and Interests.

1. Classification of Claims and Interests under the Plan.

The Plan classifies Claims and Interests separately and provides different treatment for different Classes of Claims and Interests in accordance with the Bankruptcy Code. The Plan provides separately for each Class, that Claimholders and Interestholders will receive various amounts and types of consideration based on the different rights of the Claimholders and Interestholders of each Class. An Allowed Claim or an Allowed Interest is classified in a particular Class only to the extent that the Allowed Claim or Allowed Interest qualifies within the description of the Class and is classified in a different Class to the extent the Claim or Interest qualifies within the description of that different Class. The treatment of and consideration to be received by holders of Allowed Claims or Allowed Interests pursuant to the Plan will be in discharge of such holder's respective Claims against or Interests in the Debtor and its Estate, except as otherwise provided in the Plan or the Confirmation Order. The Debtor believes that all Classes under the Plan satisfy the requirements of section 1122(a) of the Bankruptcy Code.

Statements contained herein as to the rationale underlying the treatment of Claims and Interests under the Plan are not intended to waive, compromise or limit any objections, defenses, rights, Claims or Causes of Action that the Debtor or Mestek may have if the Plan is not confirmed. Rather, the distributions contemplated by the Plan represent the Debtor's estimates of distributions accomplished through the compromise and settlement of various claims and related issues without the necessity for a final judicial determination with respect thereto. The Debtor cannot assure that an ultimate judicial determination of the compromised issues might not result in treatment which is more or less favorable to any particular Creditor.

The unclassified Claims are Administrative Claims and Priority Tax Claims. Each of the unclassified claims is Unimpaired.

Class 1 Claims (Priority Non-Tax Claims) and Class 2 Claims (DIP Claims) are Unimpaired.

Class 3.1 Claims (Miscellaneous Secured Claims), Class 3.2 Claims (Mestek Prepetition Secured Claims), Class 4.1 Claims (General Unsecured Claims), Class 4.2 Claims (Convenience Claims), Class 4.3 Claims (Mestek Unsecured Claims), Class 4.4 Claims (Honeywell Claims), Class 5.1 Claims (Mejdrech Class Claims), Class 5.2 Claims (DeVane Action Claims), Class 5.3 Claims (Unasserted TCE Property Damage Claims), Class 6.1 Claims (Schreiber Claim), Class 6.2 Claims (Personal Injury Actions Claims), Class 6.3 Claims (Unasserted TCE Personal Injury Claims), Class 7 Claims (Non-Compensatory Damage Claims) and Class 8 Claims (Formtek's Interests) are Impaired.

D. Distributions to Claimholders.

1. Administrative Claims.

Unless otherwise provided for herein, each holder of an Allowed Administrative Claim shall receive either (A) an amount equal to the unpaid amount of such Allowed Claim in Cash commencing on the later of (i) the Effective Date, (ii) the date that is ten (10) Business Days after such Claim becomes an Allowed Administrative Claim by a Final Order and (iii) a date agreed to by the