EXHIBIT A

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)
	)	

DEBTOR'S RESPONSE TO THE OBJECTION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO THE SECOND AMENDED DISCLOSURE STATEMENT [D.I. 862, 913]

The Debtor, Met-Coil Systems Corporation, files this Response to the Objection (the "**Objection**") of the Official Committee of Unsecured Creditors (the "**Committee**") to the Second Amended Disclosure Statement (the "**Disclosure Statement**") for the First Amended Chapter 11 Plan of Reorganization Proposed by Met-Coil Systems Corporation and Mestek, Inc., as Co-Proponents (as amended, the "**Plan**")[1], which Objection was filed herein on June 15, 2004.

Where This Case Began

The day that the Debtor commenced its Chapter 11 Case, August 26, 2003, it was:

- On the verge of going to trial in the Mejdrech Litigation, a class action by the owners of 1,400 homes seeking compensatory and punitive damages for the property damages allegedly caused by TCE that allegedly migrated from the Lockformer Site;
- A defendant in seven personal injury actions, including one brought by a young mother who suffers from a fatal form of cancer she attributes to exposure to TCE allegedly from the Lockformer Site;
- A defendant in an enforcement action initiated by the Office of the Attorney General of the State of Illinois and the DuPage County State's Attorney seeking

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[1] Unless otherwise indicated, all capitalized terms have the meanings ascribed to them in the Plan.

on-site remediation, provision of safe water to allegedly affected homeowners, and claims for response costs and penalties;

- Operating under an agreed Section 106 with the USEPA regarding the remediation of the soil at the Lockformer Site;

- Both a plaintiff and a defendant in insurance coverage litigation in two states and involved in complex negotiations with four of its insurance carriers regarding their responsibility for the costs of the TCE Claims; and

- Paying Honeywell's costs of defending the TCE Claims under the Honeywell Indemnity Agreement.

In addition, shortly before it filed its bankruptcy petition, the Debtor had suffered a $2,368,000 verdict for compensatory and punitive damages in the DeVane Action; a year before that, it had settled a class action similar to the Mejdrech Litigation, but involving only 187 homes, for $10,000,000. Moreover, Met-Coil had already paid $3,861,000 to begin the remediation of its property and hundreds of thousands of dollars to defend itself against the TCE Claims. Perhaps worst of all, the Debtor could see no end to the litigation, since it could expect more lawsuits in the future by people who live, or had lived, in the vicinity of the Lockformer Site and develop diseases allegedly associated with TCE exposure.

The Debtor is a relatively small company with sales that historically have ranged between $35,000,000 and $50,000,000 per year. Through April of this year, the Debtor has had net sales of $13,397,425 and an operating profit (excluding the costs associated with the bankruptcy and the remediation of the Lockformer Site) of $1,200,551. The only way the Debtor can resolve its problems is through a chapter 11 plan of reorganization, and even then only with the financial support of its indirect parent, Mestek.

With the resolution of its environmental issues, the Debtor is capable of achieving a successful reorganization. One of the Debtor's operating divisions has been a leader in the metal forming industry for 65 years. The Debtor's other operating division has been in business since 1957, and is also a recognized leader in its industry niche. Together these divisions employ over 245 people and have loyal customers and suppliers, as evidenced by the Debtor's stable sales volume since the filing.

Because of its profitable operations (e.g., operating profit of $882,000 to the end of August, 2003) and Mestek's support dealing with TCE-related issues (and notwithstanding the Committee's suggestion that the Debtor operated "in the zone of insolvency" at the expense of creditors), the Debtor was able to, and did, pay its trade vendors on a timely basis until shortly before bankruptcy. That is why the trade debt in this case is so low. Excluding Insiders and disputed product liability claims, non-TCE-related claims total less than $4,000,000, and the vast majority of those – approximately 369 out of 423 claims – are $10,000 or less. Indeed, the largest such non-TCE-related claim in this case is under $100,000.

Given the structure of the Debtor's liabilities, it is understandable that the statutory Committee appointed by the US Trustee consists of only four creditors, holding claims of under $700,000 in total (three of which are non-TCE-related claims totaling less than $135,000; the other is a TCE-related claim).[2] The members of the Committee have minimal financial interests in this case.

A successful reorganization requires the Debtor to provide for fair compensation to all creditors, comply with Environmental Laws, and provide fair treatment of future claims.

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[2] Indeed, the fees charged by the Committee's professionals through April already exceed the total claims of the Committee members.

Toward those ends, the Debtor and Mestek have negotiated with all the principal constituencies. As outlined below, those negotiations have yielded significant successes, resolving, subject to confirmation of the Plan, all of the problems that the Debtor confronted only ten months ago.

What the Plan Will Accomplish

In the ten months since this case has been pending, the Debtor and Mestek have reached agreements with all significant stakeholders and other important parties that will relieve the Debtor of the burdens that drove it into bankruptcy. Those agreements, together with Plan commitments by the Debtor and Mestek, will settle tens of millions of dollars in disputes and provide for the remediation of the Lockformer Site. In addition, the Plan provides that homeowners living in close proximity to the Lockformer facility (that is, certain members of the Mejdrech Class) will have their homes connected to municipal water supplies and their wells capped, if the Plan is confirmed. And all creditors will receive substantial distributions.

In order to make these agreements possible and ensure a successful reorganization, Mestek is contributing over $45 million, including a net cash contribution totaling more than $20 million.[3] Mestek's contribution is not only adequate consideration for the Plan releases and injunction; it is crucial to the reorganization. Through the consideration contributed by Mestek, the Plan will:

- pay $12,500,000 to the settlement of the claims of the Mejdrech Class against the Debtor and Mestek.
- pay $6,000,000 to the settlement of the claims of Anne Schreiber against the Debtor and Mestek.

[3] This figure is in addition to the $16,900,000 contribution of the Settling Insurers.

- pay up to $19,500,000 to the TCE PI Trust to compensate holders of TCE PI Trust Claims and up to another $6,300,000 to cover costs of administration. (The Committee omitted this $25,800,000 item from its listing of Mestek's contributions in paragraph 21 of the Objection.)

- pay for the potable water Hook-Ups, which are estimated to cost approximately $2,000,000, and the Debtor will provide personnel to oversee completion of the project in accordance with the local ordinances.

- pay $2 million in cash to pay administrative expenses and approximately $6 million to pay unsecured creditors.

In addition to its cash contribution to fund the Plan, Mestek will

- provide a $3,000,000 guaranty of Met-Coil's remaining costs of remediation and

- contribute to the capital of the Reorganized Debtor Mestek's secured claim of $7,024,042 and its unsecured claim of $7,252,766.

Other significant elements of the Plan include:

- Honeywell, with a claim of at least $5,600,000, by far the largest contract creditor in this case (excluding Insiders), has agreed to treatment under the Plan that is favorable to the Debtor and allows greater distributions to other creditors than would otherwise be possible.

- Met-Coil and Mestek have reached an agreement in principle with the plaintiffs in six other personal injury actions that will be embodied within, and funded under, the Plan.

- Met-Coil and Mestek have reached an agreement in principle with the IEPA and other governmental entities that are asserting claims, in the aggregate, of close to $7,000,000, whereby such governmental agencies will accept distributions far less than those made to the other unsecured creditors. These governmental agencies have agreed to such treatment in order to free up monies to pay for the remediation of the Lockformer Site and the Hook-Ups.

- Insurance companies that had been unwilling to come to terms before this case was filed will now pay $16,900,000, to be used to help satisfy creditors' claims in return for the protection offered by the Plan.

All of these agreements and commitments are subject to confirmation of the Plan. All major stakeholders support the Plan. The Debtor is aware of only one entity that does not now support the Plan: the Committee with its four members holding small claims. Although the largest unsecured creditors support the Plan, the Committee that represents those creditors has not yet agreed to the treatment of unsecured creditors.

The Plan provides for substantial distributions to all creditors. Claims of $10,000 or less (Class 4.1) will be paid in full (without interest); other general unsecured creditors (Class 4.3) will be paid 50% of their claims. The Committee, however, believes that Mestek should pay more than the $45,000,000 (including more than $20,000,000 in cash) that it is providing in exchange for the Plan releases and injunction. Mestek has refused to pay more. It cannot be compelled to pay more. Denying confirmation of the Plan will not compel it to pay more. The Debtor believes that the Plan is in the best interests of all parties. It is certainly better than any conceivable alternative. The Debtor therefore intends to proceed to confirmation of the Plan with or without the support of the Committee.

Committee's Objections

The Committee's objections to the Disclosure Statement are almost entirely disguised objections to confirmation of the Plan. It is well-settled that in the absence of a patently non-confirmable plan, objections as to confirmability should not be addressed at the disclosure statement hearing. See, e.g., In re Monroe Well Service, Inc., 80 B.R. 324 (Bankr. E.D. Pa. 1987); In re Cardinal Congregate I, 121 B.R. 760 (Bankr. S.D. Ohio 1990); In re Phoenix Petroleum Co., 278 B.R. 385 (Bankr. E.D. Pa. 2001). The Disclosure Statement, as amended, provides "adequate information" within the meaning of § 1125 on every issue raised by the Committee.

1. The Committee's objection that the Disclosure Statement fails to inform creditors what entities are being released from what claims is addressed in the amended Disclosure Statement.

The Committee objects that the Disclosure Statement does not identify the entities being released and protected by the injunction. (Objection, ¶¶ 26-29.) The Plan has been amended to include a list identifying by name the "Mestek Affiliates" who will be among the "Protected Parties" covered by the TCE Channeling Injunction and entitled to a release under the Plan. Furthermore, the definition of Recovery Actions that will be released has been amended to limit them to to Claims or Causes of Action relating to the Debtor. This amendment disposes of the objections at ¶¶ 30-33 of the Objection.

Paragraphs 34 and 36 of the Objection apparently object to the scope of the releases and the consideration therefor. Mestek has direct or indirect equity interests in all of the Mestek Affiliates. If its total contribution to the Plan is sufficient to satisfy the requirements for releases and an injunction, then it is entitled to the protection of entities in which it has an interest, so long as the aggregate contribution to the Plan satisfies statutory requirements. Otherwise, the economic protection afforded by the Plan would be diluted. In any event,

sufficiency of consideration and the scope of the releases and injunction are confirmation issues. The fact that the proponents seek them for all of the entities identified is disclosed, and that is adequate.

2. Disclosures about the insurance settlements are adequate.

The Committee's objections regarding the insurance settlements are misplaced. (Objection at ¶ 37.) The prepetition settlements are not subject to court review, and there is no reason to disclose the details of those settlements. The Disclosure Statement states that if any of the settling insurers offer additional consideration, "the Debtor will seek to extend the TCE Channeling Injunction to such insurers at the Confirmation Hearing." Dis. St. IX.A.3. Whether or not they should be so included will be an issue at confirmation. The Disclosure Statement has disclosed all there is to disclose.

The circumstances surrounding the $16,900,000 postpetition settlements are also adequately disclosed. The Debtor indicated at the last hearing that, in order to comply with confidentiality requirements, it would discuss the settlements and coverage in the aggregate, rather than individually. (Transcript of May 24, 2004 hearing, at 27.) The Disclosure Statement says, "Through the settlements, the Debtor will obtain recovery of 100% of available primary coverage and approximately 67% of the available defense costs." (Dis. St. IX.A.3.) It goes on to state the aggregate primary policy limits ($10 million) and excess or umbrella limits ($100 million). It then describes seven defenses the insurers had asserted to the Debtor's coverage claims, and the substantial benefits of the settlements to the estate. Creditors will have adequate information to assess the settlement for purposes of deciding how to vote on the Plan. Moreover, the Committee has or will have the individual settlement agreements. It did not object to the Travelers and AIG settlements.

3. The grounds for issuance of a § 1123(b)(6) injunction are adequately disclosed.

The Committee claims that the Disclosure Statement inadequately describes the nature and scope of the TCE Channeling Injunction (Objection at ¶¶ 69, 70, 73). The Committee argues that § 105(a) of the Bankruptcy Code does not create substantive rights. (Objection at ¶ 70.) The pertinent section is not § 105(a), but § 1123(b)(6), which permits a plan to include any "appropriate provision" not inconsistent with the other applicable provisions of the Code. Section 1123(b)(6) is the authority for the injunction and release provisions: if they are appropriate; § 105(a) is the authority for the issuance of the orders necessary to carry out those provisions. It is beyond serious question that the injunction and release provisions in the Plan are "appropriate" under any rational standard.

The Committee incorrectly states this Court's holding in In re Zenith Electronics Corp., 241 B.R. 92 (Bankr. D. Del. 1999). Zenith does not hold that the five factors analyzed in In re Master Mortgage Inv. Fund, Inc., 168 B.R. 930 (Bankr. W.D. Mo. 1994) must be applied to approve a third-party injunction, but that these are "factors to consider in allowing" a third-party release. Zenith, 241 B.R. at 110. As the court said in In re Exide Techs., 303 B.R. 48 (Bankr. D. Del. 2003), "The Master Mortgage court recognized that these factors are neither exclusive nor are they a list of conjunctive requirements... Instead, they are helpful in weighing the equities of the particular case after a fact-specific review." 303 B.R. 48, 71-72 (citations omitted).

The Committee seems to suggest that the Disclosure Statement is inadequate because it does not provide adequate information to determine whether the Master Mortgage factors are met. This is not the standard required under § 1125. This Court will decide at the confirmation hearing whether the releases and injunctions are "appropriate" within the meaning of § 1123(b)(6). The Disclosure Statement provides adequate information about the scope and

effect of the injunction and releases, and Mestek's contribution to the Plan, to enable a reasonable creditor to make an informed judgment on the Plan.

4. The discussions of the Alter-Ego Claims and other claims against Mestek and the Contribution Actions provide adequate information.

The law does not require plan proponents to state an estimate of the value of claims; it requires that the disclosure statement provide enough information to enable a reasonable creditor to make an informed judgment on the plan. In Texas Extrusion Corp. v. Lockheed Corp. et al. (Matter of Texas Extrusion Corp. et al.), 844 F.2d 1142 (5th Cir. 1988), cert. denied, 488 U.S. 926 (1988), the disclosure statement did not emphasize the value or the importance to the plan of the settlement of various lawsuits between the debtors and the creditor-proponent. The court affirmed the approval of the disclosure statement, however, holding that:

> The existence of the various lawsuits was duly noted in the Disclosure Statement, and a concise description of each suit was made. We cannot say that a reasonable creditor did not have adequate information to realize the importance of the settlement of the lawsuits to the Plan without being told this in so many words.

Id. at 1157. Similarly, in In re U.S. Brass Corp., 194 B.R. 420 (Bankr. E.D. Tex. 1996), the court overruled an objection that a disclosure statement was deficient because it did not provide a valuation of a claim that involved complex legal and factual issues. "The Court does not believe the Proponents should be required to speculate about such value. It is sufficient that they describe the litigation and disclose that they are unable to estimate the value." Id. at 426.

In contrast, the one case cited by the Committee, In re Sierra-Cal, 210 B.R. 168 (Bankr. E.D. Cal. 1997), does not support its position. The issue in that case was the failure to disclose that an insider's claim was potentially subject to disallowance under § 502(d) of the Bankruptcy Code. The court did not consider whether the value of the claim had to be stated.

The Disclosure Statement informs general unsecured creditors that they will receive 50% of their Allowed Claims in cash shortly after the Effective Date. The issue for

them, therefore, is whether the prospect of the estate prevailing on the claims it owns is sufficient to warrant foregoing that 50% payment. The Disclosure Statement provides more than adequate information about the estate's claims to enable any reasonable creditor to make that judgment.

The Disclosure Statement describes the background and nature of the claims and states the maximum possible recoveries. The Alter-Ego Claims, "if successful, would result in Mestek's liability for all of the Claims against the Debtor." (Dis. St. IX.A.2.) "The maximum recovery in the Contribution Actions is approximately $22,500,000 in settlement payments and any additional response costs incurred by Met-Coil, but such a recovery would require that the Contribution Third-Party Defendants be found responsible for 100% of the alleged contamination." (Id., A.1.)

The Disclosure Statement describes the risks of litigation. "[W]hile there may be a meaningful chance that the Estate would prevail on the Alter-Ego Claims, based on the factors discussed above, Mestek has substantial defenses. Therefore, the outcome of such litigation is uncertain." (Id., A.2.) "Because the Contribution Third-Party Defendants have not submitted expert reports, it is not possible to address the strengths or weaknesses of any defenses that the Contribution Third-Party Defendants may have even on a preliminary basis... [A]n accurate valuation of the Contribution Actions cannot be made with any reasonable degree of certainty." (Id., A.1.)

The Disclosure Statement describes the burden and expense that litigation would impose. "The total cost of the alter-ego litigation, therefore, is likely to be at least $1,100,000 to $1,500,000." (Id., A.2.) "It is clear, however, that litigating the Contribution Actions to judgment would be extremely expensive and burdensome to the Debtor." (Id., A.1.)

The Disclosure Statement states the Debtor's conclusions. "The Debtor therefore believes that the Restructuring Consideration is adequate to compensate the Debtor for [the] value of the Contribution Actions. Further, the Restructuring Transaction affords the Debtor its best, if not only, opportunity to reorganize as a going concern." (Id., A.1.) "[T]he Debtor seeks to settle the Alter-Ego Claims in accordance with the Plan as part of the inducement to Mestek to enter into the Restructuring Transaction and provide recoveries to Creditors in a timely fashion." (Id., A.2.)

The Debtor's valuation opinion would be no more than a best guess about the "value" of these claims. It would not help creditors decide whether to give up a 50% recovery almost immediately in return for the possibility of successful outcomes of the claims in the more distant future. They will have ample information to make that decision.

Moreover, the Debtor amended section IX.A.2 of the Disclosure Statement to make it clear that the releases cover claims under a variety of theories, including breach of fiduciary duty.

5. The liquidation methodology is correct.

Whether the Plan satisfies the best interests of creditors test under § 1129(a)(7) is a confirmation issue. The Court can then decide the appropriate liquidation standard. For disclosure purposes, the liquidation analysis is plainly adequate.

Despite having paid hundreds of thousands of dollars of the estate's money to compensate its professionals, the Committee does not understand the Debtor's business model. If it did, it would realize that the Debtor could not continue to operate in a chapter 7 case, therefore making a forced liquidation analysis appropriate.

The Debtor manufactures tooling equipment with a useful life of 20 years or more. Its customers expect that parts and service will be available over the course of that useful

life. In a chapter 7 case, there would be no basis for that expectation, and customers will not want the equipment. Moreover, some of the equipment has lead times of 10 to 30 weeks or longer. A chapter 7 trustee could not provide a buyer with assurances of timely delivery and proper installation. Nor could a trustee prevent employees from leaving to take more secure positions before completion of the manufacturing processes. It is also unrealistic to expect that the cost of completion, including the risks of additional liability for not delivering completed equipment, would be less than the potential additional revenue. For these reasons alone, it is not appropriate to assume that the Debtor could liquidate on a going-concern basis.

The difference between "forced liquidation" and "orderly liquidation" is the time that a chapter 7 trustee is willing to hold assets. Given the age and value of the equipment on hand, it is unlikely that the difference between "forced" and "orderly" would be material. Extending the holding period, however, would necessitate additional expenses that could be avoided if the equipment were sold on a forced liquidation basis. The value of the accounts receivable does not change depending upon the assumption used, since the risk is the same that the customer will use the liquidation as an excuse not to pay because of some problem with a machine that the trustee will not be able to fix. Again, the difference on an estimated $3.4 million of accounts receivable will not be material.

Last, but certainly not least, a trustee would have to deal with the contaminated Lockformer Site without a source of financing. It is unlikely that a trustee would want to operate anything at that location. The Debtor's liquidation analysis is realistic and adequate.

6. Disclosures regarding the feasibility risks provide adequate information.

The Committee states (¶ 65) that the Debtor is projecting "losses" in 2004 totaling $1,218,000; $2,758,000 in 2005; $919,000 in 2006; and $1,518,000 in 2007. What the

Committee is saying is that these are the Net Cash from Financing, not operating losses. However, the *pro forma* income statement provides a different picture:

	2005	2006	2007	2008
Operating Income	875,000	1,461.000	1,761,000	2,198,000
Earning (Loss) before Taxes	(455,000)	511,000	861,000	1,338,000
Net Income (Loss)	(273,000)	307,000	517,000	802,000
EBITDA	205,000	1,331,000	1,581,000	2,058,000
EBITDA Excluding Remediation Costs	1,535,000	2,281,000	2,481,000	2,918,000

The Committee presents balances of "Net Borrowing (Excess Cash)" to support its position that the Debtor has not demonstrated how it will fund the operating cash shortfalls. What the Committee fails to present is the complete picture. Here is the rest of the story (all figures cumulative):

Year	Net Borrowing (Excess Cash)	Cash and Equivalents	Real Borrowing Requirements	Borrowing Available Under $3MM Mestek Guarantee
2005	937,000	1,000,000	(63,000)	3,000,000
2006	1,855,000	1,000,000	855,000	3,000,000
2007	3,373,000	1,000,000	2,373,000	3,000,000
2008	1,367,000	1,000,000	367,000	3,000,000

The table above clearly shows that while there are forecasted borrowing requirements, the Mestek $3,000,000 guarantee for remediation is more than sufficient to cover the real borrowing requirements of Met-Coil. If the Committee and its financial advisors had

taken the time to look at the balance sheet and factor in the $1 million of cash on hand, they would not have jumped to an erroneous conclusion.

The Debtor has fully disclosed its management's forecasts and supporting assumptions. The Debtor's projections state its estimate of the remediation expenses, based, as the Disclosure Statement says, on the advice of its consultants. They are, in the Debtor's judgment, "estimates of the costs attendant to completion of remediation via the most feasible method, both technically and financially, that satisfies Met-Coil's obligations under applicable statutes and the regulations promulgated thereunder during the forecast period." (Dis. St., Ex. D, Note 10.) The Committee may disagree with that forecast, and can say so at the confirmation hearing. But that is not a disclosure issue.

7. The Committee's trivial objections are not meritorious.

The Committee makes a series of very minor objections that have either already been dealt with, or are wrong. The Debtor addresses them in summary fashion here.

- The definition of Recovery Actions includes breach of fiduciary duty and avoidance claims. (Obj. at 16-17; Plan Ex. 1, Glossary of Terms.)
- The Disclosure Statement states that conditions to the effective date may be waived and that delay in Effective Date is a risk; if the Plan is not consummated, all parties will have their rights under the Bankruptcy Code. (Obj. at 18-19; Discl. Stmt. VII.L(3) "Waiver of Conditions to Consummation;" Discl. Stmt. XIII.D "Delay of Effective Date.")

- The Disclosure Statement adequately describes management during the "gap" period and states that the DIP financing extends through the Effective Date. (Obj. at 19-20; Discl. Stmt. X.C "Continued Corporate Existence Between the Confirmation Date and the Effective Date.")

- Funding and management of the Distribution Fund is adequately described. The Debtor will be the Disbursing Agent. Almost all payments will be made in the initial distribution; distributions are simply a percentage of allowed claims. There is no need for the expense of a separate disbursing agent. And the mechanism for funding is described in Section 4.12 of the Plan., which has been further clarified. (Obj. at 20; Discl. Stmt. II.A "Overview;" VII.D(9) "Class 4.3 Claims;" Plan § 4.12.)

- The Trustee of the TCE PI Trust will be identified at confirmation. . The TCE PI Trust is for the benefit of unknown future claimants whose interests are represented in this case by the Legal Representative appointed by the Court. The cash payments to creditors under the Plan do not depend on the identity of the Trustee, and creditors do not need that information to decide whether to accept or reject the Plan The Legal Representative has raised no objection to the adequacy of the Disclosure Statement. In any event, the Trustee has not been selected and therefore cannot be identified. (Obj. at 28; Discl. Stmt. VII.H(3) "General Description of TCE PI Trust.")

- The proponents are not required to include the Committee's positions in the Disclosure Statement. The Committee is free to state its own position as it sees fit. Notwithstanding the foregoing, the Disclosure Statement now includes multiple statements regarding the Committee's opposition to certain provisions of the Plan. (Obj. At 29-31; Discl. Stmt. I "Introduction and Disclaimers;" IV.C "Loans to Met-Coil;" IX.A(2) "Recovery Actions.")

Conclusion

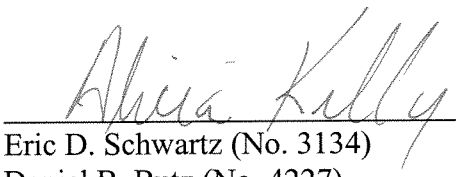
The Debtor, with Mestek's support, is on the verge of a successful reorganization. Upon emergence from the protection of this Court, the Debtor will continue as a viable business, buying from its vendors, selling products to its customers, and providing good jobs to its employees. It will also complete the clean up of its Lockformer Site, provide for the Hook-Ups and fairly compensate all its tort and contract creditors. Those have been the Debtor's goals since this case began ten months ago. They will be achieved, for the benefit of creditors and all interested parties, upon confirmation of the Plan.

If, however, the Plan is not confirmed, the most likely outcome will be liquidation and the resumption and commencement of prolonged, expensive lawsuits with very uncertain outcomes. Perhaps creditors will eventually receive a distribution, or perhaps not. But the Debtor will be gone, and the consequences for the governmental authorities interested in the cleanup of the Lockformer Site, homeowners anticipating Hook-Ups to municipal water facilities, the Mejdrech Class, Anne Schreiber, the other personal injury plaintiffs, future TCE PI Claimants, Honeywell, the Settling Insurers, the Debtor's vendors, employees and customers, and the communities in which the Debtor does business will be uncertain and unresolved for months or years to come.

The Disclosure Statement contains adequate information within the meaning of § 1125. The important process of confirmation of the Plan should proceed. The Court should approve the Disclosure Statement.

Dated: Wilmington, Delaware
June 18, 2004

MORRIS, NICHOLS, ARSHT & TUNNELL



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