

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement ("Agreement") is entered into by and between Michael DiPirro, a California Citizen, and Alpha Metals, Inc., a Delaware corporate ("Alpha"), as of June 16, 1999 (the "Effective Date"). The parties agree to the following stipulations:

WHEREAS:

A. Michael DiPirro is an individual residing in San Francisco who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products; and

B. Alpha is a company that manufactures and distributes lead products for industrial use, some of which contains lead or formaldehyde products which are listed by the State of California as chemicals known to cause cancer and birth defects (or other reproductive harm), and cancer, respectively;

C. This Agreement is made with reference to another Settlement Agreement (the "USA") entered into between these same parties as of November 24, 1997 and which resulted in a Judgment filed November 25, 1997.

D. The products containing lead or producing formaldehyde have been manufactured by Alpha for sale and/or use ("the products") in California during the period since at least February 26, 1996; and

E. On February 26, 1999, Michael DiPirro first served Alpha and all requisite public enforcement agencies with a document entitled "60-Day Notice" which provided Alpha and such public enforcers with notice that Alpha was allegedly in violation of California Health & Safety Code §25249.6 and the USA for failing to warn purchasers that certain products it sells in California expose users to lead and formaldehyde; and

F. In June, 1999 a Complaint was filed with respect to the matter alleged in the 60-day Notice.

G. Alpha at all times denied and denies the material factual and legal allegations contained in the 60-Day Notice, the Complaint or that it is in violation of the USA. Nothing in this Agreement shall be construed as an admission by Alpha of any fact, finding, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by Alpha of any fact, finding, conclusion, issue of law, or violation of law. However, this paragraph shall not diminish or otherwise affect the obligations, responsibilities,

and duties of Alpha under this Agreement.

NOW, THEREFORE, MICHAEL DiPIRRO AND ALPHA AGREE AS FOLLOWS:

1. PRODUCT WARNING. In addition to adhering to the warnings called for under the terms of the USA, Alpha agrees, as soon as practicable, to provide Proposition 65 warnings on its products sold in the State of California that have labels affixed to them and which are at least 2" in diameter.

In no event shall Alpha ship (or cause to be shipped) into California any of the products after September 30, 1999 unless the products bear the warning specified in paragraph 1.1 below.

1.1 The product warnings shall state:

WARNING: This product contains lead, a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.

This warning statement shall be prominent and displayed with such conspicuousness, as compared with other words, statements, or designs, as to render it likely to be read and understood by an ordinary individual. The warning shall be placed directly on the product label or the immediate container of the individual products. No separate warning for formaldehyde (gas) exposure is required for lead products which also produce formaldehyde gas.

2. PAYMENT PURSUANT TO HEALTH & SAFETY CODE § 25249.7(b).

Alpha agrees to pay Michael DiPirro two thousand dollars (\$2,000) pursuant to Health & Safety Code §25249.7(b). Such payment shall be paid to "Chanler Law Group in trust for Michael DiPirro" within five (5) days of the Effective Date. Alpha agrees that all monies paid by Alpha under this Section shall be apportioned by Michael DiPirro in accordance with Health & Safety Code §25192, with 75% of these funds remitted to the State of California.

3. REIMBURSEMENT OF FEES AND COSTS. Alpha agrees to reimburse Michael DiPirro for his investigation fees and costs, and any other costs, incurred as a result of investigating, bringing this matter to Alpha's attention, litigating and negotiating a settlement in the public interest. Alpha shall pay Michael DiPirro (1) \$9,000 for investigation fees; and \$4,400 in reasonable attorneys' fees and costs incurred in this matter. Such payment shall be paid to "the Chanler Law Group" within five (5) days of the Effective Date of the Agreement.

4. MICHAEL DiPIRRO RELEASE OF ALPHA. Except with respect to the obligations and representations set forth in this Agreement, Michael DiPirro, on his own behalf and on behalf of each of his partners, partnerships, employees, agents,

representatives, attorneys, insurers, predecessors, successors, assignors and assignees, and all persons and entities acting through, under or in concert with him or any of them, hereby irrevocably releases and forever discharges Alpha along with Alpha's distributors (except not Stellar Technical Products), retailers and customers (except not Fry's Electronics, Inc.) which sell Alpha's Products and each of its distributors, retailers and customers' predecessors, successors, subsidiaries, divisions, affiliated companies, parent companies, holding companies, partners, partnerships, officers, directors, employees, agents, representatives, insurers, attorneys, assignors and assignees, and all persons and entities acting or claiming by, through, under or in concert with it or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, liabilities, claims, demand, damages, losses, costs or expenses (including attorneys' fees), of any nature whatsoever, whether known or unknown, fixed or contingent, which Michael DiPirro has or may in the future have against Alpha arising out of the claims and demands asserted in this matter, whether under Proposition 65, California Business and Professions Code §§ 17200 et seq. or any other statute or common law claim based on Alpha's alleged failure to warn California citizens pursuant to Proposition 65 or pursuant to alleged violations of the USA, about exposure to lead or formaldehyde from any of Alpha's existing products on or before the Effective Date.

5. Michael DiPirro (for himself, his attorneys, representatives, agents and affiliates), by this Agreement, waives all rights to institute an action against Alpha, its agents, officers, directors, employees, parent, subsidiary or affiliated companies, its distributors, retailers or customers which sell Alpha's Products (except as set forth in paragraph 4 hereof), whether under Proposition 65, Business & Professions Code §§ 17200, et seq., or any other statute or common law claim based on Alpha's alleged failure to warn consumers, pursuant to Proposition 65 or alleged violations of the USA, about exposure to lead or formaldehyde from any of Alpha's existing products on or before the Effective Date.

6. STIPULATED JUDGMENT. Concurrently with the execution of this Agreement, Michael DiPirro and Alpha shall execute and file a stipulated judgment to be approved pursuant to CCP § 664.6 by the San Francisco Superior Court in accordance with the terms of this Agreement. If, for any reason, the stipulated judgment is not approved by the court, then the Agreement shall be deemed null and void.

7. WAIVER BY ALPHA. Alpha, by this Agreement, waives all rights to institute legal action against Michael DiPirro, his attorneys and representatives (the "DiPirro Releases") based on any and all actions taken by the DiPirro Releases in the course of seeking enforcement of Proposition 65 or other claims raised

in this action against Alpha.

8. INTEGRATION. This Agreement is the final written expression and the complete exclusive statement of all of the agreements, conditions, promises and covenants between Michael DiPirro and Alpha with respect to the subject matter hereof. This Agreement supersedes all prior or contemporaneous agreements, negotiations, representations, understandings and discussions between Michael DiPirro and Alpha and/or their respective counsel with respect to the subject matter covered hereby except for those commitments that were agreed to be undertaken by Alpha in the USA. If there is any conflict with Alpha's warranty obligations between this document and the USA, this document shall be controlling.

9. WAIVER. Michael DiPirro or Alpha may specifically waive a breach of this Agreement by the other party, but no such waiver shall constitute a continuing waiver of similar or other breaches. A waiving party may at any time, upon written notice to the breaching party, direct future compliance with the waived term or terms of this Agreement, in which event the breaching party shall comply as directed from such time forward. All rights, remedies, undertakings, obligations and agreements contained in this Agreement shall be cumulative and not mutually exclusive.

10. CONSTRUCTION. Any rule of construction disfavoring the drafting party shall not apply in the construction of any provision of this Agreement.

11. SEVERABILITY. In the event that any of the provisions of this Agreement are held by a court to be unenforceable, the validity of the enforceable provisions shall not be adversely affected.

12. ATTORNEYS' FEES. In the event that a dispute arises with respect to any provision(s) of this Agreement, the prevailing party shall be entitled to recover costs and reasonable attorneys' fees.

13. GOVERNING LAW. The terms of this Agreement shall be governed by the laws of the State of California.

14. NOTICES. All correspondence to Michael DiPirro shall be mailed to:

Clifford A. Chanler, Esq.
Chanler Law Group
Magnolia Lane (off Huckleberry Hill)
New Canaan, CT 06840-3801

All correspondence to Alpha shall be mailed to:

Carl DiMartini
Alpha Metals, Inc.
600 Route 440
Jersey City, New Jersey 07304

With a copy to:

Mary Ellen Hogan, Esq.
David R. Gabor, Esq.
McDermott, Will & Emery
2049 Century Park East, 34th Floor
Los Angeles, California 90067

15. COUNTERPARTS. This Agreement may be executed in two counterparts, and all counterparts shall be considered together as one original agreement.

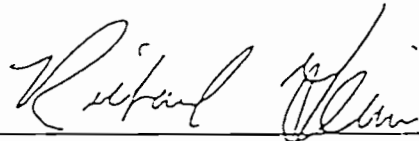
16. AUTHORIZATION. The undersigned are authorized to execute this Agreement on behalf of their respective parties and have read, understood and agreed to all of the terms and conditions of this Agreement.

AGREED TO:

By: _____
Michael DiPirro

Dated: _____

AGREED TO:

By:  _____
Alpha Metals, Inc.

Dated: 6/23/99

All correspondence to Alpha shall be mailed to:

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Alpha Metals, Inc.
600 Route 440
Jersey City, New Jersey 07304

With a copy to:

Mary Ellen Hogan, Esq.
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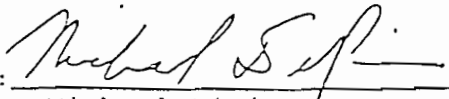
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AGREED TO:

AGREED TO:

By:



Michael DiPirro

By:

Alpha Metals, Inc.

Dated:

6/15/99

Dated: _____