

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13E-3

(RULE 13e-100)
TRANSACTION STATEMENT UNDER SECTION 13(e) OF THE SECURITIES
EXCHANGE ACT OF 1934 AND RULE 13e-3 THEREUNDER

SUNSOURCE INC.

(Name of the Issuer)

SunSource Inc.

Maurice P. Andrien, Jr.	James P. Waters
Joseph M. Corvino	Dennis G. Blake
Max W. Hillman, Jr.	Richard A. Buller
Richard Hillman	Kenneth H. Foskey
Stephen W. Miller	Michael Mueller
George L. Heredia	Mark Yeary
Gary L. Seeds	John H. Marshall III
Terry R. Rowe	John P. McDonnell

Allied Capital Corporation

(Names of Person(s) Filing Statement)

Common Stock

(Title of Class of Securities)
867948101

(CUSIP Number of Class of Securities)

Maurice P. Andrien, Jr.	William L. Walton
SunSource Inc.	Allied Capital Corporation
3000 One Logan Square	1919 Pennsylvania Ave., N.W.
Philadelphia, PA 19103	Washington, D.C. 20006
(215) 282-1290	(202) 331-1112

(Name, Address, and Telephone Numbers of Person Authorized to Receive Notices
and Communications on Behalf of the Person(s) Filing Statement)
with a copy to:

Thomas J. Sharbaugh	Steven B. Boehm
Andrew Hamilton	Cynthia M. Krus
Morgan Lewis & Bockius LLP	Sutherland Asbill & Brennan LLP
1701 Market St.	1275 Pennsylvania Ave., N.W.
Philadelphia, PA 19103	Washington, D.C. 20004
(215) 963-5000	(202) 383-0100

This statement is filed in connection with (check the appropriate box):

- a. ☒ [X] The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C or Rule 13e-3(c) under the Securities Exchange Act of 1934.
- b. ☐ [] The filing of a registration statement under the Securities Act of 1933.
- c. ☐ [] A tender offer.
- d. ☐ [] None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies: ☒ [X]

Check the following box if the filing is a final amendment reporting the results of the transaction: ☐ []

<TABLE>
<CAPTION>

Calculation of Filing Fee

Transaction Valuation*	Amount of Filing Fee**
-----	-----
<S>	<C>
\$71,590,405	\$14,318.08

</TABLE>

* The transaction valuation was determined based upon the 6,900,280 shares of common stock, par value \$0.01 per share, proposed to be acquired by the acquiror.

** The amount of the filing fee, calculated in accordance with Rule 0-11(c) of the Securities Exchange Act of 1934, as amended, equals 1/50th of one percent of the value of the securities proposed to be acquired.

[X] Check the box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid: \$14,318.08
- (2) Form, Schedule or Registration Statement No.: Preliminary Proxy Statement on Schedule 14A
- (3) Filing Party: SunSource Inc.
- (4) Date Filed: July 11, 2001

INTRODUCTION

This Rule 13e-3 Transaction Statement on Schedule 13E-3 (the "Schedule 13E-3") is being filed by: (1) SunSource Inc., a Delaware corporation ("SunSource") and the issuer of the equity securities which are the subject of the transaction, (2) Allied Capital Corporation, a Maryland corporation ("Allied Capital") and (3) Maurice P. Andrien, Jr., Joseph M. Corvino, Max W. Hillman, Jr., Richard Hillman, Stephen W. Miller, George L. Heredia, Gary L. Seeds, Terry R. Rowe, James P. Waters, Dennis G. Blake, Richard A. Buller, Kenneth H. Foskey, Michael Mueller, Mark Yearly, John H. Marshall III, John P. McDonnell, each an individual and shareholder of SunSource (collectively, the "Filing Persons").

This Schedule 13E-3 relates to the Agreement and Plan of Merger (the "Merger Agreement"), dated as of June 18, 2001, by and among Allied Capital, SunSource and Allied Capital Lock Acquisition Corporation ("Merger Sub"), pursuant to which Merger Sub will merge with and into SunSource, with SunSource as the surviving corporation (the "Merger"). Under the terms and subject to the conditions of the merger agreement, shareholders of SunSource will be entitled to receive \$10.375 in cash for each share of SunSource common stock held by them as more fully described in the proxy statement on Schedule 14A. Upon consummation of the merger, Allied Capital will own approximately 94% of SunSource, and the Filing Persons will own approximately 6% of SunSource on a fully diluted basis, taking into account the rollover options as described in the Proxy Statement (as defined below).

Concurrently with the filing of this Schedule 13E-3, SunSource is filing with the Securities and Exchange Commission a Preliminary Proxy Statement on Schedule 14A dated July 11, 2001 (the "Proxy Statement"), relating to the special meeting of shareholders of SunSource, and any adjournments or postponements thereof, at which the shareholders of SunSource will consider and vote upon, among other things, a proposal to approve and adopt the Merger Agreement and approve the Merger. A copy of the Proxy Statement is attached hereto as Exhibit (a)(1) and a copy of the Merger Agreement is included as Appendix A to the Proxy Statement and incorporated by reference therefrom as Exhibit (a)(1)(A) to this Schedule 13E-3.

Pursuant to General Instructions F and G of Schedule 13E-3, the Proxy Statement on Schedule 14A was filed via EDGAR on July 11, 2001 and is incorporated herein by reference. Capitalized terms used but not defined in this Schedule 13E-3 shall have the meanings given to them in the Proxy Statement. As of the date hereof, the Proxy Statement is in preliminary form and is subject to completion or amendment.

By filing this Schedule 13E-3, none of the Filing Persons concedes that Rule 13e-3 is applicable to the merger or the other transactions contemplated by the merger agreement.

Item 1. SUMMARY TERM SHEET.

The information set forth under "Summary" and "Questions and Answers about the Merger" in the Proxy Statement is incorporated herein by reference.

Item 2. SUBJECT COMPANY INFORMATION.

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(a) NAME AND ADDRESS. The information set forth on the cover page to the Proxy Statement and in the section entitled "Summary - Parties to the Merger" is incorporated herein by reference.

(b) SECURITIES. The information set forth under "The SunSource Special Meeting - Voting Information" in the Proxy Statement is incorporated herein by reference.

(c) TRADING MARKET AND PRICE. The information set forth under "Price Range of Common Stock" in the Proxy Statement is incorporated herein by reference.

(d) DIVIDENDS. The information set forth under "Information Relating to SunSource - Dividends" in the Proxy Statement is incorporated herein by reference.

(e) PRIOR PUBLIC OFFERINGS. The information set forth under "Transactions in Common Stock by Certain Persons - 1998 Public Offering" is incorporated herein by reference.

(f) PRIOR STOCK PURCHASES. The information set forth under "Transactions in Common Stock by Certain Persons" in the Proxy Statement is incorporated herein by reference.

Item 3. IDENTITY AND BACKGROUND OF FILING PERSON.

(a)-(c) NAME AND ADDRESS, BUSINESS AND BACKGROUND OF ENTITIES AND BUSINESS AND BACKGROUND OF NATURAL PERSONS. The information set forth under "Management of SunSource", "Information about the Continuing Shareholders" and "Management of Allied Capital" in the Proxy Statement is incorporated herein by reference.

Item 4. TERMS OF THE TRANSACTION.

(a) MATERIAL TERMS. The information set forth under "Summary," "The Merger Proposal" and "The Merger Agreement" is incorporated herein by reference. Appendix A to the Proxy Statement and Exhibits (d) (1), (d) (2), (d) (3) and (d) (4) to this Schedule 13E-3 also are incorporated herein by reference in their entirety.

(b) DIFFERENT TERMS. The information set forth under "Summary - The Merger Proposal," "Summary - Interests of SunSource's Officers and Directors in the Merger," "Summary - Related Transactions," "The Merger Proposal - Interests of Certain Persons in the Merger," "The Merger Proposal - Related Transactions" and "The Merger Proposal - Change of Control Benefits" is incorporated herein by reference. Appendix A to the Proxy Statement and Exhibits (d) (1), (d) (2), (d) (3), (d) (4), (d) (7), (e) (1) and (e) (2) to this Schedule 13E-3 are incorporated herein by reference.

(c) APPRAISAL RIGHTS. The information set forth under "The Merger Proposal - Dissenters' Rights of Appraisal" in the Proxy Statement is hereby incorporated by reference.

(d) PROVISIONS FOR UNAFFILIATED SECURITY HOLDERS. None.

(e) ELIGIBILITY FOR LISTING OR TRADING. Not Applicable.

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Item 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.

(a)-(c) TRANSACTIONS, SIGNIFICANT CORPORATE EVENTS, NEGOTIATIONS OR CONTACTS. The information set forth under "The Merger Proposal - Background of the Merger," "The Merger Agreement," "The Merger Proposal - Interest of Certain Persons in the Merger," "The Merger Proposal - Related Transactions," "Information Relating to SunSource" and "Transactions in Common Stock by Certain Persons" in the proxy statement is incorporated herein by reference. Exhibits (d) (1), (d) (2), (d) (3), (d) (4), (d) (5), (d) (6), (e) (1) and (e) (2) to this Schedule 13E-3 also are incorporated herein by reference in their respective entireties.

(e) AGREEMENTS INVOLVING THE SUBJECT COMPANY'S SECURITIES. The information set forth under "The SunSource Special Meeting - Voting Information," "The Merger Proposal - Equity Purchase," "The Merger Proposal-Interests of Certain Persons in the Merger," "The Merger Agreement," in the Proxy Statement is incorporated herein by reference. Appendix A to the Proxy Statement and Exhibits (d) (1), (d) (2), (d) (3), (d) (4), (d) (5), (d) (6), (e) (1) and (e) (2) to this Schedule 13E-3 also are incorporated herein by reference in their respective entireties.

Item 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.

(a) USE OF SECURITIES ACQUIRED. The information set forth under "The Merger Proposal" and "Allied Capital's Reasons for the Merger" in the Proxy Statement is incorporated herein by reference.

(b) PLANS.

(1)-(2) The information set forth under "The Merger Proposal," "The Merger Proposal - Related Transactions," "The Merger Agreement," and "Information Relating to SunSource" in the Proxy Statement is incorporated herein by reference.

(3) Not Applicable.

(4)-(5) The information set forth under "The Merger Proposal," "The Merger Agreement," "The Merger Proposal - Interests of Certain Persons in the Merger" and "The Merger Proposal - Related Transactions" in the Proxy Statement is incorporated herein by reference. Exhibits (d)(1), (d)(2), (d)(3), (d)(4), (d)(5), (d)(6) and (e)(1) to this Schedule 13E-3 also are incorporated herein by reference in their respective entirety.

(6)-(8) The information set forth under "Summary," "The Merger Agreement - Delisting and Deregistration of SunSource Common Stock" and "The Merger Proposal - Trust Preferred Securities" in the Proxy Statement is incorporated herein by reference.

Item 7. PURPOSES, ALTERNATIVES, REASONS AND EFFECTS IN A GOING-PRIVATE TRANSACTION.

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(a) PURPOSES. The information set forth under "The Merger Proposal" "The Merger Proposal - SunSource's Reasons for the Merger" and "The Merger Proposal - Allied Capital's Reasons for the Merger" in the Proxy Statement is incorporated herein by reference.

(b) ALTERNATIVES. The information set forth under "The Merger Proposal - Background to the Merger," and "The Merger Proposal - Fairness Opinion of SunSource's Financial Advisor" in the Proxy Statement is incorporated herein by reference.

(c) REASONS. The information set forth under "The Merger Proposal - SunSource's Reasons for the Merger," "Allied Capital's Reasons for the Merger" and "The Merger Proposal - Fairness Opinion of SunSource's Financial Advisor" in the Proxy Statement is incorporated herein by reference.

(d) EFFECTS. The information set forth under "The Merger Proposal - Interests of Certain Persons in the Merger," "The Merger Proposal - Related Transactions," "The Merger Proposal - Change of Control Benefits," "The Merger Agreement," and "The Merger Agreement - Material Federal Income Tax Consequences" in the Proxy Statement is incorporated herein by reference. Appendix A to the Proxy Statement and Exhibits (a)(1)(4) (d)(4), (d)(5), (d)(6), (e)(1) and (e)(2) to this Schedule 13E-3 also are incorporated herein by reference in their respective entirety.

Item 8. FAIRNESS OF THE TRANSACTION.

(a) FAIRNESS. The information set forth under "The Merger Proposal - Reasons for the Recommendation of SunSource's Board of Directors," "The Merger Proposal - Recommendation of SunSource's Board of Directors," "The Merger Proposal - Allied Capital's Reasons for the Merger," "The Merger Proposal - Belief of the Filing Persons in the Fairness of the Merger," "The Merger Proposal - Fairness Opinion of SunSource's Financial Advisor" and "The Merger-Interests of Certain Persons in the Merger" in the Proxy Statement is incorporated herein by reference. Appendix B to the Proxy Statement is incorporated herein by reference. Exhibits (c)(1), (c)(2) and (c)(3) to this Schedule 13E-3 are incorporated herein by reference in their respective entirety.

(b) FACTORS CONSIDERED IN DETERMINING FAIRNESS. The information set forth under "The Merger Proposal - Reasons for the Recommendation of SunSource's Board of Directors," "The Merger Proposal - Recommendation of SunSource's Board of Directors," "The Merger Proposal - Fairness Opinion of SunSource's Financial Advisor," "The Merger Proposal - Belief of the Filing Persons in the Fairness of the Merger" and "The Merger Proposal - Interests of Certain Persons in the Merger" in the Proxy Statement is incorporated herein by reference. Appendix B to the Proxy Statement also is incorporated herein by reference in its entirety. Exhibits (c)(1), (c)(2) and (c)(3) to this Schedule 13E-3 are incorporated herein by reference in their respective entirety.

(c) APPROVAL OF SECURITY HOLDERS. The information set forth under "The SunSource Special Meeting - Voting Information," "The Merger Proposal -

Belief of the Filing Persons in the Fairness of the Merger" and in the Proxy Statement is incorporated herein by reference. Exhibits (d)(1), (d)(4) and (f) to this Schedule 13E-3 are incorporated herein by reference in their respective entirety.

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(d) UNAFFILIATED REPRESENTATIVES. The information set forth under "The Merger Proposal - Background of the Merger," "The Merger Proposal - Reasons for the Recommendation of SunSource's Board of Directors," "The Merger Proposal - Interests of Certain Persons in the Merger" and "The Merger Proposal - Belief of the Filing Persons in the Fairness of the Merger" in the Proxy Statement is incorporated herein by reference. Appendix B to the Proxy Statement is incorporated herein by reference in its respective entirety. Exhibit (c)(1) to this Schedule 13E-3 is incorporated herein by reference in its entirety.

(e) APPROVAL OF DIRECTORS. The information set forth under "The Merger Proposal - Reasons for the Recommendation of SunSource's Board of Directors," "The Merger Proposal - Recommendation of SunSource's Board of Directors," "The Merger Proposal - Background of the Merger," "The Merger Proposal - Belief of the Filing Persons in the Fairness of the Merger," and "The Merger-Interests of Certain Persons in the Merger" in the Proxy Statement is incorporated herein by reference.

(f) OTHER OFFERS. The information set forth under "The Merger Proposal - Background of the Merger," "The Merger Proposal - Reasons for the Recommendation of SunSource's Board of Directors" and "The Merger Proposal - Recommendation of SunSource's Board of Directors" in the Proxy Statement is incorporated herein by reference.

Item 9. REPORTS, OPINIONS, APPRAISALS AND NEGOTIATIONS.

(a)-(c) REPORT, OPINION OR APPRAISAL, PREPARER AND SUMMARY OF THE REPORT, OPINION OR APPRAISAL AND AVAILABILITY OF DOCUMENTS. The information set forth under "The Merger Proposal - Fairness Opinion of SunSource's Financial Advisor" in the Proxy Statement is incorporated herein by reference. Appendix B to the Proxy Statement also is incorporated herein by reference in its entirety. Exhibits (c)(1), (c)(2) and (c)(3) are incorporated herein by reference in their respective entirety.

Item 10. SOURCE OR AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a), (b), (d) SOURCE OF FUNDS, CONDITIONS, BORROWED FUNDS. The information set forth in "The Merger Proposal - Financing the Merger" in the Proxy Statement is incorporated herein by reference. Exhibit (b) to this Schedule 13E-3 is hereby incorporated by reference in its entirety.

(c) EXPENSES. The information set forth under "The Merger Agreement - Termination; Fees" and "The Merger Agreement -- Expenses and Fees" in the Proxy Statement is incorporated herein by reference.

Item 11. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a) SECURITIES OWNERSHIP. The information set forth under "The Merger Proposal - Interests of Certain Persons in the Merger," "The Merger Proposal - Equity Purchase," "The Merger Proposal - Change of Control Benefits" and "Information Relating to SunSource - Security Ownership of Certain Beneficial Owners and Management of SunSource" in the Proxy Statement is incorporated herein by reference.

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(b) SECURITIES TRANSACTIONS. The information set forth under "Transactions in Common Stock by Certain Persons" in the Proxy Statement is incorporated herein by reference.

Item 12. THE SOLICITATION OR RECOMMENDATION.

(a) INTENT TO TENDER OR VOTE IN A GOING-PRIVATE TRANSACTION. The information set forth under "The SunSource Special Meeting - Voting Information," "The Merger Proposal-Interests of Certain Persons in the Merger" and "The Merger Agreement" in the Proxy Statement is incorporated herein by reference. Exhibits (d)(1) and (d)(4) to this Schedule 13E-3 also are incorporated herein by reference in their respective entirety.

(b) RECOMMENDATIONS OF OTHERS. The information set forth under "The Merger Proposal - Recommendation of SunSource's Board of Directors," "The Merger Proposal - Fairness Opinion of SunSource's Financial Advisor" and "The Merger Proposal - Belief of the Filing Persons in the Fairness of the Merger" in the Proxy Statement is incorporated herein by reference.

Item 13. FINANCIAL STATEMENTS.

(a) FINANCIAL INFORMATION. The information set forth under "Selected Consolidated Financial Data" and the Financial Statements set forth under "Index to Financial Statements" in the Proxy Statement are incorporated herein by reference.

(b) PRO FORMA INFORMATION. Not Applicable.

Item 14. PERSONS/ASSETS RETAINED, EMPLOYED, COMPENSATED OR USED.

(a), (b) SOLICITATIONS OR RECOMMENDATIONS, EMPLOYEES AND CORPORATE ASSETS. The information set forth under "The SunSource Special Meeting," "The Merger Proposal - Fairness Opinion of SunSource's Financial Advisor" and "The Merger Agreement -Termination; Fees" in the Proxy Statement is incorporated herein by reference.

Item 15. ADDITIONAL INFORMATION.

(a) OTHER MATERIAL INFORMATION. The information contained in the Proxy Statement, all Appendices to the Proxy Statement and Exhibits to this Schedule 13E-3 are incorporated herein by reference in their respective entirety.

Item 16. EXHIBITS.

(a) (1)* Preliminary Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on July 11, 2001.

(a) (1) (A)* Plan and Agreement of Merger dated as of June 18, 2001 by and among SunSource Inc., Allied Capital Corporation and Allied Capital Lock Acquisition Corporation, filed as Appendix A to the Preliminary Proxy Statement on Schedule 14A as filed with the Securities and Exchange Commission July 11, 2001.

(a) (2)* Press Release dated July 2, 2001 filed as Additional Proxy Material on July 2, 2001.

(a) (5)* Press Release filed as Exhibit 99.1 to the Current Report on Form 8-K as filed by SunSource Inc. with the Securities and Exchange Commission on June 21, 2001.

(b) Amended and Restated Credit Agreement dated May 17, 2000, by and among Allied Capital, as borrower, Bank of America, N.A., as administrative agent, Banc of America Securities LLC, as sole lead arranger and sole book manager, First Union National Bank, as syndication Agent, Fleet National Bank, as documentation Agent, Riggs Bank, N.A., as managing agent and Credit Lyonnais New York Branch, Branch Banking & Trust Co., Chevy Chase Bank, F.S.B. and Deutsche Bank AG, New York, as co-agents, filed as exhibit f.2.e to Allied Capital's registration statement on Form N-2 filed on Allied Capital's behalf with the Securities and Exchange Commission on August 11, 2000 (File No. 333-43534).

(c) (1) Fairness opinion of Janney Montgomery Scott LLC, filed as Appendix B to the Preliminary Proxy Statement on Schedule 14A as filed with the Securities and Exchange Commission July 11, 2001.

(c) (2) Presentation to the Board of Directors of SunSource by Janney Montgomery Scott LLC dated April 19, 2001.

(c) (3) Presentation to the Board of Directors of SunSource by Janney Montgomery Scott LLC dated June 15, 2001.

(d) (1) Voting and Support Agreement.

(d) (2)+ Form of Equity Purchase Agreement.

(d) (3) Escrow Agreement dated as of June 18, 2001 by and among Max W. Hillman, Jr., Richard P. Hillman, Gary Seeds, Dennis Blake John McDonnell, Allied Capital Corporation and Citibank, N.A.

(d) (4) Form of Stockholders Agreement.

(d) (5) Termination Agreement dated as of June 18, 2001 by and among SunSource, Lehman Brothers, Donald T. Marshall, John P. McDonnell, Norman V. Edmonson, Harold Cornelius, Max W. Hillman, Joseph M. Corvino and the respective S corporations of Marshall, McDonnell, Edmonson, Cornelius, Hillman and Corvino.

(d) (6) Amendment of Rights Agreement dated as of June 18, 2001 by and between SunSource and Registrar and Transfer Company.

(d) (7)** Series B preferred stock Certificate of Designation.

(e) (1)++ Employment Agreement by and between SunSource Inc. and Maurice P. Andrien, Jr. entered into June 18, 2001.

(e) (2) Employment Agreement by and between SunSource Inc. and Stephen W. Miller entered into June 18, 2001.

(f) Section 262 of the Delaware General Corporation Law, incorporated by reference to Appendix C to the Preliminary Proxy Statement on Schedule 14A as filed with the Securities and Exchange Commission July 11, 2001.

* Previously Filed.

** To be filed by amendment.

+ The following is a list of persons who entered into Equity Purchase Agreements on June 18, 2001 and the material details in which such Equity Purchase Agreements differ from the Form of Equity Purchase Agreement attached hereto as Exhibit (d) (2):

<TABLE>
<CAPTION>

of	Shares of SunSource stock	Purchase	Additional Shares of	Number
Options	to be purchased from Allied Capital	Price	SunSource stock to be contributed to SunSource	Rollover
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Maurice Andrien 130,000	0	\$ 0	19,880	
Joseph Corvino 65,000	0	\$ 0	8,711	
Max Hillman 67,500	23,202	\$240,717	32,220	
Steve Miller 50,000	0	\$ 0	20,000	
Richard Hillman 20,000	41,205	\$427,500	0	
George Heredia 10,000	0	\$ 0	0	
Gary Seeds 12,500	2,410	\$ 25,000	0	
Terry Rowe 9,000	3,855	\$ 40,000	0	
Jim Waters 9,000	2,410	\$ 25,000	0	
Dennis Blake 9,000	24,096	\$250,000	0	
Rick Buller 8,000	2,410	\$ 25,000	175	
Ken Foskey 9,000	2,410	\$ 25,000	0	
Michael Mueller 10,000	0	\$ 0	0	
Mark Yeary 10,000	0	\$ 0	0	
John McDonnell 20,000	57,831	\$600,000	0	
John Marshall 4,000	3,373	\$ 35,000	0	

++ The following is a list of persons who entered into Employment Agreements on June 18, 2000 and the material details in which such Employment Agreements differ from the Employment Agreement attached hereto as Exhibit (e) (1):

<TABLE>
<CAPTION>

Name	Base Salary	Term	Other Material Differences
-----	-----	-----	-----
<S>	<C>	<C>	<C>
Joseph M. Corvino to Section 7(a).	\$250,000	4 years	No minimum on severance payments pursuant
Max W. Hillman to Section 7(a).	\$350,000	4 years	No minimum on severance payments pursuant
for the longer			Mr Hillman may not compete with SunSource
years after			of (1) one year after termination, (2) two
Section 7(a) or			termination if receiving payments under
determination that			(3) one year following a final
			employee violated Employment Agreement.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: July 11, 2001

SUNSOURCE INC.

By: /s/ MAURICE P. ANDRIEN, JR.

Name: Maurice P. Andrien, Jr.
Title: Chief Executive Officer

By: /s/ JOSEPH M. CORVINO

Name: Joseph M. Corvino
Title: Chief Financial Officer

ALLIED CAPITAL CORPORATION

By: /s/ G. CABELL WILLIAMS III

Name: G. Cabell Williams III
Title: Managing Director

/s/ MAURICE P. ANDRIEN, JR.

MAURICE P. ANDRIEN, JR.

/s/ JOSEPH M. CORVINO

JOSEPH M. CORVINO

/s/ MAX W. HILLMAN

MAX W. HILLMAN

/s/ RICHARD HILLMAN

RICHARD HILLMAN

/s/ STEPHEN W. MILLER

STEPHEN W. MILLER

/s/ GEORGE L. HEREDIA

GEORGE L. HEREDIA

/s/ GARY L. SEEDS

GARY L. SEEDS

/s/ TERRY R. ROWE

TERRY R. ROWE

/s/ JAMES P. WATERS

JAMES P. WATERS

/s/ DENNIS G. BLAKE

DENNIS G. BLAKE

/s/ RICHARD A. BULLER

RICHARD A. BULLER

/s/ KENNETH H. FOSKEY

KENNETH H. FOSKEY

/s/ MICHAEL MUELLER

MICHAEL MUELLER

/s/ MARK YEARY

MARK YEARY

/s/ JOHN H. MARSHALL, III

JOHN H. MARSHALL, III

/s/ JOHN P. MCDONNELL

JOHN P. MCDONNELL

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EXHIBIT INDEX

- (a) (1) * Preliminary Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on July 11, 2001.
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- (a) (5) * Press Release filed as Exhibit 99.1 to the Current Report on Form 8-K as filed by SunSource Inc. with the Securities and Exchange Commission on June 21, 2001.
- (b) Amended and Restated Credit Agreement dated May 17, 2000, by and among Allied Capital, as borrower, Bank of America, N.A., as administrative agent, Banc of America Securities LLC, as sole lead arranger and sole book manager, First Union National Bank, as syndication Agent, Fleet National Bank, as documentation Agent, Riggs Bank, N.A., as managing agent and Credit Lyonnais New York Branch, Branch Banking & Trust Co., Chevy Chase Bank, F.S.B. and Deutsche Bank AG, New York, as co-agents, filed as exhibit f.2.e to Allied Capital's registration statement on Form N-2 filed on Allied Capital's behalf with the Securities and Exchange Commission on August 11, 2000 (File No. 333-43534).
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- (d) (1) Voting and Support Agreement.
- (d) (2) + Form of Equity Purchase Agreement.
- (d) (3) Escrow Agreement dated as of June 18, 2001 by and among Max W. Hillman, Jr., Richard P. Hillman, Gary Seeds, Dennis Blake, John McDonnell, Allied Capital Corporation and Citibank, N.A.
- (d) (4) Form of Stockholders Agreement.
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McDonnell, Norman V. Edmonson, Harold Cornelius, Max W. Hillman, Joseph M. Corvino and the respective S corporations of Marshall, McDonnell, Edmonson, Cornelius, Hillman and Corvino.

- (d) (6) Amendment of Rights Agreement dated as of June 18, 2001 by and between SunSource and Registrar and Transfer Company.
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<CAPTION>

of	Shares of SunSource stock	Purchase	Additional Shares of	Number
Name	to be purchased from Allied Capital	Price	contributed to SunSource	Rollover
Options	-----	-----	-----	-----
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Maurice Andrien 130,000	0	\$ 0	19,880	
Joseph Corvino 65,000	0	\$ 0	8,711	
Max Hillman 67,500	23,202	\$240,717	32,220	
Steve Miller 50,000	0	\$ 0	20,000	
Richard Hillman 20,000	41,205	\$427,500	0	
George Heredia 10,000	0	\$ 0	0	
Gary Seeds 12,500	2,410	\$ 25,000	0	
Terry Rowe 9,000	3,855	\$ 40,000	0	
Jim Waters 9,000	2,410	\$ 25,000	0	
Dennis Blake 9,000	24,096	\$250,000	0	
Rick Buller 8,000	2,410	\$ 25,000	175	
Ken Foskey 9,000	2,410	\$ 25,000	0	
Michael Mueller 10,000	0	\$ 0	0	
Mark Yearly 10,000	0	\$ 0	0	
John McDonnell 20,000	57,831	\$600,000	0	
John Marshall 4,000	3,373	\$ 35,000	0	

</TABLE>

++ The following is a list of persons who entered into Employment Agreements on June 18, 2000 and the material details in which such Employment Agreements differ from the Employment Agreement attached hereto as Exhibit (e) (1):

<TABLE>
<CAPTION>

Name	Base Salary	Term	Other Material Differences
-----	-----	-----	-----
<S>	<C>	<C>	<C>
Joseph M. Corvino	\$250,000	4 years	No minimum on severance payments pursuant

to Section 7(a).

Max W. Hillman
to Section 7(a).

\$350,000

4 years

for the longer

years after

Section 7(a) or

determination that

</TABLE>

No minimum on severance payments pursuant

Mr Hillman may not compete with SunSource

of (1) one year after termination, (2) two

termination if receiving payments under

(3) one year following a final

employee violated Employment Agreement.

JANNEY MONTGOMERY SCOTT
I N V E S T M E N T B A N K I N G

Established 1832

Presentation to the
Board of Directors of

[SUNSOURCE LOGO]

April 19, 2001

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2	STOCK PREMIUM ANALYSIS
3	OVERVIEW OF ALLIED CAPITAL CORPORATION AND SELECTED ALLC RESEARCH REPORTS

2

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=====

INTRODUCTION

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=====

Introduction - Background

-
- SunSource, Inc. ("SunSource" or the "Company") has for some time been evaluating various alternatives to enhance shareholder value.
 - Recently, SunSource was approached by Allied Capital Corporation ("Allied") regarding a possible business combination.
 - On April 6, 2001, Allied proposed a stock for stock merger offering \$10.25 in Allied common stock for each share of SunSource common stock (the "Transaction"). Outstanding options and warrants would vest at closing in accordance with their terms, and the Company's indebtedness and trust preferred securities would remain outstanding.

- The purpose of the following presentation is to provide the Board with various valuation data relevant to its consideration of the proposed Transaction.

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=====

Introduction - Two Types of Value

- Equity Value: The value of an ownership interest, e.g. in a corporation, the value of its common stock.
- Enterprise Value: The value of the entire entity, i.e. equity value plus net debt.

[ENTERPRISE VALUE PIE CHART]

5

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=====

Transaction Value

CALCULATION OF TRANSACTION'S EQUITY VALUE:

<TABLE>
<CAPTION>

	NUMBER OF SHARES OUTSTANDING	STRIKE PROCEEDS	NUMBER OF DILUTED SHARES (1)	CONSIDERATION PAID@\$10.25
<S>	<C>	<C>	<C>	<C>
Common Shares	6,882,409	\$ -	6,882,409	\$70,544,692
Options (2)	356,000	1,526,813	207,043	2,122,188
Warrants (3)	285,000	2,850	284,722	2,918,400
	-----	-----	-----	-----
Total	7,523,409	\$ 1,529,663	7,374,174	75,585,280
				=====

</TABLE>

CALCULATION OF TRANSACTION'S ENTERPRISE VALUE:

<TABLE>
<CAPTION>

	AS OF 3/31/01
(dollars in thousands)	-----
<S>	<C>
Revolving Credit Line	\$ 67,284,000
Senior Secured Term Loan	2,500,000
Subordinated Notes (4)	44,102,000
Trust Preferred Securities	105,446,000
Less: Cash	(2,378,000)

Net Debt	\$ 216,954,000
Equity Value	75,585,280

Total Enterprise Value	\$ 292,539,280
	=====

</TABLE>

- (1) Treasury method used to calculate resulting diluted shares outstanding from options and warrants.
- (2) Includes in-the-money options only; please refer to the following page for calculation.
- (3) Strike proceeds on Allied warrants assume a price of \$0.01 per share.
- (4) Subordinated debt includes \$29.9 million owed to Allied, \$2.8 million owed to Axxess, and \$12.2 million owed to Warburg.

The \$2.8 million due to Axxess was repaid on April 6, 2001.

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=====

Introduction - Options Outstanding

<TABLE> <CAPTION>			
OPTION OR INCENTIVE PLAN	OPTIONS OUTSTANDING (1)	EXERCISE PRICE	STRIKE PROCEEDS (2)
- - - - -	- - - - -	- - - - -	- - - - -
<S>	<C>	<C>	<C>
1998 Plan:			
- - - - -			
1998 Grant	121,495	\$ 18.813	\$ -
	90,000	15.991	-
1999 Grant	90,000	18.375	-
1999 Plan:			
- - - - -			
1999 Grant	267,000	15.000	-
	50,000	15.625	-
	55,000	12.750	-
2000 Grant	293,500	4.500	1,320,750
	22,500	3.825	86,063
	40,000	3.000	120,000

			\$ 1,526,813
			=====
</TABLE>			

(1) As of April 16, 2001

(2) Equals options outstanding times the exercise price.

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=====

Introduction - Valuation Methodologies

- In analyzing whether or not the consideration to be received is fair to shareholders from a financial point of view, reference is often made to three widely accepted valuation methodologies:
- COMPARABLE COMPANY ANALYSIS - looks at the financial and stock market performance of comparable publicly traded companies
 - COMPARABLE TRANSACTION ANALYSIS - looks at the multiples and premiums at which comparable mergers and acquisitions have taken place
 - DISCOUNTED CASH FLOW ANALYSIS - looks at a company's ability to generate future free cash flow

These three methodologies are applied, as appropriate, to a Company's historical and projected financial results.

- In addition, a review of a Company's HISTORICAL STOCK PRICE PERFORMANCE AND THE STOCK PRICE PREMIUM offered in a proposed transaction are relevant as background information in evaluating a proposal.
- The results of these analyses provide the principal support for a fairness opinion. However, other factors and analyses are considered, including ones not purely "mathematical" in nature.

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Approach to Valuation

- In evaluating the best approach to analyze SunSource, two items stand out:

- First, the Company operates not just one business, but rather is comprised of three distinct entities:

- Kar Products
- SunSource Technology Services
- The Hillman Group

Of the three, Hillman generates the bulk of SunSource's value.

- Second, the Company's reported financial results were impacted by the numerous acquisitions and divestitures completed during 2000:

<TABLE>

<S>

- Sale of Kar (March)
- Purchase of Axxess (April)
- Sale of Harding Glass (April)

<C>

- Purchase of Brafasco (October)
- Purchase of Sharon-Philstone (November)
- Liquidation of Mexico Int. Supp. (Ongoing)

</TABLE>

- As a result, we believe the most appropriate approach to valuing the Company is to analyze SunSource (i) from a "sum of the parts" perspective, rather than on a consolidated basis, and (ii) on a proforma basis, i.e. as if the acquisitions and divestitures were effective as of January 1, 2000.

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=====

KAR PRODUCTS

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Kar Products - Overview

- Kar Products, Inc. ("Kar") provides personalized, small parts inventory management services to low volume customers. Kar packages and inventories over 40,000 items, the largest category of which is fasteners. Parts are purchased from over 700 regular vendors.
- In March, 2000, the Company raised capital by contributing its Kar operations to a newly formed partnership, G-C Sun Holdings LP ("G-C"), affiliated with Glencoe Capital LLC ("Glencoe"). The Company received \$105 million in cash proceeds from the transaction through repayment of assumed debt, and retained a 49% minority interest in G-C. Glencoe, a private equity firm, obtained a 51% controlling interest.
- After the Brafasco acquisition in October 2000, the Company retained a 44% minority interest in Kar and accounts for its investment under the equity method.
- Pro forma financial results at Kar have been solid, but flat over the past several years.

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=====

<TABLE>
<CAPTION>

For the Year Ended December 31,					
	Actual			Proforma (1)	Plan
	1997	1998	1999	2000	2001
(in thousands, except per share data)					
<S>	<C>	<C>	<C>	<C>	<C>
Net Revenues	\$139,794	\$139,746	\$142,479	\$149,048	\$155,987
Growth (Decline) in Revenues	N/A	0.0%	2.0%	4.6%	4.7%
Cost of Sales	42,623	42,744	45,641	48,647	50,915
Gross Profit	97,171	97,002	96,838	100,401	105,072
Gross Margin	69.5%	69.4%	68.0%	67.4%	
Operating Expenses	71,350	71,100	71,967	75,174	78,729
Operating Cash Flow (EBITDA)	\$ 25,821	\$ 25,902	\$ 24,871	\$ 25,227	\$ 26,343
EBITDA Margin	18.5%	18.5%	17.5%	16.9%	
Depreciation & Amortization				6,515	6,515
Operating Income (EBIT)				18,712	19,828
Interest (Income)/Expense				11,032	11,249
Profit (Loss) Before Taxes				7,680	8,579
Proforma Income Taxes (2)				3,072	3,432
Proforma Net Income				\$ 4,608	\$ 5,147

</TABLE>

- Results thus far in 2001 have been disappointing. Kar's Plan projected Sales and EBITDA of \$38,964 and \$6,513, respectively, for the first quarter; actual results were \$36,370 and \$5,264, respectively. As a result of first quarter performance, Kar is not likely to achieve its original Plan.

- (1) Assumes the acquisition of Brafasco had been consummated on January 1, 2000.
- (2) Assumes a tax rate of 40%

12 JANNEY MONTGOMERY SCOTT

Kar Products - Comparable Companies Summary

<TABLE>
<CAPTION>

LTM (1) LTM (1) LTM (1) LTM (1) 2001 (P)

(2)

	REVENUE	EBITDA	EBIT	NET INCOME	EPS
	-----	-----	----	-----	---
<S>	<C>	<C>	<C>	<C>	<C>
Barnes Group Inc (B)	\$ 766,275	\$ 97,946	\$ 60,946	\$ 33,579	N/A
Hughes Supply Inc (HUG)	3,310,163	137,801	105,489	39,915	1.88
Industrial Distr Group Inc (IDG)	546,681	12,254	7,141	(462)	N/A
Lawson Products (LAWS)	348,967	48,487	41,824	28,136	N/A

<TABLE>
<CAPTION>

	ENTERPRISE VALUE /			EQUITY VALUE
	-----	-----	-----	-----
	LTM	LTM	LTM	LTM
	REVENUE	EBITDA	EBIT	NET INCOME
	-----	-----	----	-----
<S>	<C>	<C>	<C>	<C>
<C>				
Barnes Group Inc (B)	0.7 x	5.6 x	9.0 x	10.2 x
N/A				
Hughes Supply Inc (HUG)	0.3 x	6.3 x	8.2 x	8.7 x
7.8 x				
Industrial Distr Group Inc (IDG)	0.1 x	6.1 x	10.4 x	NM
N/A				
Lawson Products (LAWS)	0.6 x	4.7 x	5.4 x	9.5 x
N/A				

<TABLE>
<CAPTION>

	ENTERPRISE VALUE /			EQUITY VALUE /	
	-----	-----	-----	-----	-----
	LTM	LTM	LTM	LTM	2001 (P)
	REVENUE	EBITDA	EBIT	NET INCOME	NET INCOME
	-----	-----	----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
High	0.7 x	6.3 x	10.4 x	10.2 x	7.8 x
Low	0.1	4.7	5.4	8.7	7.8
Median	0.5	5.8	8.6	9.5	7.8
Adjusted Average (3)	0.5	5.8	8.6	9.5	7.8

(1) LTM figures for the period ending December 31, 2000.

(2) Represent First Call consensus estimates; Estimates have been calendarized.

(3) Adjusted to exclude the highest and lowest value before averaging.

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=====

Kar Products - Comparable Companies Analysis

<TABLE>
<CAPTION>

	LTM EBITDA: \$ 25,227			LTM EBIT: \$ 18,712		
	-----	-----	-----	-----	-----	-----
	5.0x	5.5x	6.0x	8.0x	8.5x	9.0x
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Enterprise Value	\$126,135	\$138,749	\$151,362	\$149,696	\$159,052	\$168,408
Less: Net Debt	99,197	99,197	99,197	99,197	99,197	99,197
Equity Value	\$ 26,938	\$ 39,552	\$ 52,165	\$ 50,499	\$ 59,855	\$ 69,211
	x 44%	x 44%	x 44%	x 44%	x 44%	x 44%
	-----	-----	-----	-----	-----	-----
	\$ 11,853	\$ 17,403	\$ 22,953	\$ 22,220	\$ 26,336	\$ 30,453

</TABLE>

<TABLE>
<CAPTION>

LTM NET INCOME: \$ 4,608

	9.0x	9.5x	10.0x
<S>	<C>	<C>	<C>
Enterprise Value	N/A	N/A	N/A
Less: Net Debt	N/A	N/A	N/A
Equity Value	\$ 41,472	\$ 43,776	\$ 46,080
	x 44%	x 44%	x 44%
	\$ 18,248	\$ 19,261	\$ 20,275

</TABLE>

<TABLE>
<CAPTION>

VALUATION SUMMARY

<S>	<C>
Low	\$ 11,853
High	30,453
Median	22,586
Average	21,869
Adjusted Average (1)	22,228

</TABLE>

VALUATION RANGE TO SUNSOURCE: \$20,000 - \$25,000

(1) Adjusted to exclude the highest and lowest value before averaging.

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SUNSOURCE TECHNOLOGY SERVICES

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SunSource Technology Services - Overview

- SunSource Technology Services, Inc. ("STS") provides its customers with systems, parts and engineering services for hydraulic, pneumatic, electronic and related systems.
- STS' operating performance has suffered recently due to a restructuring of its sales force in early 1999 and soft market conditions in 2000.
- As a result of STS' historical and projected losses, Comparable Company Analysis and Comparable Transaction Analysis, which are based upon multiples of income or cash flow, are not meaningful.
- Balance Sheet and Discounted Cash Flow Analysis suggests an equity value to SunSource in the range of \$25 million to \$30 million.

<S>	<C>
Assets	
Current Assets	\$ 56,232
Net Fixed Assets	4,439
Goodwill	15,880
Other Assets	1,246

Total Assets	\$ 77,797
	=====
Liabilities	
Current Liabilities	\$ 29,952
Long-term Liabilities	565

Total Liabilities	30,517
Equity	47,280

Total Liabilities & Equity	\$ 77,797
	=====

</TABLE>

- STS's Equity Value is \$47,280
- Adjusting STS' Equity Value by eliminating Goodwill results in an adjusted, or net tangible, book value of \$31,400.

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=====

STS - Discounted Cash Flow Analysis

<TABLE>
<CAPTION>

	PROJECTED				
	12/31/01	12/31/02	12/31/03	12/31/04	12/31/05
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
Sales	\$ 218,000	\$ 230,000	\$ 245,000	\$ 260,000	\$ 275,000
- in A/R	(5,850)	(79)	(1,687)	(1,874)	(1,874)
	-----	-----	-----	-----	-----
Cash Sales	212,150	229,921	243,313	258,126	273,126
Cost of Goods Sold	164,808	173,600	183,700	195,000	206,200
- in Inventory	1,373	(282)	1,812	2,052	2,158
- in A/P	263	185	(1,188)	(1,346)	(1,415)
	-----	-----	-----	-----	-----
Cash Cost of Goods Sold	166,444	173,503	184,324	195,706	206,943
Cash Gross Profit	45,706	56,418	58,990	62,420	66,183
Operating Expenses	57,704	58,950	61,350	62,550	64,350
Depreciation & Amortization	(2,550)	(2,550)	(2,550)	(2,550)	(2,550)
	-----	-----	-----	-----	-----
Cash Operating Expenses	55,154	56,400	58,800	60,000	61,800
Cash Operating Income	(9,448)	18	190	2,420	4,383
Less: 40.0% Pro Forma Tax on Taxable Net Income	(1,805)	(1,020)	(20)	980	1,780
Less: Capital Expenditures	700	700	700	700	700
	-----	-----	-----	-----	-----
Unlevered FCF to Capital Providers	\$ (8,344)	\$ 338	\$ (490)	\$ 740	\$ 1,903
\$ 45,500 (2)					
Interest Expense Tax Shield	77	70	70	70	70

<TABLE>

<S>	<C>
-	-----
NPV of Unlevered FCF (1)	\$ 17,759
Add: NPV of Tax Shields	252
Less: Present Value to Debt Holders	-

Enterprise Value Before Illiquidity Discount	\$ 18,010

Illiquidity and Non-Control Discount	0%
Total Enterprise Value	\$ 18,010
Ownership Percentage	100%
VALUE OF ENTERPRISE INTEREST	\$ 18,010

- -----
</TABLE>

<TABLE>
<CAPTION>

		EBITDA MULTIPLE RANGE				
		5.5x	6.0x	6.5x	7.0x	7.5x
		-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
	15.0%	\$16,253	\$18,066	\$19,880	\$21,694	\$23,507
DISCOUNT	16.0%	\$15,439	\$17,181	\$18,922	\$20,663	\$22,404
FACTOR	17.0%	\$14,666	\$16,338	\$18,010	\$19,683	\$21,355
RANGE	18.0%	\$13,930	\$15,537	\$17,144	\$18,750	\$20,357
	19.0%	\$13,230	\$14,774	\$16,319	\$17,863	\$19,407

</TABLE>

- (1) Unlevered Free Cash Flows discounted at 17.0%, with only 70.1% of Year 1 Unlevered FCF (and Tax Shields) being captured.
- (2) Assumes a terminal value equal to last year EBITDA of \$7.0 million multiplied by an EBITDA multiple of 6.5x, the approximate current average Enterprise Value/EBITDA multiple of Applied Ind. Tech., Genuine Parts, Grainge, and Wesco Int'l.

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- -----
THE HILLMAN GROUP

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The Hillman Group - Overview

- -----

- The Hillman Group, Inc. ("Hillman") provides small hardware items and merchandising services to retail outlets through a nationwide sales and service organization. This operating unit includes the business of Axxess Technologies, Inc. ("Axxess"), a manufacturer and marketer of key duplication and identification systems acquired by SunSource in April 2000.
- Hillman is SunSource's largest and strongest business unit. The unit's operating cash flow (EBITDA) in 2000 was approximately \$38 million and is projected to grow to roughly \$47 million in 2001.
- Because (i) the allocation of SunSource's debt and trust preferred securities among its various business units is based on tax planning, and (ii) the accounting treatment of goodwill amortization is likely to change effective later this year, an Enterprise Value analysis is more meaningful than an Equity Value analysis.
- A key issue is the extent to which Hillman's operating results should, for valuation purposes, be burdened with corporate expenses.

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=====

The Hillman Group - Key Income Statement Items

<TABLE>
<CAPTION>

	For the Year Ended December 31,	
	Actual	Proforma (1)
	1999	2000
(in thousands, except per share data)		
<S>	<C>	<C>
Net Revenues	\$ 231,878	\$ 239,178
Growth (Decline) in Revenues	194.0%	3.1%
Cost of Sales	106,057	104,512
Gross Profit	125,821	134,667
Gross Margin	54.3%	56.3%
Operating Expenses - Hillman (2) (3)	92,934	93,895

NO BURDEN		
Operating Cash Flow (EBITDA)	\$ 32,887	\$ 40,772
	=====	=====
Operating Income (EBIT)		\$ 28,176
		=====

Original Operating Expenses- Corporate (4)	6,870	8,295
	-----	-----
Revised Operating Expenses- Corporate (5)	6,870	2,500
	-----	-----

WITH BURDEN (UTILIZING THE REVISED CORPORATE OPERATING EXPENSE PROJECTIONS)		
Adjusted Operating Cash Flow (EBITDA)	\$ 26,017	\$ 38,272
	=====	=====
Adjusted Operating Income (EBIT)		\$ 25,676
		=====

<CAPTION>

31,	For the Year Ended December			

	Projected			
	2001	2002	2003	
	-----	-----	-----	---
(in thousands, except per				
share data)	<C>	<C>	<C>	<C>
<S>				
<C>				
Net Revenues	\$ 260,038	\$ 292,557	\$ 321,820	\$
347,566 \$ 371,895				
Growth (Decline) in Revenues	8.7%	12.5%	10.0%	
8.0% 7.0%				
Cost of Sales	114,079	128,462	141,192	
152,487 163,161	-----	-----	-----	---
Gross Profit	145,959	164,095	180,628	
195,078 208,734				
Gross Margin	56.1%	56.1%	56.1%	
56.1%				
Operating Expenses - Hillman (2) (3)	100,902	110,911	121,598	
131,166 140,207				

NO BURDEN				
Operating Cash Flow (EBITDA)	\$	45,057	\$	53,184
63,912 \$ 68,526			\$	59,030
			\$	
=====				
Operating Income (EBIT)	\$	30,753	\$	39,927
50,655 \$ 55,269			\$	45,773
			\$	
=====				

Original Operating Expenses- Corporate (4)		5,000		4,500
3,800 3,800				3,800

Revised Operating Expenses- Corporate (5)		2,500		2,500
2,500 2,500				2,500

WITH BURDEN (UTILIZING THE REVISED CORPORATE OPERATING EXPENSE PROJECTIONS)				
Adjusted Operating Cash Flow (EBITDA)	\$	42,557	\$	50,684
61,412 \$ 66,026			\$	56,530
			\$	
=====				
Adjusted Operating Income (EBIT)	\$	28,253	\$	37,427
48,155 \$ 52,769			\$	43,273
			\$	
=====				

</TABLE>

- (1) Assumes the acquisition of Axxess and Sharon-Philstone had been consummated on January 1, 2000.
- (2) Assumes \$5 million in cost cutting initiatives undertaken throughout FY2000 were fully realized on January 1, 2000.
- (3) Includes, for 2001-2005, a contingency reserve of \$2 million per year, consistent with management's March 2001 Board presentation.
- (4) Original projections for Corporate Operating Expenses consistent with management's March 2001 Board presentation.
- (5) Revised projections for Corporate Operating Expenses based on further discussion with management.

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The Hillman Group - Comparable Companies Summary

<TABLE>					
<CAPTION>					
	LTM (1)	LTM (1)	LTM (1)	LTM (1)	
2001 (P) (2)	REVENUE	EBITDA	EBIT	NET INCOME	
EPS					

<S>	<C>	<C>	<C>	<C>	<C>
SERVICE MERCHANDISERS					

Central Garden & Pet Co (CENT)	\$1,349,293	\$ 73,172	\$ 73,008	\$ 6,720	

N/A				
Handleman Co (HDL)	1,157,149	89,119	73,008	41,968
1.62				
Source Information Mgmt Co (SORC)	98,233	26,610	21,620	11,248
0.46				
TBC Corporation (TBCC)	902,740	53,456	73,008	18,724
0.98				

MROs / FLUID POWER DISTRIBUTORS				
Applied Industrial Tech Inc (AIT)	1,618,387	82,711	60,147	32,198
1.43				
Genuine Parts Co (GPC)	8,353,837	734,327	642,810	382,867
2.31				
Grainger (W W) Inc (GWW)	4,977,044	442,013	335,120	192,903
1.99				
Wesco Intl Inc (WCC)	3,881,096	161,590	73,008	39,080
1.15				
</TABLE>				

<TABLE>
<CAPTION>

VALUE /	ENTERPRISE VALUE /			EQUITY
	LTM	LTM	LTM	LTM
2001 (P)	REVENUE	EBITDA	EBIT	NET INCOME
NET INCOME	-----	-----	----	-----
<S>	<C>	<C>	<C>	<C>
<C>				
SERVICE MERCHANDISERS				

Central Garden & Pet Co (CENT)	0.4 x	6.6 x	10.4 x	25.7 x
N/A				
Handleman Co (HDL)	0.3 x	4.0 x	5.2 x	7.7 x
7.2 x				
Source Information Mgmt Co (SORC)	1.0 x	3.7 x	4.5 x	6.0 x
5.4 x				
TBC Corporation (TBCC)	0.3 x	5.1 x	6.4 x	6.7 x
6.0 x				
MROs / FLUID POWER DISTRIBUTORS				
Applied Industrial Tech Inc (AIT)	0.3 x	5.3 x	7.3 x	10.8 x
11.3 x				
Genuine Parts Co (GPC)	0.7 x	7.7 x	8.8 x	12.5 x
11.9 x				
Grainger (W W) Inc (GWW)	0.7 x	7.7 x	10.2 x	16.3 x
16.8 x				
Wesco Intl Inc (WCC)	0.2 x	5.4 x	6.5 x	11.2 x
8.0 x				
</TABLE>				

-
- (1) LTM figures for the period ending December 31, 2000.
- (2) Represent First Call consensus estimates; Estimates have been calendarized.

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JANNEY MONTGOMERY SCOTT

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The Hillman Group - Comparable Companies Analysis

<TABLE>
<CAPTION>

	ENTERPRISE VALUE /			EQUITY VALUE /	
	LTM	LTM	LTM	LTM	2001 (P)
	REVENUE	EBITDA	EBIT	NET INCOME	NET INCOME
	-----	-----	----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
High	1.0 x	7.7 x	10.4 x	25.7 x	16.8 x
Low	0.2	3.7	4.5	6.0	5.4
Median	0.3	5.4	6.9	11.0	8.0

Adjusted Average (1)	0.4	5.7	7.4	10.9	8.9
----------------------	-----	-----	-----	------	-----

<TABLE>
<CAPTION>

<S>	HILLMAN - ENTERPRISE VALUE			HILLMAN - EQUITY VALUE	
	LTM (2)	LTM (2)	LTM (2)	LTM (2)	2001 (P)
	REVENUE	EBITDA (3)	EBIT (3)	NET INCOME	NET INCOME
<C>	<C>	<C>	<C>	<C>	<C>
HILLMAN	\$ 239,178	\$ 38,272	\$ 25,676	N/A	N/A
High	\$ 239,127	\$ 296,227	\$ 267,299	N/A	N/A
Low	53,893	141,251	116,638	N/A	N/A
Median	79,625	205,833	177,615	N/A	N/A
Adjusted Average (1)	103,811	217,770	190,171	N/A	N/A

- -----
- (1) Adjusted to exclude the highest and lowest value before averaging.
- (2) Proforma LTM results for the period ending 12/31/00.
- (3) Utilizes "With Burden" Operating Cash Flow and Operating Income.

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The Hillman Group - Comparable Transactions Summary

<TABLE>
<CAPTION>

DATE		VALUE OF	LTM	
LTM	LTM	TRANSACTION	REVENUE	
EFFECTIVE	BUYER / SELLER			
EBITDA	EBIT			
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
<C>				
04/07/00	SunSource Inc. / Axxess Technologies	\$ 110,000	\$ 80,594	\$
17,120	5,583			
12/07/99	Honeywell International, Inc. / TriStar Aerospace Co.	258,150	205,110	
37,611	35,556			
04/20/99	The Fairchild Corporation / Kaynar Technologies	222,000	185,512	
35,623	28,851			
03/25/99	TriStar Aerospace Co. / Standard Parts and Equipment Co.	35,200	27,483	
4,483	4,376			
09/04/98	Pentacon / ASI Aerospace Group	87,000	68,076	
11,442	10,861			
07/17/98	Pentacon / Texas International Aviation	17,580	17,698	
3,089	3,011			

<TABLE>
<CAPTION>

DATE	BUYER / SELLER	ENTERPRISE VALUE /		
		LTM	LTM	LTM
		REVENUE	EBITDA	EBIT
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
04/07/00	SunSource Inc. / Axxess Technologies	1.3 x	6.3 x	19.4
x				
12/07/99	Honeywell International, Inc. / TriStar Aerospace Co.	1.2 x	6.6 x	7.0
x				
04/20/99	The Fairchild Corporation / Kaynar Technologies	1.2 x	6.2 x	7.6
x				
03/25/99	TriStar Aerospace Co. / Standard Parts and Equipment Co.	1.3 x	7.8 x	8.0

x				
09/04/98	Pentacon / ASI Aerospace Group	1.3	x	7.6 x 8.0
x				
07/17/98	Pentacon / Texas International Aviation	1.1	x	6.1 x 6.3
x				

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JANNEY MONTGOMERY SCOTT

The Hillman Group - Comparable Transactions Analysis

<TABLE>

<CAPTION>

ENTERPRISE VALUE /			
	LTM REVENUE	LTM EBITDA	LTM EBIT
	-----	-----	-----
<S>	<C>	<C>	<C>
High	1.3 x	7.8 x	19.4 x
Low	1.1 x	6.1 x	6.3 x
Median	1.2 x	6.5 x	7.8 x
Adjusted Average (1)	1.2 x	6.7 x	7.7 x

<TABLE>

<CAPTION>

HILLMAN - ENTERPRISE VALUE			
	LTM REVENUE	LTM EBITDA	LTM EBIT
	-----	-----	-----
<S>	<C>	<C>	<C>
HILLMAN	\$ 239,178	\$ 38,272	\$ 25,676
High	\$ 321,018	\$ 299,642	\$ 497,455
Low	256,334	235,000	161,745
Median	298,042	247,891	200,573
Adjusted Average (1)	296,331	255,666	196,831

(1) Adjusted to exclude the highest and lowest value before averaging.

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JANNEY MONTGOMERY SCOTT

The Hillman Group - Discounted Cash Flow Analysis

<TABLE>

<CAPTION>

PROJECTED					
	12/31/01	12/31/02	12/31/03	12/31/04	12/31/05
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
Sales	\$ 260,038	\$ 292,557	\$ 321,820	\$ 347,566	\$ 371,895
- in A/R	(4,198)	(4,658)	(4,249)	(3,395)	(3,090)
Cash Sales	255,840	287,899	317,571	344,171	368,805
Cost of Goods Sold	114,079	128,462	141,192	152,487	163,161
- in Inventory	(509)	5,643	5,196	5,135	4,695
- in A/P	(407)	(2,086)	(2,006)	(1,982)	(1,812)
Cash Cost of Goods Sold	113,163	132,019	144,382	155,640	166,044

Cash Gross Profit	142,677	155,880	173,189	188,531	202,761
Operating Expenses	117,706	126,668	137,355	146,923	155,964
Depreciation & Amortization	(14,304)	(13,257)	(13,257)	(13,257)	(13,257)
Cash Operating Expenses	103,402	113,411	124,098	133,666	142,707
Cash Operating Income	39,275	42,469	49,091	54,865	60,053
Less: 40.0% Pro Forma Tax on Taxable Net Income	11,301	14,971	17,309	19,262	21,108
Less: Capital Expenditures	12,645	9,000	9,000	9,000	9,000
Unlevered FCF to Capital Providers	\$ 15,329	\$ 18,498	\$ 22,782	\$ 26,603	\$ 29,945
\$363,144 (2)					
Interest Expense Tax Shield	8,472	7,996	7,592	7,592	7,592

<TABLE>		<C>	
<S>			
-----		-----	
NPV of Unlevered FCF (1)		\$ 241,389	
Add: NPV of Tax Shields		27,117	
Less: Present Value to Debt Holders		-	
Enterprise Value Before Illiquidity Discount		\$ 268,506	
Illiquidity and Non-Control Discount		0%	
Total Enterprise Value		\$ 268,506	
Ownership Percentage		100%	
Value of Enterprise Interest		\$ 268,506	
-----		-----	

<TABLE>
<CAPTION>

		EBITDA MULTIPLE RANGE				
		4.5x	5.0x	5.5x	6.0x	6.5x
		-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
	15.0%	\$252,392	\$269,498	\$286,605	\$303,711	\$320,817
DISCOUNT	16.0%	\$244,494	\$260,918	\$277,342	\$293,765	\$310,189
FACTOR	17.0%	\$236,959	\$252,732	\$268,506	\$284,280	\$300,053
RANGE	18.0%	\$229,765	\$244,919	\$260,074	\$275,229	\$290,383
	19.0%	\$222,894	\$237,459	\$252,024	\$266,589	\$281,153

- (1) Unlevered Free Cash Flows discounted at 17.0%, with only 70.1% of Year 1 Unlevered FCF (and Tax Shields) being captured.
- (2) Assumes a terminal value equal to last year EBITDA of \$66.0 million multiplied by an EBITDA multiple of 5.5x.

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JANNEY MONTGOMERY SCOTT

The Hillman Group - Valuation Summary

[VALUATION SUMMARY BAR CHART]

<TABLE>		Enterprise Value	
<CAPTION>			
		Low	High
		-----	-----
		Median	Adjusted Average
		-----	-----
COMPARABLE PUBLIC COMPANIES			
<S>	<C>	<C>	<C>
LTM Revenue	53,893	239,127	79,625
LTM EBITDA	141,251	296,227	205,833
LTM EBIT	116,638	267,299	177,615

COMPARABLE TRANSACTION COMPANIES

LTM Revenue	256,334	321,018	298,042	296,331
LTM EBITDA	235,000	299,642	247,891	255,666
LTM EBIT	161,745	497,455	200,573	196,831

DISCOUNTED CASH FLOW			Mid-point	Mid-point
			-----	-----
DCF - EBITDA	244,919	293,765	268,506	268,506

<TABLE>						
<CAPTION>						
LTM	LTM	LTM	LTM	LTM	LTM	DCF -
Revenue	EBITDA	EBIT	Revenue	EBITDA	EBIT	EBITDA
<S>	<C>	<C>	<C>	<C>	<C>	<C>
(\$239,178)	(\$38,272)	(\$25,676)	(\$239,178)	(\$38,272)	(\$25,676)	(\$268,506)

<TABLE>							
<CAPTION>							
	COMPARABLE PUBLIC COMPANIES			COMPARABLE ACQUISITION ACTIVITY			DCF
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Median	\$79,625	\$205,833	\$177,615	\$298,042	\$247,891	\$200,573	\$268,506
Adj. Average	\$103,811	\$217,770	\$190,171	\$296,331	\$255,666	\$196,831	\$268,506
</TABLE>							

NOTE: ADJUSTED AVERAGE ELIMINATES THE HIGHEST AND LOWEST VALUE FOR COMPARABLE COMPANIES AND FOR COMPARABLE TRANSACTIONS.

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JANNEY MONTGOMERY SCOTT
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VALUATION SUMMARY

Per Share Equity Valuation Range

<TABLE>		
<CAPTION>		
	Low	High
	-----	-----
<S>	<C>	<C>
Kar Valuation	\$ 20,000	\$ 25,000
STS Enterprise Value	25,000	30,000
Hillman Enterprise Value	225,000	250,000
	-----	-----
Total	\$270,000	\$305,000
Less: Outstanding Debt (1)	111,508	111,508
Trust Preferred Securities (1)	105,446	105,446
	-----	-----
Equity Value	\$ 53,046	\$ 88,046
	=====	=====
Diluted Shares Outstanding	7,374	7,374
Per Share Equity Value	\$ 7.19	\$ 11.94
	=====	=====

</TABLE>

(1) As of March 31, 2000

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JANNEY MONTGOMERY SCOTT

HISTORICAL STOCK PRICE PERFORMANCE

JANNEY MONTGOMERY SCOTT

Historical Stock Price Performance

- - In the past two years, the Company's stock has traded as high as \$16.31 (May 13, 1999) and as low as \$2.88 (December 6, 2000). The stock has not traded at or above \$12.00 per share since June 30, 1999, despite efforts to deliver shareholder value through a strategic realignment of the Company's business units.
- - Since early 1999, the Company's stock price has under-performed a composite of selected publicly trade peers, as well as general market indices such as the S&P Small Cap Industrials Index and the S&P 500 Composite.
- - In spite of some recent strengthening in the Hillman and Kar businesses, the restructuring issues, a softening market for the STS segment, and the highly leveraged nature of the Company's balance sheet, have all contributed to a steady decline of the Company's stock price over the past two years.
- - Also contributing to the Company's poor stock performance are investor preoccupation with larger capitalization stocks and other industry sectors, a lack of research coverage, and limited float and liquidity of the Company's shares.
- - Over the past six months, roughly 1.7 million shares of the Company's common stock have traded, at an average price of \$3.56 per share.

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JANNEY MONTGOMERY SCOTT

Historical Stock Price Performance

STOCK PRICE AND VOLUME ACTIVITY

[LINE GRAPH]

<TABLE>
<CAPTION>

<S>	DATE	PRICE <C>	VOLUME <C>
	4/16/99	14.38	16,900
	4/19/99	15.13	11,400
	4/20/99	15.25	2,300
	4/21/99	15.56	7,700
	4/22/99	15.25	14,100
	4/23/99	15.00	8,400
	4/26/99	15.25	3,900
	4/27/99	15.63	47,800
	4/28/99	15.00	3,800
	4/29/99	15.38	9,100

4/30/99	16.13	11,500
5/3/99	16.25	6,700
5/4/99	16.13	10,500
5/5/99	15.88	1,900
5/6/99	15.38	2,700
5/7/99	15.38	36,000
5/10/99	16.00	2,900
5/11/99	16.13	2,600
5/12/99	16.25	1,600
5/13/99	16.31	2,900
5/14/99	16.00	4,300
5/17/99	15.88	2,900
5/18/99	15.50	2,900
5/19/99	15.38	1,600
5/20/99	15.44	1,400
5/21/99	15.38	100
5/24/99	15.13	4,000
5/25/99	14.38	7,300
5/26/99	14.31	9,400
5/27/99	14.25	6,300
5/28/99	14.25	200
6/1/99	14.63	4,700
6/2/99	14.25	2,900
6/3/99	14.38	1,200
6/4/99	14.13	300
6/7/99	14.50	3,700
6/8/99	14.44	0
6/9/99	14.50	1,000
6/10/99	14.25	1,300
6/11/99	14.50	12,600
6/14/99	14.13	17,000
6/15/99	14.06	600
6/16/99	14.13	9,400
6/17/99	14.50	17,800
6/18/99	14.50	1,000
6/21/99	14.38	1,000
6/22/99	13.94	3,000
6/23/99	13.75	2,700
6/24/99	13.06	10,200
6/25/99	13.13	0
6/28/99	12.88	19,100
6/29/99	12.81	8,800
6/30/99	12.94	1,300
7/1/99	11.00	60,700
7/2/99	10.88	64,400
7/6/99	10.81	56,100
7/7/99	10.44	34,700
7/8/99	9.75	34,800
7/9/99	9.69	24,300
7/12/99	9.44	13,000
7/13/99	8.63	102,900
7/14/99	8.06	100,500
7/15/99	8.44	175,700
7/16/99	8.63	44,600
7/19/99	8.63	47,600
7/20/99	8.69	7,400
7/21/99	8.69	8,100
7/22/99	8.81	15,800
7/23/99	9.13	18,900
7/26/99	9.13	12,100
7/27/99	9.06	78,600
7/28/99	9.13	16,800
7/29/99	8.81	15,800
7/30/99	9.00	19,100
8/2/99	9.06	7,500
8/3/99	8.94	3,700
8/4/99	8.75	12,100
8/5/99	8.69	4,300
8/6/99	8.63	6,100
8/9/99	8.63	5,800
8/10/99	8.69	11,300
8/11/99	8.56	16,700
8/12/99	8.44	14,700
8/13/99	8.44	14,400
8/16/99	8.38	4,900
8/17/99	8.25	17,700
8/18/99	8.19	7,200
8/19/99	7.94	35,700
8/20/99	7.88	3,000
8/23/99	7.75	16,100
8/24/99	7.63	10,700
8/25/99	7.63	4,400
8/26/99	7.31	17,600
8/27/99	7.38	8,400
8/30/99	7.13	4,000

8/31/99	6.88	7,500
9/1/99	6.75	12,500
9/2/99	6.75	6,000
9/3/99	6.75	1,200
9/7/99	7.00	23,600
9/8/99	7.25	25,100
9/9/99	7.38	12,500
9/10/99	7.25	7,500
9/13/99	7.25	15,600
9/14/99	7.00	4,600
9/15/99	6.75	75,200
9/16/99	6.69	3,000
9/17/99	6.50	12,800
9/20/99	6.44	15,900
9/21/99	6.44	7,100
9/22/99	5.69	55,800
9/23/99	5.94	39,100
9/24/99	5.63	42,000
9/27/99	5.44	16,000
9/28/99	5.25	14,800
9/29/99	4.88	26,600
9/30/99	5.63	31,100
10/1/99	5.38	29,900
10/4/99	5.25	31,100
10/5/99	5.25	1,000
10/6/99	5.25	4,200
10/7/99	5.19	9,300
10/8/99	5.50	17,200
10/11/99	5.63	14,800
10/12/99	5.19	47,600
10/13/99	5.19	13,900
10/14/99	5.00	26,200
10/15/99	5.00	10,800
10/18/99	4.63	23,900
10/19/99	5.13	46,800
10/20/99	5.88	23,100
10/21/99	6.38	26,200
10/22/99	6.75	20,600
10/25/99	7.25	22,600
10/26/99	7.13	27,300
10/27/99	7.00	18,300
10/28/99	5.63	68,100
10/29/99	4.81	89,000
11/1/99	4.25	112,100
11/2/99	4.13	59,700
11/3/99	4.69	53,700
11/4/99	4.56	69,700
11/5/99	4.63	8,800
11/8/99	4.38	39,400
11/9/99	4.31	10,600
11/10/99	4.25	16,700
11/11/99	4.13	7,500
11/12/99	4.00	46,400
11/15/99	3.88	23,500
11/16/99	3.75	46,400
11/17/99	3.75	42,100
11/18/99	3.75	43,300
11/19/99	3.81	29,700
11/22/99	3.56	35,800
11/23/99	3.50	476,800
11/24/99	3.94	44,700
11/26/99	4.19	24,400
11/29/99	4.38	50,400
11/30/99	4.88	79,900
12/1/99	5.00	28,000
12/2/99	5.25	35,100
12/3/99	6.50	68,200
12/6/99	6.13	77,100
12/7/99	6.19	21,100
12/8/99	5.50	64,600
12/9/99	5.50	10,100
12/10/99	5.44	20,500
12/13/99	5.38	10,500
12/14/99	5.13	31,300
12/15/99	5.00	5,600
12/16/99	4.31	33,400
12/17/99	4.25	95,700
12/20/99	4.06	32,500
12/21/99	4.00	55,600
12/22/99	3.94	65,400
12/23/99	4.00	28,600
12/27/99	3.94	58,000
12/28/99	4.13	62,700
12/29/99	4.25	27,000
12/30/99	4.31	44,900

12/31/99	4.25	45,000
1/3/00	4.69	17,900
1/4/00	5.19	31,400
1/5/00	5.06	11,300
1/6/00	5.38	35,600
1/7/00	5.25	12,000
1/10/00	5.44	21,600
1/11/00	5.75	21,000
1/12/00	5.81	2,300
1/13/00	5.69	12,200
1/14/00	5.75	14,200
1/18/00	5.88	23,600
1/19/00	6.25	11,100
1/20/00	5.75	45,100
1/21/00	5.44	13,600
1/24/00	5.31	34,100
1/25/00	4.81	42,900
1/26/00	4.50	32,500
1/27/00	5.13	23,800
1/28/00	5.00	11,800
1/31/00	5.00	30,400
2/1/00	5.19	27,600
2/2/00	5.31	5,300
2/3/00	5.00	15,500
2/4/00	5.13	14,400
2/7/00	5.38	3,500
2/8/00	5.13	3,900
2/9/00	5.06	5,700
2/10/00	5.88	110,800
2/11/00	5.69	56,000
2/14/00	5.63	32,900
2/15/00	5.38	12,400
2/16/00	5.38	21,200
2/17/00	5.44	7,600
2/18/00	5.31	9,600
2/22/00	5.25	3,500
2/23/00	5.19	3,700
2/24/00	5.13	2,100
2/25/00	5.00	2,300
2/28/00	4.94	4,300
2/29/00	5.00	1,000
3/1/00	5.00	3,500
3/2/00	5.13	18,400
3/3/00	5.44	31,900
3/6/00	5.25	5,800
3/7/00	5.38	5,700
3/8/00	5.38	6,400
3/9/00	5.31	6,300
3/10/00	5.06	20,900
3/13/00	4.69	23,000
3/14/00	4.69	5,200
3/15/00	4.63	10,200
3/16/00	4.56	2,500
3/17/00	4.63	25,600
3/20/00	4.88	23,300
3/21/00	5.13	13,400
3/22/00	4.88	4,700
3/23/00	4.69	21,900
3/24/00	4.75	4,200
3/27/00	4.75	12,400
3/28/00	4.75	1,500
3/29/00	4.69	6,500
3/30/00	4.63	10,300
3/31/00	4.63	300
4/3/00	4.63	2,500
4/4/00	4.50	13,500
4/5/00	4.50	4,900
4/6/00	4.25	24,500
4/7/00	4.44	2,000
4/10/00	4.75	8,300
4/11/00	4.69	1,000
4/12/00	4.69	5,700
4/13/00	4.75	7,700
4/14/00	4.69	5,800
4/17/00	4.38	10,800
4/18/00	4.38	3,900
4/19/00	4.63	26,100
4/20/00	4.88	30,500
4/24/00	4.81	4,400
4/25/00	4.81	5,500
4/26/00	4.50	10,800
4/27/00	4.69	24,000
4/28/00	4.56	1,500
5/1/00	4.50	6,000
5/2/00	4.50	3,600

5/3/00	4.50	4,700
5/4/00	4.81	12,500
5/5/00	4.69	5,800
5/8/00	4.81	8,100
5/9/00	4.75	7,600
5/10/00	4.56	3,700
5/11/00	4.56	4,000
5/12/00	4.69	4,600
5/15/00	4.75	5,000
5/16/00	4.69	5,200
5/17/00	4.56	5,700
5/18/00	4.75	3,000
5/19/00	4.81	8,100
5/22/00	4.56	3,000
5/23/00	4.38	9,300
5/24/00	4.31	5,900
5/25/00	4.31	2,200
5/26/00	4.44	3,500
5/30/00	4.31	3,700
5/31/00	4.50	8,800
6/1/00	4.38	2,300
6/2/00	4.38	16,700
6/5/00	4.56	3,600
6/6/00	4.44	10,700
6/7/00	4.38	6,100
6/8/00	4.38	6,400
6/9/00	4.44	2,600
6/12/00	4.50	2,800
6/13/00	4.44	3,700
6/14/00	4.44	300
6/15/00	4.44	1,600
6/16/00	4.38	8,300
6/19/00	4.44	3,200
6/20/00	4.44	8,000
6/21/00	4.38	3,300
6/22/00	4.38	36,300
6/23/00	4.88	31,000
6/26/00	4.75	12,700
6/27/00	4.94	4,200
6/28/00	4.94	5,300
6/29/00	5.00	20,200
6/30/00	5.06	45,300
7/3/00	5.06	9,800
7/5/00	5.19	3,700
7/6/00	5.19	11,700
7/7/00	5.19	8,800
7/10/00	5.19	1,700
7/11/00	5.06	1,500
7/12/00	5.06	1,700
7/13/00	5.19	3,100
7/14/00	5.19	800
7/17/00	5.13	5,900
7/18/00	5.19	2,100
7/19/00	5.25	4,000
7/20/00	5.13	8,300
7/21/00	5.13	6,600
7/24/00	5.13	500
7/25/00	5.38	19,000
7/26/00	5.13	8,800
7/27/00	4.94	17,800
7/28/00	4.88	1,000
7/31/00	4.88	6,100
8/1/00	4.88	2,500
8/2/00	4.81	2,700
8/3/00	4.75	2,400
8/4/00	4.69	30,600
8/7/00	4.69	600
8/8/00	4.69	800
8/9/00	4.69	3,500
8/10/00	4.69	2,000
8/11/00	4.69	1,000
8/14/00	4.69	500
8/15/00	4.69	600
8/16/00	4.69	1,100
8/17/00	4.63	2,500
8/18/00	4.69	1,500
8/21/00	4.50	9,000
8/22/00	4.50	5,300
8/23/00	4.50	500
8/24/00	4.50	6,100
8/25/00	4.50	1,600
8/28/00	4.56	100
8/29/00	4.50	2,400
8/30/00	4.50	9,000
8/31/00	4.38	6,900

9/1/00	4.38	6,200
9/5/00	4.31	5,400
9/6/00	4.19	11,500
9/7/00	4.25	2,500
9/8/00	4.25	15,900
9/11/00	4.25	5,400
9/12/00	4.31	3,900
9/13/00	4.38	1,000
9/14/00	4.44	1,900
9/15/00	4.31	1,200
9/18/00	4.25	5,900
9/19/00	4.13	14,500
9/20/00	4.13	3,100
9/21/00	4.13	3,600
9/22/00	4.00	6,900
9/25/00	3.75	22,900
9/26/00	4.00	11,300
9/27/00	3.81	6,700
9/28/00	4.00	2,000
9/29/00	3.94	1,100
10/2/00	3.94	2,100
10/3/00	3.81	6,400
10/4/00	3.81	1,600
10/5/00	3.69	8,300
10/6/00	3.75	1,500
10/9/00	3.75	3,600
10/10/00	3.56	17,700
10/11/00	3.50	25,500
10/12/00	3.44	14,900
10/13/00	3.38	12,000
10/16/00	3.44	1,900
10/17/00	3.25	9,900
10/18/00	3.13	6,600
10/19/00	3.19	9,200
10/20/00	3.00	45,900
10/23/00	3.00	13,800
10/24/00	3.00	58,400
10/25/00	2.94	318,200
10/26/00	3.00	1,500
10/27/00	3.00	8,700
10/30/00	3.13	500
10/31/00	3.00	3,300
11/1/00	3.00	100
11/2/00	3.13	6,000
11/3/00	3.19	2,500
11/6/00	3.00	7,000
11/7/00	3.13	10,800
11/8/00	3.06	6,700
11/9/00	3.31	6,200
11/10/00	3.25	7,100
11/13/00	3.13	5,400
11/14/00	3.13	1,700
11/15/00	3.06	22,300
11/16/00	3.00	15,800
11/17/00	3.13	15,000
11/20/00	3.63	15,200
11/21/00	3.56	10,900
11/22/00	3.50	22,800
11/24/00	3.38	4,700
11/27/00	3.06	22,000
11/28/00	3.13	12,100
11/29/00	3.13	5,400
11/30/00	3.19	15,900
12/1/00	3.06	14,300
12/4/00	2.94	14,800
12/5/00	3.00	85,000
12/6/00	2.88	6,300
12/7/00	3.00	6,600
12/8/00	3.25	38,800
12/11/00	3.38	15,900
12/12/00	3.00	33,900
12/13/00	3.00	3,900
12/14/00	3.00	23,600
12/15/00	3.13	4,100
12/18/00	3.19	29,300
12/19/00	3.19	9,800
12/20/00	3.13	12,300
12/21/00	3.06	8,500
12/22/00	3.06	19,700
12/26/00	3.13	58,200
12/27/00	3.25	22,900
12/28/00	3.06	17,500
12/29/00	3.06	68,600
1/2/01	3.06	3,400
1/3/01	3.13	21,600

1/4/01	3.19	1,800
1/5/01	3.25	9,400
1/8/01	3.25	3,400
1/9/01	3.25	11,600
1/10/01	3.44	15,600
1/11/01	3.44	1,100
1/12/01	3.44	7,500
1/16/01	3.50	8,900
1/17/01	3.38	14,100
1/18/01	3.25	18,000
1/19/01	3.63	27,900
1/22/01	3.69	8,800
1/23/01	3.75	7,000
1/24/01	3.75	200
1/25/01	3.81	5,100
1/26/01	4.06	4,900
1/29/01	4.35	18,500
1/30/01	4.74	37,300
1/31/01	4.76	9,500
2/1/01	4.68	1,800
2/2/01	4.75	2,900
2/5/01	4.75	3,600
2/6/01	4.52	11,400
2/7/01	4.50	4,200
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2/9/01	4.50	5,200
2/12/01	4.30	10,000
2/13/01	4.10	4,400
2/14/01	4.10	400
2/15/01	4.05	2,700
2/16/01	3.68	24,400
2/20/01	3.70	4,200
2/21/01	3.67	500
2/22/01	3.64	3,000
2/23/01	3.70	100
2/26/01	3.70	2,600
2/27/01	3.70	2,400
2/28/01	3.70	600
3/1/01	3.75	8,100
3/2/01	3.70	3,400
3/5/01	3.70	200
3/6/01	3.79	1,600
3/7/01	3.80	2,000
3/8/01	3.78	1,000
3/9/01	3.83	0
3/12/01	3.80	1,700
3/13/01	3.90	4,300
3/14/01	3.90	1,300
3/15/01	3.90	6,000
3/16/01	3.85	1,400
3/19/01	3.85	200
3/20/01	3.85	100
3/21/01	3.85	200
3/22/01	3.75	4,000
3/23/01	3.75	2,300
3/26/01	3.70	3,500
3/27/01	3.74	2,000
3/28/01	3.90	4,600
3/29/01	3.80	1,400
3/30/01	4.00	6,200
4/2/01	3.90	1,600
4/3/01	4.00	14,600
4/4/01	4.00	2,700
4/5/01	3.85	1,700
4/6/01	3.98	7,000
4/9/01	4.00	25,500
4/10/01	4.10	48,200
4/11/01	4.03	300
4/12/01	3.94	1,600
4/16/01	4.02	800
4/17/01	3.91	500
4/18/01	3.90	9,200
4/19/01	3.90	3,100

</TABLE>

INDEXED PRICES
Apr 18, 1999 - Apr 19, 2001

[LINE GRAPH]

<TABLE>
<CAPTION>

DATE ----	SDP ---	S&P500 -----	PEER GROUP -----
<S>	<C>	<C>	<C>
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4/19/99	105.22	97.76	101.78
4/20/99	106.09	99.03	100.88
4/21/99	108.26	101.30	100.17
4/22/99	106.09	103.02	99.29
4/23/99	104.35	102.87	99.41
4/26/99	106.09	103.11	100.61
4/27/99	108.70	103.32	100.64
4/28/99	104.35	102.42	101.87
4/29/99	106.96	101.81	94.41
4/30/99	112.17	101.23	95.82
5/3/99	113.04	102.70	101.16
5/4/99	112.17	100.99	99.42
5/5/99	110.43	102.15	99.83
5/6/99	106.96	100.99	100.39
5/7/99	106.96	101.97	101.04
5/10/99	111.30	101.61	101.11
5/11/99	112.17	102.78	102.60
5/12/99	113.04	103.41	103.06
5/13/99	113.48	103.68	103.09
5/14/99	111.30	101.43	101.84
5/17/99	110.43	101.55	101.95
5/18/99	107.83	101.09	102.18
5/19/99	106.96	101.91	102.42
5/20/99	107.39	101.50	102.58
5/21/99	106.96	100.86	103.25
5/24/99	105.22	99.06	103.63
5/25/99	100.00	97.38	103.68
5/26/99	99.57	98.92	104.63
5/27/99	99.13	97.15	105.43
5/28/99	99.13	98.70	106.30
6/1/99	101.74	98.12	108.07
6/2/99	99.13	98.17	107.70
6/3/99	100.00	98.52	107.47
6/4/99	98.26	100.66	107.72
6/7/99	100.87	101.18	109.62
6/8/99	100.43	99.87	109.62
6/9/99	100.87	99.97	107.57
6/10/99	99.13	98.77	107.61
6/11/99	100.87	98.08	106.93
6/14/99	98.26	98.10	107.61
6/15/99	97.83	98.65	107.85
6/16/99	98.26	100.87	108.60
6/17/99	100.87	101.58	110.31
6/18/99	100.87	101.81	108.22
6/21/99	100.00	102.27	110.30
6/22/99	96.96	101.28	110.21
6/23/99	95.65	101.07	107.70
6/24/99	90.87	99.76	107.00
6/25/99	91.30	99.72	107.28
6/28/99	89.57	100.94	108.22
6/29/99	89.13	102.46	107.13
6/30/99	90.00	104.07	109.27
7/1/99	76.52	104.70	108.07
7/2/99	75.65	105.48	111.38
7/6/99	75.22	105.24	109.97
7/7/99	72.61	105.83	109.93
7/8/99	67.83	105.72	110.17
7/9/99	67.39	106.39	109.95
7/12/99	65.65	106.07	110.46
7/13/99	60.00	105.65	108.61
7/14/99	56.09	106.00	107.39
7/15/99	58.70	106.87	107.43
7/16/99	60.00	107.56	106.86
7/19/99	60.00	106.72	106.26
7/20/99	60.43	104.40	105.24
7/21/99	60.43	104.57	105.15
7/22/99	61.30	103.18	104.12
7/23/99	63.48	102.88	103.26

7/26/99	63.48	102.18	103.92
7/27/99	63.04	103.32	104.66
7/28/99	63.48	103.52	102.05
7/29/99	61.30	101.67	99.75
7/30/99	62.61	100.74	97.60
8/2/99	63.04	100.69	97.97
8/3/99	62.17	100.24	97.79
8/4/99	60.87	98.96	95.86
8/5/99	60.43	99.60	94.63
8/6/99	60.00	98.58	94.13
8/9/99	60.00	98.39	93.53
8/10/99	60.43	97.15	91.34
8/11/99	59.57	98.71	92.56
8/12/99	58.70	98.42	91.22
8/13/99	58.70	100.66	92.26
8/16/99	58.26	100.89	93.04
8/17/99	57.39	101.91	93.09
8/18/99	56.96	101.05	92.97
8/19/99	55.22	100.35	91.59
8/20/99	54.78	101.34	92.37
8/23/99	53.91	103.13	92.75
8/24/99	53.04	103.37	92.60
8/25/99	53.04	104.76	93.57
8/26/99	50.87	103.26	93.76
8/27/99	51.30	102.22	92.62
8/30/99	49.57	100.38	92.14
8/31/99	47.83	100.11	92.66
9/1/99	46.96	100.92	92.84
9/2/99	46.96	100.01	91.75
9/3/99	46.96	102.90	93.81
9/7/99	48.70	102.38	93.85
9/8/99	50.43	101.91	93.76
9/9/99	51.30	102.17	93.46
9/10/99	50.43	102.48	92.40
9/13/99	50.43	101.91	92.47
9/14/99	48.70	101.31	90.42
9/15/99	46.96	99.92	90.38
9/16/99	46.52	99.96	90.22
9/17/99	45.22	101.24	88.76
9/20/99	44.78	101.25	88.18
9/21/99	44.78	99.13	86.48
9/22/99	39.57	99.36	88.25
9/23/99	41.30	97.07	86.74
9/24/99	39.13	96.84	86.95
9/27/99	37.83	97.29	86.84
9/28/99	36.52	97.21	85.59
9/29/99	33.91	96.16	85.81
9/30/99	39.13	97.25	87.58
10/1/99	37.39	97.26	86.51
10/4/99	36.52	98.91	86.80
10/5/99	36.52	98.66	86.19
10/6/99	36.52	100.49	87.79
10/7/99	36.09	99.90	87.06
10/8/99	38.26	101.29	88.83
10/11/99	39.13	101.23	88.91
10/12/99	36.09	99.55	85.45
10/13/99	36.09	97.46	83.96
10/14/99	34.78	97.30	84.75
10/15/99	34.78	94.57	83.51
10/18/99	32.17	95.08	81.76
10/19/99	35.65	95.63	82.33
10/20/99	40.87	97.76	83.17
10/21/99	44.35	97.32	83.21
10/22/99	46.96	98.68	84.98
10/25/99	50.43	98.08	85.15
10/26/99	49.57	97.19	84.23
10/27/99	48.70	98.31	84.96
10/28/99	39.13	101.78	85.97
10/29/99	33.48	103.33	86.26
11/1/99	29.57	102.66	86.68
11/2/99	28.70	102.18	88.13
11/3/99	32.61	102.72	86.57
11/4/99	31.74	103.31	87.11
11/5/99	32.17	103.88	88.74
11/8/99	30.43	104.40	87.68
11/9/99	30.00	103.51	87.88
11/10/99	29.57	104.13	87.63
11/11/99	28.70	104.74	87.93
11/12/99	27.83	105.84	87.23
11/15/99	26.96	105.72	87.02
11/16/99	26.09	107.66	89.09
11/17/99	26.09	106.95	87.87
11/18/99	26.09	108.03	86.98
11/19/99	26.52	107.81	86.67
11/22/99	24.78	107.73	87.10

11/23/99	24.35	106.49	86.03
11/24/99	27.39	107.44	86.62
11/26/99	29.13	107.40	84.59
11/29/99	30.43	106.73	84.68
11/30/99	33.91	105.30	85.42
12/1/99	34.78	105.97	84.71
12/2/99	36.52	106.83	84.87
12/3/99	45.22	108.67	84.81
12/6/99	42.61	107.91	85.64
12/7/99	43.04	106.84	84.97
12/8/99	38.26	106.44	84.87
12/9/99	38.26	106.76	83.26
12/10/99	37.83	107.43	83.51
12/13/99	37.39	107.29	83.36
12/14/99	35.65	106.38	80.98
12/15/99	34.78	107.15	79.74
12/16/99	30.00	107.56	79.16
12/17/99	29.57	107.74	78.76
12/20/99	28.26	107.51	77.88
12/21/99	27.83	108.68	77.28
12/22/99	27.39	108.88	79.11
12/23/99	27.83	110.56	79.43
12/27/99	27.39	110.47	79.47
12/28/99	28.70	110.51	81.91
12/29/99	29.57	110.95	81.50
12/30/99	30.00	111.03	81.34
12/31/99	29.57	111.39	82.40
1/3/00	32.61	110.33	80.18
1/4/00	36.09	106.10	78.71
1/5/00	35.22	106.30	78.02
1/6/00	37.39	106.40	77.82
1/7/00	36.52	109.29	81.80
1/10/00	37.83	110.51	80.55
1/11/00	40.00	109.06	79.01
1/12/00	40.43	108.59	78.44
1/13/00	39.57	109.91	80.40
1/14/00	40.00	111.08	80.11
1/18/00	40.87	110.32	80.35
1/19/00	43.48	110.38	81.24
1/20/00	40.00	109.60	79.30
1/21/00	37.83	109.28	79.26
1/24/00	36.96	106.26	78.76
1/25/00	33.48	106.90	77.93
1/26/00	31.30	106.45	76.58
1/27/00	35.65	106.03	76.15
1/28/00	34.78	103.12	75.51
1/31/00	34.78	105.72	78.45
2/1/00	36.09	106.84	75.97
2/2/00	36.96	106.83	76.06
2/3/00	34.78	108.03	76.89
2/4/00	35.65	107.99	76.35
2/7/00	37.39	107.98	77.59
2/8/00	35.65	109.31	77.16
2/9/00	35.22	107.03	75.96
2/10/00	40.87	107.42	75.68
2/11/00	39.57	105.16	73.88
2/14/00	39.13	105.38	75.04
2/15/00	37.39	106.30	75.62
2/16/00	37.39	105.21	75.22
2/17/00	37.83	105.25	75.16
2/18/00	36.96	102.05	75.03
2/22/00	36.52	102.51	75.36
2/23/00	36.09	103.16	74.38
2/24/00	35.65	102.61	73.76
2/25/00	34.78	101.09	73.57
2/28/00	34.35	102.20	74.21
2/29/00	34.78	103.60	76.31
3/1/00	34.78	104.56	74.48
3/2/00	35.65	104.76	74.20
3/3/00	37.83	106.84	74.09
3/6/00	36.52	105.48	72.24
3/7/00	37.39	102.78	69.16
3/8/00	37.39	103.62	70.42
3/9/00	36.96	106.27	69.98
3/10/00	35.22	105.77	70.05
3/13/00	32.61	104.90	71.09
3/14/00	32.61	103.04	69.12
3/15/00	32.17	105.55	72.93
3/16/00	31.74	110.57	77.14
3/17/00	32.17	111.03	78.06
3/20/00	33.91	110.43	77.03
3/21/00	35.65	113.26	77.19
3/22/00	33.91	113.77	77.29
3/23/00	32.61	115.80	78.62
3/24/00	33.04	115.80	76.95

3/27/00	33.04	115.53	77.58
3/28/00	33.04	114.31	76.63
3/29/00	32.61	114.37	76.40
3/30/00	32.17	112.81	76.93
3/31/00	32.17	113.61	77.71
4/3/00	32.17	114.18	79.09
4/4/00	31.30	113.32	79.14
4/5/00	31.30	112.77	79.82
4/6/00	29.57	113.82	80.59
4/7/00	30.87	114.96	79.02
4/10/00	33.04	114.06	79.86
4/11/00	32.61	113.77	82.06
4/12/00	32.61	111.23	80.79
4/13/00	33.04	109.21	80.37
4/14/00	32.61	102.85	77.86
4/17/00	30.43	106.25	79.70
4/18/00	30.43	109.30	80.69
4/19/00	32.17	108.22	80.47
4/20/00	33.91	108.76	80.69
4/24/00	33.48	108.40	81.72
4/25/00	33.48	112.01	84.83
4/26/00	31.30	110.76	85.30
4/27/00	32.61	111.06	84.38
4/28/00	31.74	110.12	85.34
5/1/00	31.30	111.32	86.23
5/2/00	31.30	109.65	85.34
5/3/00	31.30	107.29	84.65
5/4/00	33.48	106.87	84.60
5/5/00	32.61	108.61	83.50
5/8/00	33.48	107.97	84.15
5/9/00	33.04	107.06	83.72
5/10/00	31.74	104.86	82.75
5/11/00	31.74	106.73	83.07
5/12/00	32.61	107.73	82.90
5/15/00	33.04	110.11	82.46
5/16/00	32.61	111.15	83.88
5/17/00	31.74	109.77	81.82
5/18/00	33.04	108.96	81.10
5/19/00	33.48	106.67	80.84
5/22/00	31.74	106.20	80.49
5/23/00	30.43	104.16	80.54
5/24/00	30.00	106.07	81.65
5/25/00	30.00	104.74	80.59
5/26/00	30.87	104.47	78.84
5/30/00	30.00	107.84	79.80
5/31/00	31.30	107.70	78.03
6/1/00	30.43	109.84	79.19
6/2/00	30.43	112.00	79.60
6/5/00	31.74	111.27	79.55
6/6/00	30.87	110.53	78.65
6/7/00	30.43	111.55	76.95
6/8/00	30.43	110.82	76.53
6/9/00	30.87	110.46	76.33
6/12/00	31.30	109.63	76.22
6/13/00	30.87	111.41	76.79
6/14/00	30.87	111.49	77.18
6/15/00	30.87	112.11	75.89
6/16/00	30.43	111.03	74.33
6/19/00	30.87	112.66	73.00
6/20/00	30.87	111.90	71.98
6/21/00	30.43	112.14	71.94
6/22/00	30.43	110.10	71.27
6/23/00	33.91	109.29	71.41
6/26/00	33.04	110.33	71.06
6/27/00	34.35	109.97	71.64
6/28/00	34.35	110.30	71.66
6/29/00	34.78	109.35	70.98
6/30/00	35.22	110.28	69.28
7/3/00	35.22	111.41	71.86
7/5/00	36.09	109.65	71.89
7/6/00	36.09	110.44	72.04
7/7/00	36.09	112.12	73.01
7/10/00	36.09	111.87	73.42
7/11/00	35.22	112.27	74.37
7/12/00	35.22	113.19	74.03
7/13/00	36.09	113.41	74.04
7/14/00	36.09	114.48	74.13
7/17/00	35.65	114.52	72.26
7/18/00	36.09	113.25	72.49
7/19/00	36.52	112.35	71.10
7/20/00	35.65	113.39	70.80
7/21/00	35.65	112.22	70.03
7/24/00	35.65	111.02	71.11
7/25/00	37.39	111.79	70.69
7/26/00	35.65	110.12	71.01

7/27/00	34.35	109.90	70.25
7/28/00	33.91	107.65	69.24
7/31/00	33.91	108.48	69.36
8/1/00	33.91	109.03	69.94
8/2/00	33.48	109.08	70.70
8/3/00	33.04	110.13	69.33
8/4/00	32.61	110.91	70.05
8/7/00	32.61	112.15	70.22
8/8/00	32.61	112.42	71.07
8/9/00	32.61	111.67	71.13
8/10/00	32.61	110.71	71.66
8/11/00	32.61	111.59	72.93
8/14/00	32.61	113.08	73.76
8/15/00	32.61	112.54	72.54
8/16/00	32.61	112.19	72.79
8/17/00	32.17	113.42	72.47
8/18/00	32.61	113.09	72.12
8/21/00	31.30	113.68	72.44
8/22/00	31.30	113.58	72.06
8/23/00	31.30	114.18	71.05
8/24/00	31.30	114.35	71.49
8/25/00	31.30	114.21	71.31
8/28/00	31.74	114.79	70.98
8/29/00	31.30	114.47	70.59
8/30/00	31.30	113.92	70.40
8/31/00	30.43	115.06	70.40
9/1/00	30.43	115.30	69.79
9/5/00	30.00	114.26	71.10
9/6/00	29.13	113.13	71.70
9/7/00	29.57	113.91	71.45
9/8/00	29.57	113.31	70.77
9/11/00	29.57	112.91	71.55
9/12/00	30.00	112.36	71.32
9/13/00	30.43	112.58	70.70
9/14/00	30.87	112.27	68.76
9/15/00	30.00	111.13	67.92
9/18/00	29.57	109.52	66.98
9/19/00	28.70	110.68	65.84
9/20/00	28.70	110.03	65.14
9/21/00	28.70	109.86	65.45
9/22/00	27.83	109.83	65.05
9/25/00	26.09	109.10	64.24
9/26/00	27.83	108.20	64.05
9/27/00	26.52	108.16	64.88
9/28/00	27.83	110.56	65.77
9/29/00	27.39	108.91	65.57
10/2/00	27.39	108.89	64.92
10/3/00	26.52	108.15	66.66
10/4/00	26.52	108.74	66.69
10/5/00	25.65	108.89	67.25
10/6/00	26.09	106.82	66.50
10/9/00	26.09	106.29	66.55
10/10/00	24.78	105.16	66.14
10/11/00	24.35	103.46	66.04
10/12/00	23.91	100.82	65.72
10/13/00	23.48	104.18	66.06
10/16/00	23.91	104.22	65.71
10/17/00	22.61	102.35	65.02
10/18/00	21.74	101.75	64.24
10/19/00	22.17	105.29	66.11
10/20/00	20.87	105.91	65.56
10/23/00	20.87	105.82	65.58
10/24/00	20.87	106.00	66.12
10/25/00	20.43	103.48	65.47
10/26/00	20.87	103.45	65.97
10/27/00	20.87	104.59	65.73
10/30/00	21.74	106.04	67.22
10/31/00	20.87	108.37	70.01
11/1/00	20.87	107.75	69.27
11/2/00	21.74	108.29	69.11
11/3/00	22.17	108.16	69.17
11/6/00	20.87	108.58	69.84
11/7/00	21.74	108.56	69.39
11/8/00	21.30	106.84	69.28
11/9/00	23.04	106.15	68.45
11/10/00	22.61	103.56	64.76
11/13/00	21.74	102.45	65.18
11/14/00	21.74	104.85	65.35
11/15/00	21.30	105.37	65.72
11/16/00	20.87	104.04	65.07
11/17/00	21.74	103.69	65.75
11/20/00	25.22	101.79	64.43
11/21/00	24.78	102.15	63.78
11/22/00	24.35	100.25	63.18
11/24/00	23.48	101.73	64.47

11/27/00	21.30	102.27	65.13
11/28/00	21.74	101.30	63.76
11/29/00	21.74	101.74	64.19
11/30/00	22.17	99.69	63.49
12/1/00	21.30	99.71	64.55
12/4/00	20.43	100.45	66.39
12/5/00	20.87	104.36	66.61
12/6/00	20.00	102.46	65.81
12/7/00	20.87	101.86	66.05
12/8/00	22.61	103.86	66.61
12/11/00	23.48	104.64	67.75
12/12/00	20.87	103.96	69.50
12/13/00	20.87	103.11	69.56
12/14/00	20.87	101.66	69.54
12/15/00	21.74	99.48	69.21
12/18/00	22.17	100.28	70.76
12/19/00	22.17	98.98	73.01
12/20/00	21.74	95.89	72.49
12/21/00	21.30	96.65	75.83
12/22/00	21.30	99.01	78.58
12/26/00	21.74	99.71	79.05
12/27/00	22.61	100.75	82.21
12/28/00	21.30	101.15	82.12
12/29/00	21.30	100.10	82.17
1/2/01	21.30	97.29	82.51
1/3/01	21.74	102.17	84.27
1/4/01	22.17	101.09	84.82
1/5/01	22.61	98.43	83.10
1/8/01	22.61	98.25	82.98
1/9/01	22.61	98.62	83.53
1/10/01	23.91	99.57	82.71
1/11/01	23.91	100.59	81.96
1/12/01	23.91	99.95	82.48
1/16/01	24.35	100.58	81.77
1/17/01	23.48	100.79	81.61
1/18/01	22.61	102.20	80.25
1/19/01	25.22	101.78	80.54
1/22/01	25.65	101.81	80.29
1/23/01	26.09	103.14	79.13
1/24/01	26.09	103.43	79.41
1/25/01	26.52	102.92	79.31
1/26/01	28.26	102.73	78.65
1/29/01	30.26	103.42	78.20
1/30/01	32.97	104.15	78.90
1/31/01	33.11	103.56	79.94
2/1/01	32.56	104.13	79.62
2/2/01	33.04	102.31	79.63
2/5/01	33.04	102.68	80.24
2/6/01	31.44	102.52	81.15
2/7/01	31.30	101.66	82.66
2/8/01	32.35	101.03	83.00
2/9/01	31.30	99.68	82.71
2/12/01	29.91	100.86	83.50
2/13/01	28.52	99.98	84.33
2/14/01	28.52	99.77	84.08
2/15/01	28.17	100.58	85.01
2/16/01	25.60	98.68	85.12
2/20/01	25.74	96.96	87.16
2/21/01	25.53	95.17	87.31
2/22/01	25.32	94.98	85.76
2/23/01	25.74	94.45	84.32
2/26/01	25.74	96.11	85.58
2/27/01	25.74	95.37	85.05
2/28/01	25.74	94.01	84.41
3/1/01	26.09	94.10	84.50
3/2/01	25.74	93.57	85.12
3/5/01	25.74	94.12	85.72
3/6/01	26.37	95.06	85.72
3/7/01	26.43	95.67	85.42
3/8/01	26.30	95.89	85.67
3/9/01	26.61	93.51	84.65
3/12/01	26.43	89.47	83.60
3/13/01	27.13	90.80	83.24
3/14/01	27.13	88.45	80.96
3/15/01	27.13	88.97	81.89
3/16/01	26.78	87.23	79.93
3/19/01	26.78	88.77	81.05
3/20/01	26.78	86.63	80.71
3/21/01	26.78	85.08	78.40
3/22/01	26.09	84.73	77.92
3/23/01	26.09	86.42	77.23
3/26/01	25.74	87.39	80.10
3/27/01	26.02	89.63	80.83
3/28/01	27.13	87.44	81.17
3/29/01	26.43	87.03	80.23

3/30/01	27.83	87.97	81.21
4/2/01	27.13	86.87	81.51
4/3/01	27.83	83.89	79.55
4/4/01	27.83	83.64	81.33
4/5/01	26.78	87.30	84.07
4/6/01	27.69	85.55	83.33
4/9/01	27.83	86.25	84.25
4/10/01	28.52	88.58	85.85
4/11/01	28.03	88.39	84.06
4/12/01	27.41	89.73	85.09
4/16/01	27.97	89.44	85.95
4/17/01	27.20	90.36	85.97
4/18/01	27.13	93.87	88.48
4/19/01	27.13	95.05	87.30

</TABLE>

JANNEY MONTGOMERY SCOTT
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Recent Stock Price Performance - Last Six Months

STOCK PRICE AND VOLUME ACTIVITY FOR THE LAST SIX MONTHS

[LINE GRAPH AND BAR CHART]

<TABLE>
<CAPTION>

DATE	PRICE	VOLUME	60 DAY TRAILING AVERAGE
----	-----	-----	-----
<S>	<C>	<C>	<C>
10/12/00	3.44	14,900	4.39
10/13/00	3.38	12,000	4.36
10/16/00	3.44	1,900	4.33
10/17/00	3.25	9,900	4.30
10/18/00	3.13	6,600	4.26
10/19/00	3.19	9,200	4.23
10/20/00	3.00	45,900	4.20
10/23/00	3.00	13,800	4.17
10/24/00	3.00	58,400	4.14
10/25/00	2.94	318,200	4.10
10/26/00	3.00	1,500	4.07
10/27/00	3.00	8,700	4.04
10/30/00	3.13	500	4.02
10/31/00	3.00	3,300	3.99
11/1/00	3.00	100	3.96
11/2/00	3.13	6,000	3.94
11/3/00	3.19	2,500	3.91
11/6/00	3.00	7,000	3.88
11/7/00	3.13	10,800	3.86
11/8/00	3.06	6,700	3.83
11/9/00	3.31	6,200	3.81
11/10/00	3.25	7,100	3.78
11/13/00	3.13	5,400	3.76
11/14/00	3.13	1,700	3.74
11/15/00	3.06	22,300	3.71
11/16/00	3.00	15,800	3.69
11/17/00	3.13	15,000	3.66
11/20/00	3.63	15,200	3.65
11/21/00	3.56	10,900	3.63
11/22/00	3.50	22,800	3.62
11/24/00	3.38	4,700	3.60
11/27/00	3.06	22,000	3.58
11/28/00	3.13	12,100	3.55
11/29/00	3.13	5,400	3.53
11/30/00	3.19	15,900	3.52
12/1/00	3.06	14,300	3.50
12/4/00	2.94	14,800	3.48
12/5/00	3.00	85,000	3.46
12/6/00	2.88	6,300	3.43
12/7/00	3.00	6,600	3.41
12/8/00	3.25	38,800	3.39
12/11/00	3.38	15,900	3.37
12/12/00	3.00	33,900	3.35
12/13/00	3.00	3,900	3.33
12/14/00	3.00	23,600	3.31
12/15/00	3.13	4,100	3.30
12/18/00	3.19	29,300	3.28
12/19/00	3.19	9,800	3.28

12/20/00	3.13	12,300	3.26
12/21/00	3.06	8,500	3.25
12/22/00	3.06	19,700	3.23
12/26/00	3.13	58,200	3.22
12/27/00	3.25	22,900	3.21
12/28/00	3.06	17,500	3.19
12/29/00	3.06	68,600	3.18
1/2/01	3.06	3,400	3.17
1/3/01	3.13	21,600	3.16
1/4/01	3.19	1,800	3.15
1/5/01	3.25	9,400	3.15
1/8/01	3.25	3,400	3.14
1/9/01	3.25	11,600	3.14
1/10/01	3.44	15,600	3.14
1/11/01	3.44	1,100	3.14
1/12/01	3.44	7,500	3.14
1/16/01	3.50	8,900	3.15
1/17/01	3.38	14,100	3.15
1/18/01	3.25	18,000	3.16
1/19/01	3.63	27,900	3.17
1/22/01	3.69	8,800	3.18
1/23/01	3.75	7,000	3.19
1/24/01	3.75	200	3.21
1/25/01	3.81	5,100	3.22
1/26/01	4.06	4,900	3.23
1/29/01	4.35	18,500	3.26
1/30/01	4.74	37,300	3.29
1/31/01	4.76	9,500	3.31
2/1/01	4.68	1,800	3.34
2/2/01	4.75	2,900	3.37
2/5/01	4.75	3,600	3.39
2/6/01	4.52	11,400	3.42
2/7/01	4.50	4,200	3.44
2/8/01	4.65	8,100	3.46
2/9/01	4.50	5,200	3.48
2/12/01	4.30	10,000	3.50
2/13/01	4.10	4,400	3.52
2/14/01	4.10	400	3.54
2/15/01	4.05	2,700	3.56
2/16/01	3.68	24,400	3.56
2/20/01	3.70	4,200	3.56
2/21/01	3.67	500	3.56
2/22/01	3.64	3,000	3.57
2/23/01	3.70	100	3.58
2/26/01	3.70	2,600	3.59
2/27/01	3.70	2,400	3.60
2/28/01	3.70	600	3.60
3/1/01	3.75	8,100	3.62
3/2/01	3.70	3,400	3.63
3/5/01	3.70	200	3.64
3/6/01	3.79	1,600	3.66
3/7/01	3.80	2,000	3.67
3/8/01	3.78	1,000	3.68
3/9/01	3.83	0	3.68
3/12/01	3.80	1,700	3.70
3/13/01	3.90	4,300	3.71
3/14/01	3.90	1,300	3.73
3/15/01	3.90	6,000	3.74
3/16/01	3.85	1,400	3.75
3/19/01	3.85	200	3.76
3/20/01	3.85	100	3.78
3/21/01	3.85	200	3.79
3/22/01	3.75	4,000	3.80
3/23/01	3.75	2,300	3.81
3/26/01	3.70	3,500	3.82
3/27/01	3.74	2,000	3.83
3/28/01	3.90	4,600	3.84
3/29/01	3.80	1,400	3.86
3/30/01	4.00	6,200	3.87
4/2/01	3.90	1,600	3.88
4/3/01	4.00	14,600	3.89
4/4/01	4.00	2,700	3.91
4/5/01	3.85	1,700	3.92
4/6/01	3.98	7,000	3.93
4/9/01	4.00	25,500	3.94
4/10/01	4.10	48,200	3.95
4/11/01	4.03	300	3.95
4/12/01	3.94	1,600	3.96
4/16/01	4.02	800	3.98
4/17/01	3.91	500	3.98
4/18/01	3.90	9,200	3.99
4/19/01	3.90	3,100	3.99

</TABLE>

Relative Recent Stock Performance - Last Six Months

INDEXED PRICES
Oct 19, 2000 - Apr 19, 2001

[LINE GRAPH]

<TABLE>

<CAPTION>

<S>	DATE	SDP <C>	S&P500 <C>	PEER GROUP <C>
	10/19/00	100.00	100.00	100.00
	10/20/00	94.12	100.59	99.17
	10/23/00	94.12	100.51	99.19
	10/24/00	94.12	100.67	100.01
	10/25/00	92.16	98.28	99.04
	10/26/00	94.12	98.25	99.78
	10/27/00	94.12	99.34	99.43
	10/30/00	98.04	100.71	101.68
	10/31/00	94.12	102.93	105.90
	11/1/00	94.12	102.34	104.77
	11/2/00	98.04	102.85	104.54
	11/3/00	100.00	102.73	104.62
	11/6/00	94.12	103.13	105.64
	11/7/00	98.04	103.10	104.96
	11/8/00	96.08	101.48	104.80
	11/9/00	103.92	100.82	103.53
	11/10/00	101.96	98.36	97.96
	11/13/00	98.04	97.30	98.59
	11/14/00	98.04	99.58	98.85
	11/15/00	96.08	100.08	99.41
	11/16/00	94.12	98.82	98.43
	11/17/00	98.04	98.49	99.46
	11/20/00	113.73	96.68	97.46
	11/21/00	111.76	97.02	96.48
	11/22/00	109.80	95.22	95.57
	11/24/00	105.88	96.62	97.52
	11/27/00	96.08	97.13	98.52
	11/28/00	98.04	96.21	96.45
	11/29/00	98.04	96.63	97.09
	11/30/00	100.00	94.69	96.03
	12/1/00	96.08	94.71	97.64
	12/4/00	92.16	95.41	100.42
	12/5/00	94.12	99.12	100.75
	12/6/00	90.20	97.31	99.54
	12/7/00	94.12	96.74	99.90
	12/8/00	101.96	98.64	100.76
	12/11/00	105.88	99.38	102.48
	12/12/00	94.12	98.73	105.13
	12/13/00	94.12	97.93	105.21
	12/14/00	94.12	96.56	105.18
	12/15/00	98.04	94.48	104.69
	12/18/00	100.00	95.25	107.03
	12/19/00	100.00	94.01	110.44
	12/20/00	98.04	91.07	109.65
	12/21/00	96.08	91.80	114.71
	12/22/00	96.08	94.04	118.86
	12/26/00	98.04	94.70	119.58
	12/27/00	101.96	95.69	124.35
	12/28/00	96.08	96.07	124.21
	12/29/00	96.08	95.07	124.28
	1/2/01	96.08	92.40	124.80
	1/3/01	98.04	97.03	127.47
	1/4/01	100.00	96.01	128.30
	1/5/01	101.96	93.49	125.69
	1/8/01	101.96	93.31	125.52
	1/9/01	101.96	93.67	126.34
	1/10/01	107.84	94.56	125.10
	1/11/01	107.84	95.54	123.98
	1/12/01	107.84	94.93	124.76
	1/16/01	109.80	95.53	123.69
	1/17/01	105.88	95.73	123.45
	1/18/01	101.96	97.06	121.39
	1/19/01	113.73	96.67	121.82

1/22/01	115.69	96.70	121.45
1/23/01	117.65	97.96	119.69
1/24/01	117.65	98.24	120.12
1/25/01	119.61	97.75	119.96
1/26/01	127.45	97.57	118.97
1/29/01	136.47	98.23	118.29
1/30/01	148.71	98.92	119.35
1/31/01	149.33	98.36	120.91
2/1/01	146.82	98.90	120.43
2/2/01	149.02	97.17	120.46
2/5/01	149.02	97.52	121.37
2/6/01	141.80	97.37	122.75
2/7/01	141.18	96.55	125.04
2/8/01	145.88	95.95	125.55
2/9/01	141.18	94.67	125.11
2/12/01	134.90	95.79	126.31
2/13/01	128.63	94.96	127.56
2/14/01	128.63	94.76	127.19
2/15/01	127.06	95.52	128.59
2/16/01	115.45	93.72	128.75
2/20/01	116.08	92.09	131.84
2/21/01	115.14	90.39	132.06
2/22/01	114.20	90.21	129.72
2/23/01	116.08	89.71	127.55
2/26/01	116.08	91.28	129.44
2/27/01	116.08	90.58	128.65
2/28/01	116.08	89.28	127.68
3/1/01	117.65	89.38	127.81
3/2/01	116.08	88.87	128.75
3/5/01	116.08	89.39	129.67
3/6/01	118.90	90.28	129.67
3/7/01	119.22	90.86	129.21
3/8/01	118.59	91.07	129.58
3/9/01	120.00	88.81	128.04
3/12/01	119.22	84.98	126.46
3/13/01	122.35	86.24	125.91
3/14/01	122.35	84.01	122.46
3/15/01	122.35	84.50	123.87
3/16/01	120.78	82.85	120.90
3/19/01	120.78	84.31	122.59
3/20/01	120.78	82.28	122.09
3/21/01	120.78	80.80	118.59
3/22/01	117.65	80.47	117.86
3/23/01	117.65	82.08	116.82
3/26/01	116.08	83.00	121.17
3/27/01	117.33	85.12	122.27
3/28/01	122.35	83.04	122.79
3/29/01	119.22	82.66	121.35
3/30/01	125.49	83.55	122.84
4/2/01	122.35	82.51	123.30
4/3/01	125.49	79.67	120.32
4/4/01	125.49	79.44	123.02
4/5/01	120.78	82.91	127.16
4/6/01	124.86	81.25	126.04
4/9/01	125.49	81.91	127.44
4/10/01	128.63	84.13	129.86
4/11/01	126.43	83.95	127.15
4/12/01	123.61	85.22	128.71
4/16/01	126.12	84.94	130.01
4/17/01	122.67	85.82	130.04
4/18/01	122.35	89.16	133.83
4/19/01	122.35	90.27	132.05

</TABLE>

JANNEY MONTGOMERY SCOTT
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Stock Premium Analysis

-
- - In order to compare Allied's offer price of \$10.25 to comparable transactions, purchase price premiums for transactions with the following characteristics were analyzed:
 - The target company was a publicly traded entity
 - The transaction was completed within the last six months
 - The target company had a market capitalization between \$50 million and \$200 million.
 - - 27 transactions were found, and the average purchase price premium four weeks prior to announcement was approximately 56%. The chart on the following page illustrates the number of transactions that fell within various premium ranges.

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JANNEY MONTGOMERY SCOTT

Stock Premium Analysis

Market Capitalization Between \$50 - \$200 Million

HISTOGRAM FOR PURCHASE PREMIUMS FOUR WEEKS PRIOR TO ANNOUNCEMENT

[BAR CHART]

PURCHASE PREMIUM	NUMBER OF ACQUISITIONS
<10%	6
10 to 25%	4
25 to 50%	3
50 to 75%	8
75 to 100%	2
>100%	4

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JANNEY MONTGOMERY SCOTT

Stock Performance Summary

-
- - Of the 27 transactions analyzed in the Stock Premium Analysis, eight of the target companies had a market capitalization under \$100 million. For those eight transactions, the average purchase price premium was 48%.
 - - The proposed purchase price per share of \$10.25 represents a 163% premium over SunSource's closing price of \$3.90 on April 18th, and a 188% premium over SunSource's average closing price over the past six months of \$3.56.
 - - The stock price performance of both SunSource and its peer group have been trending downward over the past year, a phenomenon that typically does not warrant large purchase price premiums.

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JANNEY MONTGOMERY SCOTT

Stock Price Premium Analysis

<TABLE>
<CAPTION>
SUNSOURCE, INC.

=====

M&A Premium Analysis for the last six months for Public Target Companies w/ a Market Cap between \$50-200 million.

				TRANSACTION	
ANN DATE	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	VALUE (MM)	ENTERPRISE VALUE (MM)

<S>	<C>	<C>	<C>	<C>	<C>
22 Feb 2001	ClinTrials Research, Inc.	Global contract medical research organization.	Inveresk Plc / Indigo Acquisition Corp.	\$110.4	\$110.4
07 Feb 2001	Labtec, Inc. (NEW)	Develops high-technology peripherals and accessories.	Logitech International S.A.	109.3	109.3
11 Dec 2000	Bay Bancshares, Inc.	Holding company for Bayshore National Bank.	SouthTrust Corp.	55.1	55.1
14 Dec 2000	Eldorado Bancshares, Inc.	Holding company.	Zions Bancorporation	169.7	169.7
14 Feb 2001	SierraCities.com, Inc.	Provides comprehensive online financing.	American Express Co.	108.2	108.2
18 Jan 2001	Texoil, Inc.	Acquires, develops oil, gas reserves.	Ocean Energy, Inc.	124.9	124.9
22 Jan 2001	Guest Supply, Inc.	Supplies personal care amenities.	SYSCO Corporation	231.5	231.5
06 Sep 2000	FirstSpartan Financial Corp.	Holding company for First Federal Bank.	BB&T Corp.	137.5	137.5
20 Sep 2000	WesterFed Financial Corp.	Holding company for Western Security Bank.	Glacier Bancorp Inc.	95.1	95.1
14 Nov 2000	Enhance Financial Services Group	Reinsures financial guarantees of municipal and asset-backed debt obligations.	Radian Group Inc.	532.1	532.1
07 Nov 2000	ShowCase Corporation	Provides fully integrated, end-to-end, business intelligence solutions for IBM AS/400 customers.	SPSS Inc.	73.0	55.8
03 Oct 2000	Robinson Nugent, Inc.	Designs, manufactures, and markets electronic connectors, integrated circuit sockets, and cable assemblies.	3M	121.5	121.5
26 Oct 2000	Corsair Communications, Inc.	Provides software solutions.	Lightbridge, Inc.	132.1	132.1
03 Oct 2000	CapRock Communications Corp.	Owns and operates a scalable long-haul fiber network.	McLeodUSA Inc.	556.9	556.9
11 Oct 2000	Cerprobe Corp.	Designs, manufactures and markets products for the high-performance testing of integrated circuits and other microelectronics components.	Kulicke and Soffa Industries, Inc	179.9	179.9

</TABLE>

<TABLE>
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SUNSOURCE, INC.

=====

M&A Premium Analysis for the last six months for Public Target Companies w/ a Market Cap between \$50-200 million.

TARGET PRICE PRIOR

				TO ANNOUNCEMENT		

ANN DATE	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 MONTH	1 WEEK	1 DAY

<S>	<C>	<C>	<C>	<C>	<C>	<C>
22 Feb 2001	ClinTrials Research, Inc.	Global contract medical research organization.	Inveresk Plc / Indigo Acquisition Corp.	\$ 6.00	\$ 6.13	\$ 5.75
07 Feb 2001	Labtec, Inc. (NEW)	Develops high-technology peripherals and accessories.	Logitech International S.A.	6.22	9.88	11.88
11 Dec 2000	Bay Bancshares, Inc.	Holding company for Bayshore National Bank.	SouthTrust Corp.	23.00	22.00	22.00
14 Dec 2000	Eldorado Bancshares, Inc.	Holding company.	Zions Bancorporation	7.88	8.38	8.88
14 Feb 2001	SierraCities.com, Inc.	Provides comprehensive online financing.	American Express Co.	1.75	3.75	4.06
18 Jan 2001	Texoil, Inc.	Acquires, develops oil, gas reserves.	Ocean Energy, Inc.	6.81	7.63	7.56
22 Jan 2001	Guest Supply, Inc.	Supplies personal care amenities.	SYSCO Corporation	16.38	17.38	18.69
06 Sep 2000	FirstSpartan Financial Corp.	Holding company for First Federal Bank.	BB&T Corp.	18.75	20.06	20.38
20 Sep 2000	WesterFed Financial Corp.	Holding company for Western Security Bank.	Glacier Bancorp Inc.	15.63	15.75	15.75
14 Nov 2000	Enhance Financial Services Group	Reinsures financial guarantees of municipal and asset-backed debt obligations.	Radian Group Inc.	12.50	13.56	13.81
07 Nov 2000	ShowCase Corporation	Provides fully integrated, end-to-end, business intelligence solutions for IBM AS/400 customers.	SPSS Inc.	6.75	5.00	5.56
03 Oct 2000	Robinson Nugent, Inc.	Designs, manufactures, and markets electronic connectors, integrated circuit sockets, and cable assemblies.	3M	16.81	15.69	16.63
26 Oct 2000	Corsair Communications, Inc.	Provides software solutions.	Lightbridge, Inc.	9.00	6.91	7.38
03 OCT 2000	CapRock Communications Corp.	Owns and operates a scalable long-haul fiber network.	McLeodUSA Inc.	5.75	5.53	5.06
11 Oct 2000	Cerprobe Corp.	Designs, manufactures and markets products for the high-performance testing of integrated circuits and other microelectronics components.	Kulicke and Soffa Industries, Inc	14.06	14.00	12.75

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SUNSOURCE, INC.
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M&A Premium Analysis for the last six months for Public Target Companies w/ a Market Cap between \$50-200 million.

				PREMIUM (%) PRIOR TO ANNOUNCEMENT		

ANN DATE	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 DAY	1 WEEK	1 MONTH

<S>	<C>	<C>	<C>	<C>	<C>	<C>
22 Feb 2001	ClinTrials Research, Inc.	Global contract medical research organization.	Inveresk Plc / Indigo Acquisition Corp.	4.3	(2.0)	-
07 Feb 2001	Labtec, Inc. (NEW)	Develops high-technology peripherals and accessories.	Logitech International S.A.	42.7	71.6	172.5

11 Dec 2000	Bay Bancshares, Inc.	Holding company for Bayshore National Bank.	SouthTrust Corp.	20.1	20.1	14.9
14 Dec 2000	Eldorado Bancshares, Inc.	Holding company.	Zions Bancorporation	35.0	43.0	52.1
14 Feb 2001	SierraCities.com, Inc.	Provides comprehensive online financing.	American Express Co.	39.8	51.5	224.6
18 Jan 2001	Texoil, Inc.	Acquires, develops oil, gas reserves.	Ocean Energy, Inc.	9.1	8.2	21.1
22 Jan 2001	Guest Supply, Inc.	Supplies personal care amenities.	SYSCO Corporation	39.1	49.6	58.8
06 Sep 2000	FirstSpartan Financial Corp.	Holding company for First Federal Bank.	BB&T Corp.	80.2	83.0	95.8
20 Sep 2000	WesterFed Financial Corp.	Holding company for Western Security Bank.	Glacier Bancorp Inc.	49.1	49.1	50.3
14 Nov 2000	Enhance Financial Services Group	Reinsures financial guarantees of municipal and asset-backed debt obligations.	Radian Group Inc.	(0.2)	1.6	10.2
07 Nov 2000	ShowCase Corporation	Provides fully integrated, end-to-end, business intelligence solutions for IBM AS/400 customers.	SPSS Inc.	22.1	35.8	0.6
03 Oct 2000	Robinson Nugent, Inc.	Designs, manufactures, and markets electronic connectors, integrated circuit sockets, and cable assemblies.	3M	31.1	39.0	29.7
26 Oct 2000	Corsair Communications, Inc.	Provides software solutions.	Lightbridge, Inc.	3.3	10.4	(15.3)
03 Oct 2000	CapRock Communications Corp.	Owns and operates a scalable long-haul fiber network.	McLeodUSA Inc.	13.4	3.8	(0.2)
11 Oct 2000	Cerprobe Corp.	Designs, manufactures and markets products for the high-performance testing of integrated circuits and other microelectronics components.	Kulicke and Soffa Industries, Inc	56.9	42.9	42.2

</TABLE>

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JANNEY MONTGOMERY SCOTT
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Stock Price Premium Analysis

<TABLE>
<CAPTION>
SunSource, Inc.
=====

M&A Premium Analysis for the last six months for Public Target Companies w/ a Market Cap between \$50-200 million.

				TRANSACTION
ENTERPRISE ANN DATE VALUE (MM)	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	VALUE (MM)

<S> <C>	<C>	<C>	<C>	<C>
02 Oct 2000 100.0	Crescendo Pharmaceuticals Corp.	Develops human pharmaceutical products for commercialization, through licensing to ALZA Corporation.	ALZA Corporation	100.0

04 Oct 2000 89.5	Hello Direct Inc.	Develops and markets telephony products and equipment interface solutions to business end users.	GN Store Nord A/S	89.5
11 Aug 2000 85.6	BI, Inc.	Designs, manufactures, assembles, sells & supports electronic monitoring house arrest programs.	Investor Group (Led by Kohlberg & Co. LLC)	85.6
26 Apr 2000 141.5	HMT Technology Corp.	Supplies high-performance thin film disks for high-end, high-end capacity, and removable hard disk drives.	Komag Inc.	141.5
18 Dec 2000 238.3	Donna Karan International, Inc.	Manufactures, retails men's, women's clothing.	LVMH Moet Hennessy Louis Vuitton	238.3
27 Dec 2000 144.8	Drovers Bancshares Corporation	Bank holding company.	Fulton Financial Corp	144.8
27 Nov 2000 143.2	Spacelabs Medical, Inc.	Manufactures, markets healthcare instruments.	Cardiac Science, Inc.	143.2
13 Nov 2000 136.3	MicroTouch Systems, Inc.	Supplies touch and pen sensitive input systems.	3M	136.3
12 Oct 2000 126.6	Lodgian, Inc.	Owns or manages numerous hotels in the United States, Canada, and Europe.	Goldman Sachs Group Inc.	126.6
29 Nov 2000 87.0	First Liberty Bank Corp.	Bank holding company.	Community Bank System, Inc.	87.0
22 Dec 2000 57.6	Southern Mineral Corp.	Explores oil and gas properties.	PetroCorp, Inc.	57.6
21 Sep 2000 48.5	Ridgewood Financial Inc.	A holding company for Ridgewood Savings Bank of New Jersey.	Boiling Springs Bancorp	57.2

</TABLE>

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SunSource, Inc.

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M&A Premium Analysis for the last six months for Public Target Companies w/ a Market Cap between \$50-200 million.

PRIOR	TARGET PRICE	
ANNOUNCEMENT	TO	

ANN DATE WEEK 1 DAY	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 MONTH	1
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
02 Oct 2000 20.06 20.50	Crescendo Pharmaceuticals Corp.	Develops human pharmaceutical products for commercialization, through licensing to ALZA Corporation.	ALZA Corporation	20.75	
04 Oct 2000 11.13	Hello Direct Inc.	Develops and markets telephony products and equipment interface solutions to business end users.	GN Store Nord A/S	10.63	9.97
11 Aug 2000	BI, Inc.	Designs, manufactures, assembles,	Investor Group	5.06	

4.00	4.63		sells & supports electronic monitoring house arrest programs.	(Led by Kohlberg & Co. LLC)		
26 Apr 2000 2.28	HMT Technology Corp. 1.88	Supplies high-performance thin film disks for high-end, high-end capacity, and removable hard disk drives.	Komag Inc.	3.75		
18 Dec 2000 4.81	Donna Karan International, Inc.	Manufactures, retails men's, women's clothing.	LVMH Moet Hennessy Louis Vuitton	5.63		
27 Dec 2000 19.75	Didvers Bancshares Corporation	Bank holding company.	Fulton Financial Corp	14.75	13.25	
27 Nov 2000 13.25	Spacelabs Medical, Inc.	Manufactures, markets healthcare instruments.	Cardiac Science, Inc.	9.94	11.94	
13 Nov 2000 13.50	MicroTouch Systems, Inc.	Supplies touch and pen sensitive input systems.	3M	7.00		
12 Oct 2000 2.88	Lodgian, Inc.	Owns or manages numerous hotels in the United States, Canada, and Europe.	Goldman Sachs Group Inc.	2.69	2.81	
29 Nov 2000 13.25	First Liberty Bank Corp.	Bank holding company.	Community Bank System, Inc.	11.00	13.25	
22 Dec 2000 3.25	Southern Mineral Corp.	Explores oil and gas properties.	PetroCorp, Inc.	3.38		
21 Sep 2000 14.44	Ridgewood Financial Inc.	A holding company for Ridgewood Savings Bank of New Jersey.	Boiling Springs Bancorp	7.50	14.44	

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SunSource, Inc.

M&A Premium Analysis for the last six months for Public Target Companies w/ a Market Cap between \$50-200 million.

				PRIOR	PREMIUM (%)
				ANNOUNCEMENT	TO

ANN DATE 1 MONTH	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 DAY	1 WEEK
<S> <C>	<C>	<C>	<C>	<C>	<C>
02 Oct 2000 (0.3)	Crescendo Pharmaceuticals Corp.	Develops human pharmaceutical products for commercialization, through licensing to ALZA Corporation.	ALZA Corporation	0.9	3.1
04 Oct 2000 54.4	Hello Direct Inc.	Develops and markets telephony products and equipment interface solutions to business end users.	GN Store Nord A/S	47.4	64.5
11 Aug 2000 63.0	BI, Inc.	Designs, manufactures, assembles, sells & supports electronic monitoring house arrest programs.	Investor Group (Led by Kohlberg & Co. LLC)	78.4	106.3
26 Apr 2000 (18.1)	HMT Technology Corp.	Supplies high-performance thin film disks for high-end, high-end	Komag Inc.	63.7	34.6

capacity, and removable hard disk drives.

18 Dec 2000 51.1	Donna Karan International, Inc.	Manufactures, retails men's, women's clothing.	LVMH Moet Hennessy Louis Vuitton	74.4	76.6
27 Dec 2000 92.8	Didvers Bancshares Corporation	Bank holding company.	Fulton Financial Corp	44.0	114.6
27 Nov 2000 50.9	Spacelabs Medical, Inc.	Manufactures, markets healthcare instruments.	Cardiac Science, Inc.	13.2	25.7
13 Nov 2000 200.0	MicroTouch Systems, Inc.	Supplies touch and pen sensitive input systems.	3M	20.9	55.6
12 Oct 2000 67.4	Lodgian, Inc.	Owns or manages numerous hotels in the United States, Canada, and Europe.	Goldman Sachs Group Inc.	56.5	60.0
29 Nov 2000 23.7	First Liberty Bank Corp.	Bank holding company.	Community Bank System, Inc.	2.7	2.7
22 Dec 2000 39.6	Southern Mineral Corp.	Explores oil and gas properties.	PetroCorp, Inc.	50.7	44.9
21 Sep 2000 140.0	Ridgewood Financial Inc.	A holding company for Ridgewood Savings Bank of New Jersey.	Boiling Springs Bancorp	24.7	24.7

</TABLE>

<TABLE>

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Average 56.4	153.5	152.6	10.0	10.6	11.2	34.2	41.5	<C>
Median 50.3	124.9	124.9	7.9	10.0	11.9	35.0	42.9	
Low (18.1)	55.1	48.5	1.8	2.3	1.9	(0.2)	(2.0)	
High 224.6	556.9	556.9	23.0	22.0	22.0	80.2	114.6	

</TABLE>

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OVERVIEW OF ALLIED CAPITAL CORPORATION

JANNEY MONTGOMERY SCOTT

Allied Capital Corporation Overview

- - Allied Capital Corporation ("Allied") is a Washington D.C. based company

that was founded in 1958 and has been public since 1960 (NASDAQ: ALLC.) Its market capitalization is approximately \$1.7 billion; the stock currently trades at a P/E ratio of just over 10 times.

- - Allied is a business development company that provides private investment capital to private and public companies in a variety of industries throughout the U.S. Investment activity is focused in two areas: private finance and commercial real estate finance.
- - Over 70% of Allied's investments are in the private finance sector, and are generally used to fund growth, buyouts, acquisitions, recapitalizations, and bridge financings. Allied's investments typically range in size from \$5 million to \$30 million, and are generally structured as unsecured, subordinated loans with equity features such as warrants or options. Allied also maintains a small portfolio of commercial real estate loans.
- - Allied has recently experienced strong growth driven by strong originations, and management expects the growth to continue in 2001. Also, as Allied continues to shift its mix of assets toward higher-yielding mezzanine investments, higher operating returns are expected.

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JANNEY MONTGOMERY SCOTT
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ALLC - Income Statement Summary

<TABLE>
<CAPTION>

	FOR THE FISCAL YEAR ENDED DECEMBER 31,						
	1997 (1)		1998 (2)		1999		2000
-							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>							
Interest and Dividend Income	\$86,882	89.2%	\$80,281	87.3%	\$121,112	85.8%	\$182,307
86.2%							
Premiums from Loan Dispositions	7,277	7.5%	5,949	6.5%	14,284	10.1%	16,138
7.6%							
Investment Advisory Fees and Other Income	3,246	3.3%	5,696	6.2%	5,744	4.1%	13,144
6.2%							
-							
Total Interest & Related Portfolio Income	97,405	100.0%	91,926	100.0%	141,140	100.0%	211,589
100.0%							
Interest Expense	26,952	27.7%	20,694	22.5%	34,860	24.7%	57,412
27.1%							
Employee Expense	10,258	10.5%	11,829	12.9%	16,136	11.4%	19,842
9.4%							
Administrative Expense	8,970	9.2%	11,921	13.0%	12,350	8.8%	15,435
7.3%							
-							
Total Operating Expenses	46,180	47.4%	44,444	48.3%	63,346	44.9%	92,689
43.8%							
Formula and Cut-off Awards	-	0.0%	7,049	7.7%	6,753	4.8%	6,183
2.9%							
-							
Operating Income Before Gains	51,225	52.6%	40,433	44.0%	71,041	50.3%	112,717
53.3%							
Net Realized Gains	10,704	11.0%	22,541	24.5%	25,391	18.0%	15,523
7.3%							
Net Unrealized Gains	7,209	7.4%	1,079	1.2%	2,138	1.5%	14,861
7.0%							
-							
Total Net Gains	17,913	18.4%	23,620	25.7%	27,529	19.5%	30,384
14.4%							
-							
Net Income before Taxes	69,138	71.0%	64,053	69.7%	98,570	69.8%	143,101
67.6%							
Income tax expense/(benefit)	1,444	1.5%	787	0.9%	-	0.0%	-
0.0%							
-							
Net Income	\$67,694	69.5%	\$63,266	68.8%	\$ 98,570	69.8%	\$143,101

67.6%

	=====	=====	=====	=====
Earnings Per Share - Basic	\$ 1.38	\$ 1.22	\$ 1.65	\$ 1.96
Earnings Per Share - Diluted	\$ 1.37	\$ 1.22	\$ 1.64	\$ 1.95

<TABLE>
<CAPTION>

[REVENUES BAR CHART]

[NET INCOME BAR CHART]

<S>	YEAR	REVENUES	YEAR	NET INCOME
<C>	<C>	<C>	<C>	<C>
	1997	\$ 97,405	1997	\$ 67,694
	1998	\$ 91,926	1998	\$ 63,266
	1999	\$141,140	1999	\$ 98,570
	2000	\$211,589	2000	\$143,101

</TABLE>

- (1) 1997 results have been adjusted to exclude \$5.2 million in merger related expenses
- (2) 1998 results have been adjusted to exclude a \$14.3 million in post-merger gain on securitization of commercial mortgage loans

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JANNEY MONTGOMERY SCOTT

ALLC - Quarterly Results

<TABLE>
<CAPTION>

FOR THE QUARTER ENDED

	12/31/99	3/31/00	6/30/00	9/30/00
12/31/00				
<S>	<C>	<C>	<C>	<C>
<C>	<C>	<C>	<C>	<C>
Interest and Dividend Income	\$35,396	83.7%	\$38,728	88.2%
\$51,762	83.8%		\$42,986	86.0%
Premiums from Loan Dispositions	5,252	12.4%	3,289	7.5%
5,386	8.7%		4,554	9.1%
Investment Advisory Fees and Other Income	1,630	3.9%	1,880	4.3%
4,587	7.4%		2,425	4.9%
Total Interest & Related Portfolio Income	42,278	100.0%	43,897	100.0%
61,735	100.0%		49,965	100.0%
Interest Expense	10,687	25.3%	12,311	28.0%
15,767	25.5%		14,280	28.6%
Employee Expense	4,833	11.4%	4,569	10.4%
5,133	8.3%		5,191	10.4%
Administrative Expense	3,874	9.2%	2,753	6.3%
4,724	7.7%		4,082	8.2%
Total Operating Expenses	19,394	45.9%	19,633	44.7%
25,624	41.5%		23,553	47.1%
Formula and Cut-off Awards	1,565	3.7%	1,691	3.9%
1,386	2.2%		1,712	3.4%
Operating Income Before Gains	21,319	50.4%	22,573	51.4%
34,725	56.2%		24,700	49.4%
Net Realized Gains	8,943	21.2%	2,176	5.0%
(7,572)	-12.3%		12,865	25.7%
Net Unrealized Gains	663	1.6%	4,832	11.0%
15,128	24.5%		(2,775)	-5.6%
Total Net Gains	9,606	22.7%	7,008	16.0%
7,556	12.2%		10,090	20.2%
Net Income before Taxes	30,925	73.1%	29,581	67.4%
42,281	68.5%		34,790	69.6%
Income tax expense/(benefit)	-	0.0%	-	0.0%

-	0.0%								

Net Income		\$30,925	73.1%	\$29,581	67.4%	\$34,790	69.6%	\$36,449	65.1%
\$42,281	68.5%								
=====									
Earnings Per Share - Basic		\$ 0.49		0.45		\$ 0.50		\$ 0.48	
\$ 0.52									
Earnings Per Share - Diluted		\$ 0.49		0.45		\$ 0.50		\$ 0.48	
\$ 0.52									

<TABLE>
<CAPTION>

[REVENUES BAR CHART]

[NET INCOME BAR CHART]

<S>	QUARTER	REVENUES		QUARTER	NET INCOME
	<C>			<C>	
	Dec-99	\$ 42,278		Dec-99	\$ 30,925
	Mar-00	\$ 43,897		Mar-00	\$ 29,581
	Jun-00	\$ 49,965		Jun-00	\$ 34,790
	Sep-00	\$ 55,992		Sep-00	\$ 36,449
	Dec-00	\$ 61,735		Dec-00	\$ 42,281

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JANNEY MONTGOMERY SCOTT
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ALLC - Balance Sheet Data

<TABLE>
<CAPTION>

	12/31/98	12/31/99	12/31/00
	-----	-----	-----
<S>	<C>	<C>	<C>
Portfolio at value:			
Private Finance	\$339,163	\$ 647,040	\$1,282,467
Commercial Real Estate Finance	346,860	520,029	505,534
Small Business Finance	114,251	61,428	-
	-----	-----	-----
Total Portfolio Value	800,274	1,228,497	1,788,001
Cash and Equivalents	25,075	18,155	2,449
Other Assets	30,730	43,386	63,367
	-----	-----	-----
Total Assets	\$856,079	\$1,290,038	\$1,853,817
	=====	=====	=====
Notes Payable and Debentures	239,350	487,350	704,648
Revolving Credit Facilities	95,000	105,500	82,000
Accounts Payable and Other Liabilities	29,612	22,675	30,477
	-----	-----	-----
Total Liabilities	363,962	615,525	817,125
Preferred Stock	7,000	7,000	7,000
Shareholders' Equity	485,117	667,513	1,029,692
	-----	-----	-----
Total Liabilities and Equity	\$856,079	\$1,290,038	\$1,853,817
	=====	=====	=====
Debt/Equity	0.68	0.88	0.76
Debt/Total Capitalization	0.40	0.47	0.43
Return on Assets	7.4%	7.6%	7.7%

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JANNEY MONTGOMERY SCOTT
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ALLC - Stock Performance

Apr 16, 1999 - Apr 19, 2001

[LINE GRAPH]

<TABLE>
<CAPTION>

<S>	DATE <C>	PRICE <C>	VOLUME <C>
	4/16/99	18.06	173,700
	4/19/99	18.13	216,200
	4/20/99	18.00	150,000
	4/21/99	18.00	104,000
	4/22/99	18.00	103,600
	4/23/99	18.06	56,600
	4/26/99	18.13	108,700
	4/27/99	18.38	414,200
	4/28/99	18.19	305,700
	4/29/99	17.94	146,700
	4/30/99	18.00	138,300
	5/3/99	17.88	112,800
	5/4/99	18.00	130,900
	5/5/99	17.69	113,600
	5/6/99	17.44	249,000
	5/7/99	17.56	207,000
	5/10/99	17.44	308,800
	5/11/99	18.69	750,300
	5/12/99	19.25	431,300
	5/13/99	19.00	196,800
	5/14/99	18.88	257,600
	5/17/99	18.94	167,400
	5/18/99	18.91	132,000
	5/19/99	18.75	174,800
	5/20/99	18.94	182,300
	5/21/99	19.13	173,300
	5/24/99	18.75	159,600
	5/25/99	18.63	167,000
	5/26/99	18.75	605,000
	5/27/99	18.50	58,700
	5/28/99	18.63	117,800
	6/1/99	18.75	41,300
	6/2/99	18.25	91,600
	6/3/99	18.81	94,400
	6/4/99	18.94	45,900
	6/7/99	19.00	69,600
	6/8/99	18.94	99,200
	6/9/99	19.19	100,700
	6/10/99	19.06	59,700
	6/11/99	18.81	78,900
	6/14/99	19.25	242,900
	6/15/99	19.56	131,400
	6/16/99	19.38	129,600
	6/17/99	19.50	125,800
	6/18/99	20.38	331,000
	6/21/99	20.69	198,600
	6/22/99	20.88	283,300
	6/23/99	21.50	292,800
	6/24/99	20.75	139,800
	6/25/99	20.63	122,500
	6/28/99	20.13	170,000
	6/29/99	21.38	331,100
	6/30/99	24.00	1,037,500
	7/1/99	23.00	707,700
	7/2/99	22.50	231,300
	7/6/99	23.00	500,400
	7/7/99	22.75	335,600
	7/8/99	22.19	304,400
	7/9/99	22.25	252,000
	7/12/99	22.38	219,100
	7/13/99	21.56	457,100
	7/14/99	22.00	307,100
	7/15/99	22.56	192,100
	7/16/99	22.50	293,500
	7/19/99	22.00	134,100
	7/20/99	22.00	137,900
	7/21/99	22.00	139,700
	7/22/99	22.00	125,900
	7/23/99	21.94	103,700
	7/26/99	21.38	131,900
	7/27/99	22.50	203,700
	7/28/99	22.19	114,600
	7/29/99	23.19	289,000
	7/30/99	22.50	169,600
	8/2/99	22.50	134,700
	8/3/99	22.06	147,700

8/4/99	21.50	119,000
8/5/99	21.13	198,800
8/6/99	20.63	116,000
8/9/99	21.13	182,600
8/10/99	21.63	245,900
8/11/99	22.06	314,800
8/12/99	22.88	354,000
8/13/99	23.25	275,600
8/16/99	23.19	358,300
8/17/99	22.88	298,800
8/18/99	21.75	321,800
8/19/99	21.38	172,500
8/20/99	21.88	172,300
8/23/99	22.56	146,700
8/24/99	22.56	111,700
8/25/99	22.38	134,200
8/26/99	22.25	72,400
8/27/99	22.00	84,500
8/30/99	22.13	264,400
8/31/99	22.59	122,900
9/1/99	22.56	198,100
9/2/99	22.13	159,600
9/3/99	22.06	131,700
9/7/99	22.19	120,400
9/8/99	22.06	214,200
9/9/99	21.59	141,400
9/10/99	21.63	172,300
9/13/99	21.88	174,000
9/14/99	20.88	138,200
9/15/99	20.50	210,300
9/16/99	20.50	226,000
9/17/99	20.94	93,800
9/20/99	21.44	170,900
9/21/99	21.19	166,900
9/22/99	21.75	98,500
9/23/99	20.88	119,300
9/24/99	21.19	90,400
9/27/99	22.13	223,500
9/28/99	21.13	286,900
9/29/99	21.81	87,400
9/30/99	22.44	228,200
10/1/99	22.50	255,700
10/4/99	22.00	166,900
10/5/99	21.75	159,000
10/6/99	23.00	317,100
10/7/99	22.00	244,900
10/8/99	21.88	106,400
10/11/99	21.69	84,100
10/12/99	21.08	100,400
10/13/99	20.81	218,000
10/14/99	20.25	188,500
10/15/99	20.25	384,500
10/18/99	20.25	253,800
10/19/99	20.50	424,900
10/20/99	20.38	306,700
10/21/99	20.00	236,700
10/22/99	19.88	409,100
10/25/99	19.50	428,600
10/26/99	19.50	438,000
10/27/99	19.56	395,500
10/28/99	20.63	386,400
10/29/99	20.06	206,300
11/1/99	19.94	237,300
11/2/99	20.94	219,200
11/3/99	21.25	334,600
11/4/99	20.88	628,100
11/5/99	20.81	388,500
11/8/99	20.38	294,000
11/9/99	20.69	198,500
11/10/99	20.69	148,800
11/11/99	20.81	202,200
11/12/99	20.88	118,400
11/15/99	20.88	157,100
11/16/99	21.00	193,500
11/17/99	20.94	233,700
11/18/99	20.69	142,200
11/19/99	20.50	159,800
11/22/99	20.38	113,100
11/23/99	19.94	146,600
11/24/99	20.19	147,500
11/26/99	19.94	26,200
11/29/99	20.13	152,100
11/30/99	20.25	218,000
12/1/99	20.16	208,800
12/2/99	20.06	157,500

12/3/99	20.13	136,700
12/6/99	19.44	198,000
12/7/99	19.75	148,800
12/8/99	19.69	974,500
12/9/99	19.25	548,900
12/10/99	19.50	560,600
12/13/99	18.81	338,800
12/14/99	18.25	404,900
12/15/99	18.25	557,000
12/16/99	17.38	390,100
12/17/99	18.13	558,400
12/20/99	17.44	262,500
12/21/99	18.56	289,700
12/22/99	17.75	517,200
12/23/99	17.63	433,700
12/27/99	17.44	294,200
12/28/99	17.13	345,800
12/29/99	18.00	325,400
12/30/99	17.75	347,900
12/31/99	18.31	281,900
1/3/00	17.63	450,600
1/4/00	16.75	346,200
1/5/00	16.75	693,800
1/6/00	16.75	367,300
1/7/00	16.44	841,000
1/10/00	16.69	617,200
1/11/00	16.06	598,100
1/12/00	16.38	532,800
1/13/00	17.63	866,900
1/14/00	17.13	518,000
1/18/00	17.75	604,300
1/19/00	17.44	381,800
1/20/00	17.13	495,800
1/21/00	17.13	291,000
1/24/00	16.94	254,800
1/25/00	17.06	217,200
1/26/00	17.31	363,100
1/27/00	17.69	435,400
1/28/00	17.88	329,700
1/31/00	18.50	425,700
2/1/00	18.94	498,500
2/2/00	18.63	216,000
2/3/00	19.31	520,700
2/4/00	19.63	519,000
2/7/00	19.56	423,000
2/8/00	19.69	445,400
2/9/00	18.81	590,900
2/10/00	18.13	357,500
2/11/00	17.69	601,000
2/14/00	17.56	482,600
2/15/00	17.88	376,000
2/16/00	18.50	328,200
2/17/00	18.41	504,600
2/18/00	18.19	268,200
2/22/00	18.44	357,200
2/23/00	18.13	227,100
2/24/00	17.88	232,900
2/25/00	17.88	302,400
2/28/00	17.75	311,300
2/29/00	17.38	456,900
3/1/00	17.94	257,700
3/2/00	17.50	224,700
3/3/00	17.63	263,200
3/6/00	17.25	408,300
3/7/00	16.81	523,800
3/8/00	16.69	1,315,800
3/9/00	17.06	495,400
3/10/00	16.81	421,300
3/13/00	16.56	309,400
3/14/00	16.75	508,000
3/15/00	16.81	272,700
3/16/00	17.94	647,700
3/17/00	17.94	356,200
3/20/00	17.06	197,600
3/21/00	17.56	263,800
3/22/00	17.94	239,700
3/23/00	18.06	267,800
3/24/00	17.88	327,200
3/27/00	17.38	153,200
3/28/00	17.63	241,400
3/29/00	17.19	393,700
3/30/00	17.00	277,700
3/31/00	17.44	314,500
4/3/00	17.69	791,100
4/4/00	17.94	535,500

4/5/00	17.56	544,800
4/6/00	17.63	247,500
4/7/00	17.56	221,500
4/10/00	17.19	344,300
4/11/00	17.44	339,600
4/12/00	17.38	412,400
4/13/00	17.56	381,100
4/14/00	16.56	425,700
4/17/00	17.00	390,100
4/18/00	17.56	382,300
4/19/00	17.13	256,000
4/20/00	17.44	298,900
4/24/00	17.06	213,900
4/25/00	17.50	342,100
4/26/00	17.81	424,200
4/27/00	18.13	482,600
4/28/00	18.69	209,700
5/1/00	18.56	451,300
5/2/00	18.50	306,500
5/3/00	18.06	345,600
5/4/00	17.50	423,500
5/5/00	18.50	219,700
5/8/00	18.31	251,800
5/9/00	17.50	412,700
5/10/00	17.31	616,500
5/11/00	17.50	400,900
5/12/00	17.63	305,300
5/15/00	17.81	373,300
5/16/00	17.81	334,000
5/17/00	17.50	455,800
5/18/00	17.50	426,100
5/19/00	17.31	379,600
5/22/00	17.38	559,700
5/23/00	17.19	357,200
5/24/00	17.31	426,700
5/25/00	17.00	432,700
5/26/00	16.81	401,400
5/30/00	17.00	562,000
5/31/00	17.06	337,700
6/1/00	17.56	300,100
6/2/00	17.63	673,400
6/5/00	17.19	914,700
6/6/00	17.25	574,400
6/7/00	17.06	855,600
6/8/00	17.06	1,393,100
6/9/00	17.00	509,800
6/12/00	17.25	451,400
6/13/00	17.56	640,800
6/14/00	17.44	569,800
6/15/00	17.19	452,300
6/16/00	17.31	574,000
6/19/00	17.31	396,700
6/20/00	17.13	390,000
6/21/00	17.13	304,800
6/22/00	17.00	345,400
6/23/00	17.13	290,400
6/26/00	17.00	249,500
6/27/00	17.25	331,600
6/28/00	17.25	344,500
6/29/00	17.13	370,700
6/30/00	17.00	533,900
7/3/00	17.75	424,900
7/5/00	17.44	235,700
7/6/00	17.75	244,100
7/7/00	17.63	383,900
7/10/00	17.56	341,300
7/11/00	17.56	371,300
7/12/00	17.69	231,500
7/13/00	17.69	265,400
7/14/00	17.56	208,900
7/17/00	17.56	261,500
7/18/00	17.63	326,200
7/19/00	17.56	267,600
7/20/00	17.63	239,100
7/21/00	17.63	249,000
7/24/00	17.69	248,900
7/25/00	18.00	385,700
7/26/00	18.06	342,400
7/27/00	18.00	323,600
7/28/00	18.19	494,400
7/31/00	18.94	622,600
8/1/00	19.00	432,200
8/2/00	19.19	416,200
8/3/00	19.63	468,700
8/4/00	19.63	482,700

8/7/00	19.69	198,600
8/8/00	19.88	223,500
8/9/00	19.63	454,400
8/10/00	19.75	256,300
8/11/00	20.00	337,300
8/14/00	20.06	253,100
8/15/00	19.94	381,700
8/16/00	20.00	188,600
8/17/00	19.81	315,500
8/18/00	19.50	252,300
8/21/00	20.06	258,000
8/22/00	20.13	473,500
8/23/00	20.06	174,600
8/24/00	20.00	268,000
8/25/00	20.00	264,600
8/28/00	20.13	219,400
8/29/00	19.94	250,500
8/30/00	20.06	235,300
8/31/00	20.25	225,700
9/1/00	20.06	252,100
9/5/00	20.00	238,100
9/6/00	20.25	226,900
9/7/00	20.25	229,200
9/8/00	20.38	183,800
9/11/00	20.38	256,100
9/12/00	21.13	381,600
9/13/00	21.00	651,400
9/14/00	20.69	299,800
9/15/00	20.50	316,200
9/18/00	19.69	380,800
9/19/00	20.38	259,900
9/20/00	19.25	529,100
9/21/00	19.75	2,717,500
9/22/00	20.13	766,000
9/25/00	20.19	769,900
9/26/00	20.06	596,900
9/27/00	20.44	743,000
9/28/00	20.75	594,300
9/29/00	20.75	396,700
10/2/00	20.69	440,600
10/3/00	18.50	1,449,600
10/4/00	19.00	933,200
10/5/00	19.56	958,000
10/6/00	19.69	1,068,200
10/9/00	19.88	794,500
10/10/00	19.56	694,100
10/11/00	19.75	312,900
10/12/00	18.81	550,400
10/13/00	19.44	256,200
10/16/00	19.50	315,400
10/17/00	19.38	530,000
10/18/00	19.06	341,300
10/19/00	19.31	247,300
10/20/00	19.50	217,600
10/23/00	18.94	198,300
10/24/00	19.13	457,700
10/25/00	19.31	226,700
10/26/00	19.31	340,500
10/27/00	19.88	401,400
10/30/00	20.38	250,000
10/31/00	20.63	395,200
11/1/00	20.63	275,000
11/2/00	20.56	310,800
11/3/00	20.63	175,800
11/6/00	20.88	266,700
11/7/00	20.13	458,200
11/8/00	20.00	719,800
11/9/00	20.00	388,600
11/10/00	19.56	186,200
11/13/00	19.81	215,700
11/14/00	20.27	299,800
11/15/00	20.31	259,000
11/16/00	20.13	259,900
11/17/00	20.13	288,100
11/20/00	20.19	484,900
11/21/00	20.38	376,100
11/22/00	20.38	266,800
11/24/00	20.31	118,700
11/27/00	20.38	361,600
11/28/00	20.13	195,400
11/29/00	20.13	231,900
11/30/00	20.44	370,300
12/1/00	20.69	388,400
12/4/00	19.81	546,200
12/5/00	20.56	569,500

12/6/00	20.31	258,100
12/7/00	20.38	182,500
12/8/00	21.00	474,400
12/11/00	21.38	480,700
12/12/00	20.94	254,100
12/13/00	20.31	301,500
12/14/00	20.38	200,600
12/15/00	20.56	293,800
12/18/00	20.88	243,000
12/19/00	20.38	261,400
12/20/00	20.00	410,200
12/21/00	20.50	386,000
12/22/00	20.94	259,300
12/26/00	20.94	301,000
12/27/00	21.00	219,100
12/28/00	21.06	417,900
12/29/00	20.88	345,000
1/2/01	20.69	342,800
1/3/01	21.13	954,600
1/4/01	21.19	458,900
1/5/01	21.06	506,400
1/8/01	21.13	294,100
1/9/01	21.31	349,500
1/10/01	22.00	612,200
1/11/01	22.50	471,100
1/12/01	22.25	800,200
1/16/01	22.63	365,000
1/17/01	22.13	322,300
1/18/01	22.06	502,600
1/19/01	22.13	370,100
1/22/01	22.88	534,800
1/23/01	23.00	379,600
1/24/01	23.00	393,100
1/25/01	22.88	465,200
1/26/01	23.00	357,800
1/29/01	23.00	465,600
1/30/01	23.00	413,400
1/31/01	23.06	652,900
2/1/01	23.38	589,700
2/2/01	23.75	321,300
2/5/01	24.00	425,300
2/6/01	24.25	616,300
2/7/01	24.25	590,500
2/8/01	24.25	301,400
2/9/01	24.13	507,900
2/12/01	24.06	392,300
2/13/01	24.19	608,700
2/14/01	23.50	1,057,000
2/15/01	23.63	640,400
2/16/01	23.75	312,400
2/20/01	23.94	435,600
2/21/01	23.69	480,200
2/22/01	23.56	484,100
2/23/01	23.50	512,400
2/26/01	23.75	280,900
2/27/01	24.06	692,000
2/28/01	23.88	446,500
3/1/01	24.00	224,600
3/2/01	24.13	398,100
3/5/01	24.31	225,100
3/6/01	24.63	231,600
3/7/01	24.94	301,800
3/8/01	24.94	347,800
3/9/01	24.81	277,000
3/12/01	23.94	223,500
3/13/01	24.38	311,300
3/14/01	23.38	469,500
3/15/01	23.38	478,100
3/16/01	22.50	445,900
3/19/01	22.88	476,900
3/20/01	22.13	307,500
3/21/01	21.94	546,000
3/22/01	21.19	760,200
3/23/01	22.19	424,400
3/26/01	22.94	237,200
3/27/01	23.13	371,100
3/28/01	22.69	223,700
3/29/01	22.75	453,100
3/30/01	20.13	2,184,900
4/2/01	20.63	1,024,900
4/3/01	21.06	899,600
4/4/01	20.75	1,276,400
4/5/01	21.88	978,500
4/6/01	20.94	595,000
4/9/01	21.60	320,000

4/10/01	21.58	429,200
4/11/01	19.57	1,878,300
4/12/01	20.25	887,500
4/16/01	19.90	723,800
4/17/01	19.88	611,600
4/18/01	19.90	1,240,500
4/19/01	20.04	814,800

</TABLE>

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JANNEY MONTGOMERY SCOTT
=====

ALLC - Shareholder Profile

<TABLE>

<CAPTION>

INSTITUTIONAL INVESTORS (1)	SHARES HELD (000S)	BENEFICIAL OWNERSHIP
-----	-----	-----
<S>	<C>	<C>
Goldman Sachs	2,918	3.4%
Lazard Freres	1,889	2.2%
Franklin Resource	1,817	2.1%
JP Morgan	1,682	2.0%
T Rowe Price	1,419	1.7%
Barclays Global	1,379	1.6%
Fenimore Asset	1,096	1.3%
Managers Fund	743	0.9%
Vanguard Group	733	0.9%
Mellon Bank	728	0.8%
Axe-Houghton	711	0.8%
State Street	642	0.7%
Schroder Investments	629	0.7%
Merrill Lynch	605	0.7%
Commonwealth of PA	572	0.7%
Neuberger & Berman	561	0.7%
Loomis Sayles	523	0.6%
Ashford Capital Management	516	0.6%
Wallace R. Weitz & Co.	501	0.6%
All Other Institutional Investors	11,297	13.2%

	30,960	36.1%

</TABLE>

<TABLE>

<S>	<C>	<C>
INSTITUTIONAL INVESTORS	30,960	36.1%
MANAGEMENT	5,177	6.0%
ESTIMATED RETAIL FLOAT	49,741	57.9%
	-----	-----
TOTAL SHARES OUTSTANDING(3)	85,878	100.0%

</TABLE>

(1) Source: Bloomberg

(2) Source: March 28, 2001 Proxy

(3) Source: Shares outstanding as of March 16, 2001

<TABLE>

<CAPTION>

DIRECTORS AND OFFICERS (2)	SHARES HELD (000S)	BENEFICIAL OWNERSHIP
-----	-----	-----
<S>	<C>	<C>
William L. Walton	1,196	1.4%
Joan M. Sweeney	584	0.7%
G. Cabell Williams, III	583	0.7%
John M. Scheurer	551	0.6%
George C. Williams, Jr.	433	0.5%
Philip A. McNeill	342	0.4%
Guy T. Steuart, II	333	0.4%
Warren K. Montouri	241	0.3%
Thomas H. Westbrook	237	0.3%
Scott S. Binder	190	0.2%
Penni F. Roll	111	0.1%
Samuel B. Guren	103	0.1%
All Other Management	273	0.3%

[PIE CHART]

<TABLE>	
<CAPTION>	
<S>	
Institutional Investors	<C>
Management	36.1%
Estimated Retail Float	6.0%
	57.9%
</TABLE>	

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- -----
SELECTED ALLC RESEARCH REPORTS

JANNEY MONTGOMERY SCOTT
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JANNEY MONTGOMERY SCOTT
I N V E S T M E N T B A N K I N G
Established 1832

Presentation to the
Board of Directors of

[SUNSOURCE LOGO]

June 15, 2001

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6	HISTORICAL STOCK PRICE PERFORMANCE
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1	OVERVIEW OF ALLIED CAPITAL CORPORATION
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---	----------------------------------

INTRODUCTION

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Introduction - Background

- SunSource, Inc. ("SunSource" or the "Company") has for some time been evaluating various alternatives to enhance shareholder value.
- Recently, SunSource was approached by Allied Capital Corporation ("Allied") regarding a possible business combination. Allied has proposed a stock for stock merger offering shares of Allied common stock for each share of SunSource common stock (the "Transaction"). The Transaction is valued at \$10.375 per share, subject to certain adjustments. Outstanding options and warrants would vest at closing in accordance with their terms, and the Company's indebtedness and trust preferred securities would remain outstanding.
- The following presentation to the Board of Directors of SunSource (the "Board") provides background to our opinion as to the fairness, from a financial point of view, of the proposed Transaction with Allied.

Introduction - Two Types of Value

- Equity Value: The value of an ownership interest, e.g. in a corporation, the value of its common stock.
- Enterprise Value: The value of the entire entity, i.e. equity value plus net debt.

[ENTERPRISE VALUE PIE CHART]

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Transaction Value

<TABLE>

<CAPTION>

CALCULATION OF TRANSACTION'S EQUITY VALUE:

	NUMBER OF SHARES OUTSTANDING	STRIKE PROCEEDS	NUMBER OF DILUTED SHARES (1)	CONSIDERATION PAID@ \$10.375
--	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Common Shares	6,889,844	\$ -	6,889,844	\$ 71,482,132
Options (2)	591,000	2,453,313	354,536	3,678,313
Warrants (3)	285,000	2,850	284,725	2,954,025
--	-----	-----	-----	-----
Total	7,765,844	\$ 2,456,163	7,529,105	78,114,469

</TABLE>

<TABLE>

<CAPTION>

CALCULATION OF TRANSACTION'S ENTERPRISE VALUE:

(dollars in thousands)	AS OF 5/31/01
<S>	<C>
Revolving Credit Line	\$ 73,494,000
Senior Secured Term Loan	2,375,000
Subordinated Notes (4)	41,362,000
Trust Preferred Securities	105,446,000
Less: Cash (5)	(2,382,000)
Net Debt	\$ 220,295,000
Equity Value	78,114,469
Total Enterprise Value	\$ 298,409,469

</TABLE>

- (1) Treasury method used to calculate resulting diluted shares outstanding from options and warrants.
- (2) Includes in-the-money options only; please refer to the following page for calculation.
- (3) Strike proceeds on Allied warrants assume a price of \$0.01 per share.
- (4) Subordinated debt includes \$29.2 million owed to Allied and \$12.2 million owed to Warburg.

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Introduction - Options Outstanding

<TABLE>

<CAPTION>

OPTION OR INCENTIVE PLAN	OPTIONS OUTSTANDING (1)	EXERCISE PRICE	STRIKE PROCEEDS (2)
-----	-----	-----	-----

<S>	<C>	<C>	<C>
1998 Plan:			

1998 Grant	77,500	\$ 18.813	\$ -
	10,000	18.875	
	90,000	15.991	-
1999 Grant	90,000	18.375	-
1999 Plan:			

1999 Grant	210,500	15.000	-
	50,000	15.625	-
	42,500	12.750	-
2000 Grant	293,500	4.500	1,320,750
	22,500	3.825	86,063
	40,000	3.000	120,000
2001 Grant	212,500	4.000	850,000
	22,500	3.400	76,500

			\$ 2,453,313
			=====

</TABLE>

(1) As of May 29, 2001

(2) Equals options outstanding times the exercise price.

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=====

Introduction - Valuation Methodologies

- In analyzing whether or not the consideration to be received is fair to shareholders from a financial point of view, reference is often made to three widely accepted valuation methodologies:
 - COMPARABLE COMPANY ANALYSIS - looks at the financial and stock market performance of comparable publicly traded companies
 - COMPARABLE TRANSACTION ANALYSIS - looks at the multiples and premiums at which comparable mergers and acquisitions have taken place
 - DISCOUNTED CASH FLOW ANALYSIS - looks at a company's ability to generate future free cash flow

These three methodologies are applied, as appropriate, to a Company's historical and projected financial results.

- In addition, a review of a Company's Historical Stock Price Performance and the Stock Price Premium offered in a proposed transaction are relevant as background information in evaluating a proposal.
- The results of these analyses provide the principal support for a fairness opinion. However, other factors and analyses are considered, including ones not purely "mathematical" in nature.

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Approach to Valuation

- In evaluating the best approach to analyze SunSource, three items stand out:
 - First, the Company operates not just one business, but rather is comprised of three distinct entities: Kar Products ("Kar"); SunSource Technology Services ("STS"); and The Hillman Group ("Hillman")

STS and Hillman are wholly-owned by SunSource, while the Company retains a 44% interest in Kar and accounts for its investment under the equity method.
 - Second, the Company's recent reported financial results have been impacted by the numerous acquisitions and divestitures completed during 2000:
 - Sale of Kar (March)
 - Purchase of Brafasco (October)
 - Purchase of Axxess (April)
 - Purchase of Sharon-Philstone

(November)

- Sale of Harding Glass (April)
- Liquidation of Mexico Int. Supp. (Ongoing)

- Third, SunSource's outstanding debt and trust preferred securities are obligations of the Company as a whole, rather than obligations of Kar, STS or Hillman.

- As a result, we believe the most appropriate approach to valuing the Company is to analyze SunSource (i) from a "sum of the parts" perspective, rather than on a consolidated basis; (ii) on a proforma basis, i.e. as if the acquisitions and divestitures were effective as of January 1, 2000; and (iii) on an Enterprise Value rather than Equity Value basis.

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KAR PRODUCTS

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Kar Products - Overview

- Kar Products, Inc. ("Kar") provides personalized, small parts inventory management services to low volume customers. Kar packages and inventories over 40,000 items, the largest category of which is fasteners. Parts are purchased from over 700 regular vendors.
- In March, 2000, the Company raised capital by contributing its Kar operations to a newly formed partnership, G-C Sun Holdings LP ("G-C"), affiliated with Glencoe Capital LLC ("Glencoe"). The Company received \$105 million in cash proceeds from the transaction through repayment of assumed debt, and retained a 49% minority interest in G-C. Glencoe, a private equity firm, obtained a 51% controlling interest.
- After the Brafasco acquisition in October 2000, the Company retained a 44% minority interest in Kar and accounts for its investment under the equity method.
- Pro forma financial results at Kar have generally been solid, but flat over the past several years. 2001 cash flow and earnings are projected to be lower than 2000 results.

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Kar Products - Key Income Statement Items

<TABLE>
<CAPTION>

For the Year Ended December 31,

		Actual			Proforma	(1)	Proforma
(1)	Projected						
(2)	2001	1997	1998	1999	2000		LTM
(in thousands, except per share data)							
<C>	<S>	<C>	<C>	<C>	<C>		<C>
\$ 149,971	Net Revenues	\$ 139,794	\$ 139,746	\$ 142,479	\$ 149,048		\$ 147,297
0.6%	Growth (Decline) in Revenues	N/A	0.0%	2.0%	4.6%		N/A
48,105	Cost of Sales	42,623	42,744	45,641	48,647		
	48,841						
	Gross Profit	97,171	97,002	96,838	100,401		

99,192	101,130				
	Gross Margin	69.5%	69.4%	68.0%	67.4%
67.3%	67.4%				
	Operating Expenses	71,350	71,100	71,967	75,174
77,667					75,087

	Operating Cash Flow (EBITDA)	\$ 25,821	\$ 25,902	\$ 24,871	\$ 25,227
\$ 23,463					\$ 24,105
=====					
	EBITDA Margin	18.5%	18.5%	17.5%	16.9%
16.4%	15.6%				
	Depreciation & Amortization				6,515
7,376	6,450				

	Operating Income (EBIT)				18,712
16,729	17,013				

	Interest (Income)/Expense				11,032
10,665	11,423				

	Profit (Loss) Before Taxes				7,680
6,064	5,590				

	Proforma Income Taxes (3)				3,072
2,426	2,236				

	Proforma Net Income				\$ 4,608
3,638	\$ 3,354				\$
=====					

</TABLE>

- Results thus far in 2001 have been disappointing. Kar's Plan projected Sales and EBITDA of \$38,964 and \$6,513, respectively, for the first quarter; actual results were \$36,370 and \$5,266, respectively. As a result of first quarter performance, Kar is not likely to achieve its original Plan.

- (1) Assumes the acquisition of Brafasco had been consummated on January 1, 2000.
- (2) LTM figures for the period ending March 31, 2001.
- (3) Assumes a tax rate of 40%.

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JANNEY MONTGOMERY SCOTT
=====

Kar Products - Key Balance Sheet Items

<TABLE>
<CAPTION>

		For the Year Ended December 31,		
		Actual		Projected
		2000	MRQ	(1) 2001
		(in thousands, except per share data)		
<S>		<C>		<C>
ASSETS				
<S>				
Current assets:				
Cash and cash equivalents	\$ 1,766	\$ (104)	\$ 1,026	
Accounts receivable, net	19,622	20,226	21,315	
Inventory, net	20,866	20,021	21,071	
Other current assets	1,286	1,536	1,529	
Total current assets	43,540	41,679	44,941	
PP&E, net	7,838	7,718	9,311	
Other tangible assets	200	204	200	
Goodwill	79,885	78,799	75,715	

Deferred finance fees	2,561	2,473	2,123
Total assets	\$ 134,024	\$ 130,873	\$ 132,290
LIABILITIES AND EQUITY			
Current liabilities:			
Accounts payable	\$ 7,140	\$ 5,822	\$ 6,230
Inter-co debt, short-term	(31)	(35)	--
Debt, short-term	7,347	7,585	5,769
Other current liabilities	6,544	5,598	6,989
Total current liabilities	21,000	18,970	18,988
Debt, long-term	93,925	91,612	91,951
Inter-co debt, long-term	--	--	--
Unamortized discount	(4,195)	(4,045)	(3,679)
Other long-term liabilities	760	663	408
Total liabilities	111,490	107,200	107,668
Total partnership equity	22,534	23,673	24,622
Total liabilities and equity	\$ 134,024	\$ 130,873	\$ 132,290

</TABLE>

- Kar is substantially leveraged. Almost \$100 million of total debt as of March 31, 2001 results in a Debt/Equity ratio of over 4 times.

- -----

(1) MRQ figures for the period ended March 31, 2001.

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JANNEY MONTGOMERY SCOTT

Kar Products - Comparable Companies Summary

<TABLE>

<CAPTION>

	LTM (1)	LTM (1)	LTM (1)	2001 (P) (2)
	EBITDA	EBIT	NET INCOME	EPS
<S>	<C>	<C>	<C>	<C>
Barnes Group Inc (B)	\$ 98,128	\$ 60,946	\$ 33,579	N/A
Hughes Supply Inc (HUG)	122,270	89,726	31,904	2.42
Industrial Distr Group Inc (IDG)	11,101	6,009	(1,307)	N/A
Lawson Products (LAWS)	43,431	36,564	24,929	N/A

</TABLE>

<TABLE>

<CAPTION>

	ENTERPRISE VALUE /		EQUITY VALUE /	
	LTM	LTM	LTM	2001 (P)
	EBITDA	EBIT	NET INCOME	NET INCOME
<S>	<C>	<C>	<C>	<C>
Barnes Group Inc (B)	6.4 x	10.4 x	12.8 x	N/A
Hughes Supply Inc (HUG)	7.9 x	10.8 x	15.3 x	11.3 x
Industrial Distr Group Inc (IDG)	6.8 x	12.5 x	NM	N/A
Lawson Products (LAWS)	6.4 x	7.6 x	11.5 x	N/A

</TABLE>

<TABLE>

<CAPTION>

	ENTERPRISE VALUE /		EQUITY VALUE /	
	LTM	LTM	LTM	2001 (P)
	EBITDA	EBIT	NET INCOME	NET INCOME
<S>	<C>	<C>	<C>	<C>
High	7.9 x	12.5 x	15.3 x	N/A
Low	6.4	7.6	11.5	N/A
Median	6.6	10.6	12.8	N/A
Adjusted Average (3)	6.6	10.6	12.8	N/A

</TABLE>

(1) LTM figures for the period ending March 31, 2001.

(2) Represent First Call consensus estimates; Estimates have been

calendarized.

(3) Adjusted to exclude the highest and lowest value before averaging.

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Kar Products - Comparable Companies Analysis

<TABLE>
<CAPTION>

LTM EBITDA: \$ 24,105

	6.0x	6.5x	7.0x
<S>	<C>	<C>	<C>
Enterprise Value	\$ 144,630	\$ 156,683	\$ 168,735
Less: Net Debt	99,197	99,197	99,197
Equity Value	\$ 45,433	\$ 57,486	\$ 69,538

</TABLE>

<TABLE>
<CAPTION>

LTM EBIT: \$ 16,729

	10.0x	10.5x	11.0x
<S>	<C>	<C>	<C>
Enterprise Value	\$ 167,290	\$ 175,655	\$ 184,019
Less: Net Debt	99,197	99,197	99,197
Equity Value	\$ 68,093	\$ 76,458	\$ 84,822

</TABLE>

<TABLE>
<CAPTION>

LTM NET INCOME: \$ 3,638

	12.0x	13.0x	14.0x
<S>	<C>	<C>	<C>
Enterprise Value	N/A	N/A	N/A
Less: Net Debt	N/A	N/A	N/A
Equity Value	\$ 43,661	\$ 47,299	\$ 50,938

</TABLE>

- Applying EBIT, EBITDA and Net Income multiples from comparable public companies to Kar's historical financial results yields a total valuation range of approximately \$45 million to \$70 million.
- However, given that SunSource retains only a 44% interest in Kar, the estimated value range to SunSource is approximately \$20 million to \$30 million

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Kar Products - Illiquidity Discount

- Additionally, the Limited Partnership Agreement governing Kar provides the majority owner of Kar a "call" on SunSource's interest in the event of a change of control of SunSource. The terms of the call provision substantially reduce the marketability of Kar to a third party.
- Other things being equal, an interest in a business is worth less if it is a minority interest and/or if it is not readily marketable. Numerous studies substantiate the application of discounts for lack of marketability. In general, the studies support a discount of 30% to 60%. Given the context and nature of the proposed transaction, an illiquidity discount of 30% to 35% off of the current public multiples that we have identified is warranted.

VALUATION RANGE TO SUNSOURCE: \$15,000 - \$20,000

SUNSOURCE TECHNOLOGY SERVICES

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SunSource Technology Services - Overview

- SunSource Technology Services, Inc. ("STS") provides its customers with systems, parts and engineering services for hydraulic, pneumatic, electronic and related systems.
- STS' operating performance has suffered recently due to a restructuring of its sales force in early 1999 and soft market conditions in 2000.
- STS had operating (EBIT) losses for 1999, 2000 and LTM (1) of (\$5,077), (\$8,481) and (\$8,665), respectively, with a projected operating loss for 2001 of (\$5,050). Net cash flow at STS was a negative (\$2,312) for the first quarter of 2001, and is forecast at a negative (\$8,136) for the full year 2001.
- As a result of STS' historical and projected losses, Comparable Company Analysis and Comparable Transaction Analysis, which generally are based upon multiples of current or next year's projected income or cash flow, would not indicate positive values.
- Viewed in light of STS's ongoing negative cash flow and earnings, Balance Sheet and Discounted Cash Flow Analysis suggest an enterprise value to SunSource in the range of \$20 million to \$25 million.

(1) LTM Figures for the period ending March 31, 2001

STS - Key Income Statement Items

		For the Year Ended December 31,						
		Actual				Projected		
		1999	2000	LTM (1)	2001	2002	2003	
		(in thousands, except per share data)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>								
Net Revenues		\$ 250,392	\$ 228,730	\$ 220,801	\$ 205,000	\$ 224,614	\$ 235,820	\$
247,586	\$ 259,939							
Growth (Decline) in Revenues		N/A	-8.7%	N/A	-10.4%	9.6%	5.0%	
5.0%	5.0%							
Cost of Sales		195,999	176,537	170,346	155,097	168,460	175,686	
183,956	193,134							
Gross Profit		54,393	52,193	50,455	49,903	56,154	60,134	
63,630	66,805							
Gross Margin		21.7%	22.8%	22.9%	24.3%	25.0%	25.5%	
25.7%	25.7%							
Operating Expenses - STS		57,329	58,043	56,532	52,403	55,011	55,448	
55,898	58,687							
Operating Expenses -								
Corporate (2)		2,150	2,150	2,150	2,150	2,150	2,150	
2,150	2,150							

Operating Cash Flow (EBITDA)	(5,086)	(8,000)	(8,227)	(4,650)	(1,007)	2,536	
5,582	5,968						
Operating Income (EBIT)	\$ (7,227)	\$ (10,631)	\$ (10,815)	\$ (7,200)	\$ (3,557)	\$ (14)	\$
3,032	\$ 3,418						

</TABLE>

- First quarter 2001 Sales results did not hit Plan, but the EBITDA Plan was achieved. STS' Plan projected Sales and EBITDA were \$55,513 and \$(411), respectively, for the first quarter; actual results were \$52,928 and \$(422), respectively. Updated forecasts project that break even EBITDA is not likely to occur until 2002

- -----

(1) LTM figures for the period ending March 31, 2001.

(2) Allocation of corporate operating expenses to STS in accordance with 2001 operating plan.

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JANNEY MONTGOMERY SCOTT

Balance Sheet Value - Net Tangible Book

<TABLE>
<CAPTION>

	As of
	3/31/01

<S>	<C>
Assets	
Current Assets:	
Cash and Equivalents	\$ 600
Accounts Receivables, net	24,257
Inventory, net	30,054
Other Current Assets	1,321

Total Current Assets	56,232
Net Fixed Assets	4,439
Goodwill	15,880
Other Assets	1,246

Total Assets	\$77,797
	=====
Liabilities	
Current Liabilities	\$29,952
Long-term Liabilities	565

Total Liabilities	30,517
Equity	47,280

Total Liabilities & Equity	\$77,797
	=====

</TABLE>

- STS's book value is \$47,280
- Adjusting STS' Equity Value by eliminating Goodwill results in a net tangible book value of \$31,400.

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JANNEY MONTGOMERY SCOTT

STS - Discounted Cash Flow Analysis

<TABLE>
<CAPTION>

	PROJECTED				
-	TERMINAL				
		12/31/01	12/31/02	12/31/03	12/31/04
VALUE					12/31/05

<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Sales	\$ 205,000	\$ 224,614	\$ 235,820	\$ 247,586	\$ 259,939
(Delta)in A/R	(5,038)	257	(1,925)	(1,435)	(1,507)

-					
Cash Sales	199,962	224,871	233,895	246,151	258,432
Cost of Goods Sold	155,097	168,460	175,686	183,956	193,134
(Delta)in Inventory	442	(775)	1,974	1,486	1,673
(Delta)in A/P	874	508	(1,295)	(974)	(1,097)

-					
Cash Cost of Goods Sold	156,412	168,193	176,366	184,468	193,710
Cash Gross Profit	43,549	56,678	57,529	61,683	64,722
Operating Expenses	57,103	59,711	60,148	60,598	63,387
Depreciation & Amortization	(2,550)	(2,550)	(2,550)	(2,550)	(2,550)

-					
Cash Operating Expenses	54,553	57,161	57,598	58,048	60,837
Cash Operating Income	(11,004)	(483)	(69)	3,635	3,885
Less: 40.0% Pro Forma Tax on Taxable Net Income (3)	--	--	--	--	--
Less: Capital Expenditures	700	700	700	700	700

-					
Unlevered FCF to Capital Providers	\$ (11,704)	\$ (1,183)	\$ (769)	\$ 2,935	\$ 3,185
\$ 38,791 (2)					
Interest Expense Tax Shield (3)	--	--	--	--	--

<TABLE>

<S>	<C>
NPV of Unlevered FCF (1)	\$ 14,934
Add: NPV of Tax Shields	-
Less: Present Value to Debt Holders	-

Enterprise Value Before Illiquidity Discount	\$ 14,934
Illiquidity and Non-Control Discount	0%
Total Enterprise Value	\$ 14,934
Ownership Percentage	100%
VALUE OF ENTERPRISE INTEREST	\$ 14,934

</TABLE>

<TABLE>

<CAPTION>

EBITDA MULTIPLE RANGE

		5.5x	6.0x	6.5x	7.0x	7.5x

<S>	<C>	<C>	<C>	<C>	<C>	<C>
DISCOUNT	15.0%	\$13,453	\$15,033	\$16,613	\$18,194	\$19,774
	16.0%	\$12,715	\$14,234	\$15,753	\$17,272	\$18,792
FACTOR	17.0%	\$12,012	\$13,473	\$14,934	\$16,395	\$17,856
RANGE	18.0%	\$11,343	\$12,748	\$14,154	\$15,560	\$16,965
	19.0%	\$10,705	\$12,058	\$13,411	\$14,763	\$16,116

</TABLE>

(1) Unlevered Free Cash Flows discounted at 17.0% as of June 15, 2001.

(2) Assumes a terminal value equal to last year EBITDA of \$6.0 million multiplied by an EBITDA multiple of 6 .5x.

(3) Given STS' substantial ongoing losses, it is not projected to incur tax obligations, or receive tax-related benefits, during the forecast period.

The Hillman Group - Overview

- The Hillman Group, Inc. ("Hillman") provides small hardware items and merchandising services to retail outlets through a nationwide sales and service organization. This operating unit includes the business of Axxess Technologies, Inc. ("Axxess"), a manufacturer and marketer of key duplication and identification systems acquired by SunSource in April 2000.
- Hillman is SunSource's largest and strongest business unit. The unit's operating cash flow (EBITDA) in 2000 was approximately \$38 million and is projected to grow to roughly \$45 million in 2001.
- Comparable Company Analysis, Comparable Transaction Analysis, and Discounted Cash Flow Analysis suggest an enterprise value to SunSource in the range of \$230 million to \$270 million.

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JANNEY MONTGOMERY SCOTT

The Hillman Group - Key Income Statement Items

		For the Year Ended December 31,				
		Proforma (1)	Proforma (1)	Projected		
		2000	LTM (2)	2001	2002	2003
2004	2005					
(in thousands, except per share data)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
<C>						
Net Revenues		\$ 239,178	\$ 240,639	\$ 260,038	\$ 292,557	\$ 321,820
347,566	\$ 371,895					
Growth (Decline) in Revenues		3.1%	N/A	8.7%	12.5%	10.0%
8.0%	7.0%					
Cost of Sales		104,512	103,349	114,079	128,462	141,192
152,487	163,161					
Gross Profit		134,667	137,291	145,959	164,095	180,628
195,078	208,734					
Gross Margin		56.3%	57.1%	56.1%	56.1%	56.1%
56.1%	56.1%					
Operating Expenses - Hillman (3)		93,895	94,550	100,902	110,911	121,598
131,166	140,207					
Operating Expenses- Corporate (4)		2,850	2,850	2,850	2,850	2,850
2,850	2,850					
Operating Cash Flow (EBITDA)		\$ 37,922	\$ 39,891	\$ 42,207	\$ 50,334	\$ 56,180
61,062	\$ 65,676					
Operating Income (EBIT)		\$ 25,326	\$ 27,295	\$ 27,903	\$ 37,077	\$ 42,923
47,805	\$ 52,419					

- (1) Assumes the acquisition of Axxess and Sharon-Philstone had been consummated on January 1, 2000.
- (2) LTM figures for the period ending March 31, 2001.
- (3) Assumes \$5 million in cost cutting initiatives undertaken throughout FY2000 were fully realized on January 1, 2000.

- (4) Estimated allocation of corporate operating expenses to Hillman in accordance with 2001 operating plan.

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JANNEY MONTGOMERY SCOTT
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The Hillman Group - Comparable Companies Summary

<TABLE>
<CAPTION>

	LTM (1) EBITDA -----	LTM (1) EBIT -----	LTM (1) NET INCOME -----	2001 (P) (2) EPS -----
SERVICE MERCHANTISERS				
<S>	<C>	<C>	<C>	<C>
Central Garden & Pet Co (CENT)	\$60,430	\$30,215	(\$2,681)	N/A
Handleman Co (HDL)	104,983	71,764	42,031	\$ 1.59
Source Information Mgmt Co (SORC)	16,843	11,886	5,834	\$ 0.32
TBC Corporation (TBCC)	56,187	43,578	19,037	\$ 1.02
MROS / FLUID POWER DISTRIBUTORS				
Applied Industrial Tech Inc (AIT)	82,625	60,147	32,198	\$ 1.41
Genuine Parts Co (GPC)	734,327	642,810	382,867	\$ 2.22
Grainger (W W) Inc (GWW)	447,445	344,032	197,348	\$ 2.31
Wesco Intl Inc (WCC)	153,862	126,399	33,417	0.72

</TABLE>

<TABLE>
<CAPTION>

	ENTERPRISE VALUE / -----		EQUITY VALUE / -----	
	LTM EBITDA -----	LTM EBIT -----	LTM NET INCOME -----	2001 (P) NET INCOME -----
SERVICE MERCHANTISERS				
<S>	<C>	<C>	<C>	<C>
Central Garden & Pet Co (CENT)	7.9 x	15.8 x	NM	N/A
Handleman Co (HDL)	4.2 x	6.2 x	10.0 x	9.6 x
Source Information Mgmt Co (SORC)	7.4 x	10.4 x	16.2 x	9.4 x
TBC Corporation (TBCC)	5.9 x	7.5 x	9.4 x	8.2 x
MROS / FLUID POWER DISTRIBUTORS				
Applied Industrial Tech Inc (AIT)	5.5 x	7.5 x	11.3 x	12.2 x
Genuine Parts Co (GPC)	8.0 x	9.2 x	13.1 x	13.0 x
Grainger (W W) Inc (GWW)	9.5 x	12.3 x	20.4 x	18.5 x
Wesco Intl Inc (WCC)	5.7 x	7.0 x	12.7 x	12.3 x

</TABLE>

- (1) LTM figures for the period ending March 31, 2001.
- (2) Represent First Call consensus estimates; Estimates have been calendarized.

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JANNEY MONTGOMERY SCOTT
=====

The Hillman Group - Comparable Companies Analysis

<TABLE>
<CAPTION>

	ENTERPRISE VALUE / -----		EQUITY VALUE / -----	
	LTM EBITDA -----	LTM EBIT -----	LTM NET INCOME -----	2001 (P) NET INCOME -----
<S>	<C>	<C>	<C>	<C>
High	9.5 x	15.8 x	20.4 x	18.5 x
Low	4.2	6.2	9.4	8.2
Median	6.6	8.4	12.7	12.2
Adjusted Average (1)	6.7	9.0	12.7	11.3

</TABLE>

<TABLE>
<CAPTION>

	HILLMAN - ENTERPRISE VALUE		HILLMAN - EQUITY VALUE	
	LTM (2)	LTM (2)	LTM (2)	2001 (P)
	EBITDA	EBIT	NET INCOME	NET INCOME
<S>	<C>	<C>	<C>	<C>
HILLMAN	\$ 39,891	\$ 27,295	N/A	N/A
High	\$ 378,457	\$ 432,007	N/A	N/A
Low	169,065	169,233	N/A	N/A
Median	263,831	228,227	N/A	N/A
Adjusted Average (1)	268,583	245,810	N/A	N/A

- (1) Adjusted to exclude the highest and lowest value before averaging.
- (2) Proforma LTM results for the period ending March 31, 2001.

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JANNEY MONTGOMERY SCOTT

The Hillman Group - Comparable Transactions Summary

DATE EFFECTIVE	BUYER / SELLER	VALUE OF TRANSACTION	LTM EBITDA	LTM EBIT
<S>	<C>	<C>	<C>	<C>
04/07/00	SunSource Inc. / Axxess Technologies	\$110,000	\$17,120	5,583
12/07/99	Honeywell International, Inc. / TriStar Aerospace Co.	258,150	37,611	35,556
04/20/99	The Fairchild Corporation / Kaynar Technologies	222,000	35,623	28,851
03/25/99	TriStar Aerospace Co. / Standard Parts and Equipment Co.	35,200	4,483	4,376
09/04/98	Pentacon / ASI Aerospace Group	87,000	11,442	10,861
07/17/98	Pentacon / Texas International Aviation	17,580	3,089	3,011

<TABLE>
<CAPTION>

DATE EFFECTIVE	BUYER / SELLER	ENTERPRISE VALUE /	
		LTM EBITDA	LTM EBIT
<S>	<C>	<C>	<C>
04/07/00	SunSource Inc. / Axxess Technologies	6.3 x	19.4 x
12/07/99	Honeywell International, Inc. / TriStar Aerospace Co.	6.6 x	7.0 x
04/20/99	The Fairchild Corporation / Kaynar Technologies	6.2 x	7.6 x
03/25/99	TriStar Aerospace Co. / Standard Parts and Equipment Co.	7.8 x	8.0 x
09/04/98	Pentacon / ASI Aerospace Group	7.6 x	8.0 x
07/17/98	Pentacon / Texas International Aviation	6.1 x	6.3 x

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JANNEY MONTGOMERY SCOTT

The Hillman Group - Comparable Transactions Analysis

<TABLE>
<CAPTION>

	ENTERPRISE VALUE /	
	LTM	LTM
	EBITDA	EBIT
<S>	<C>	<C>
High	7.8 x	19.4 x
Low	6.1 x	6.3 x
Median	6.5 x	7.8 x
Adjusted Average (1)	6.7 x	7.7 x

<TABLE>

<CAPTION>

HILLMAN - ENTERPRISE VALUE

LTM LTM
EBITDA EBIT

<S> <C> <C>
HILLMAN \$ 39,891 \$ 27,295

High \$ 312,318 \$ 528,821
Low 244,942 171,944
Median 258,377 213,220
Adjusted Average (1) 266,482 209,242
</TABLE>

(1) Adjusted to exclude the highest and lowest value before averaging.

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JANNEY MONTGOMERY SCOTT

The Hillman Group - Discounted Cash Flow Analysis

<TABLE>
<CAPTION>

PROJECTED

TERMINAL
VALUE

12/31/01 12/31/02 12/31/03 12/31/04 12/31/05

<S> <C> <C> <C> <C> <C>
Sales \$ 260,038 \$ 292,557 \$ 321,820 \$ 347,566 \$ 371,895
(delta) in A/R (4,198) (4,658) (4,249) (3,395) (3,090)
Cash Sales 255,840 287,899 317,571 344,171 368,805
Cost of Goods Sold 114,079 128,462 141,192 152,487 163,161
(delta) in Inventory (509) 5,643 5,196 5,135 4,695
(delta) in A/P (407) (2,086) (2,006) (1,982) (1,812)
Cash Cost of Goods Sold 113,163 132,019 144,382 155,640 166,044
Cash Gross Profit 142,677 155,880 173,189 188,531 202,761
Operating Expenses 118,056 127,018 137,705 147,273 156,314
Depreciation & Amortization (14,304) (13,257) (13,257) (13,257) (13,257)
Cash Operating Expenses 103,752 113,761 124,448 134,016 143,057
Cash Operating Income 38,925 42,119 48,741 54,515 59,703
Less: 40.0% Pro Forma Tax on Taxable Net Income 11,161 14,831 17,169 19,122 20,968
Less: Capital Expenditures 12,645 9,000 9,000 9,000 9,000

Unlevered FCF to Capital Providers \$ 15,119 \$ 18,288 \$ 22,572 \$ 26,393 \$ 29,735 \$
426,896 (2)
Interest Expense Tax Shield (3) 5,058 4,438 4,196 3,954 3,712
</TABLE>

<TABLE>
<CAPTION>

<S> <C>
NPV of Unlevered FCF (1) \$ 275,766
Add: NPV of Tax Shields 14,324
Less: Present Value to Debt Holders --
Enterprise Value Before Illiquidity Discount \$ 290,090
Illiquidity and Non-Control Discount 0%
Total Enterprise Value \$ 290,090
Ownership Percentage 100%
VALUE OF ENTERPRISE INTEREST \$ 290,090
</TABLE>

<TABLE>
<CAPTION>

EBITDA MULTIPLE RANGE

5.5x 6.0x 6.5x 7.0x 7.5x

<S>	<C>	<C>	<C>	<C>	<C>	<C>
	15.0%	\$275,638	\$293,029	\$310,420	\$327,811	\$345,202
DISCOUNT	16.0%	\$266,581	\$283,300	\$300,020	\$316,740	\$333,459
FACTOR	17.0%	\$257,931	\$274,010	\$290,090	\$306,169	\$322,249
RANGE	18.0%	\$249,666	\$265,135	\$280,604	\$296,073	\$311,542
	19.0%	\$241,766	\$256,653	\$271,539	\$286,426	\$301,312

- </TABLE>
- (1) Unlevered Free Cash Flows discounted at 17.0% as of June 15, 2001.
- (2) Assumes a terminal value equal to last year EBITDA of \$65.7 million multiplied by an EBITDA multiple of 6.5x.
- (3) Allocates corporate interest expense tax shield to Hillman in proportion to allocation of corporate overhead (57%).

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JANNEY MONTGOMERY SCOTT
=====

The Hillman Group - Valuation Summary

[BAR CHART]

Enterprise Value				
	Low	High	Median	Adjusted Average
<S>	<C>	<C>	<C>	<C>
COMPARABLE PUBLIC COMPANIES				
LTM EBITDA (\$39,891)	169,065	378,457	263,831	268,583
LTM EBIT (\$27,295)	169,233	432,007	228,227	245,810
COMPARABLE TRANSACTION COMPANIES				
LTM EBITDA (\$39,891)	244,942	312,318	258,377	266,482
LTM EBIT (\$27,295)	171,944	528,821	213,220	209,242
DISCOUNTED CASH FLOW			Mid-point	Mid-point
DCF - EBITDA (\$39,891)	241,766	345,202	290,090	290,090

<S>	LTM EBITDA <C>	LTM EBIT <C>	LTM EBITDA <C>	LTM EBIT <C>	DCF - EBITDA <C>
	(\$39,891)	(\$27,295)	(\$39,891)	(\$27,295)	(\$39,891)

<S>	Comparable Public Companies <C>	Comparable Acquisition Activity <C>	DCF <C>
Median	\$263,831	\$228,227	\$258,377
Adj. Average	\$268,583	\$245,810	\$266,482

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JANNEY MONTGOMERY SCOTT
=====

White circles represent median values.

VALUATION SUMMARY

JANNEY MONTGOMERY SCOTT
=====

Per Share Equity Valuation Range

<TABLE>
<CAPTION>

	Low Value	Transaction Value	High Value
<S>	<C>	<C>	<C>
Kar Value to SunSource	\$ 15,000	---	\$ 20,000
STS Enterprise Value	20,000	---	25,000
Hillman Enterprise Value	230,000	---	270,000
	-----	-----	-----
Total	\$265,000	\$ 298,409	\$ 315,000
	=====	=====	=====
Less: Outstanding Debt (1)	114,849	114,849	114,849
	-----	-----	-----
Trust Preferred Securities (1)	105,446	105,446	105,446
	-----	-----	-----
Total Equity Value	\$ 44,705	\$ 78,114	\$ 94,705
	=====	=====	=====
Diluted Shares Outstanding (2)	7,529	7,529	7,529
Per Share Equity Value	\$ 5.938	\$ 10.375	\$ 12.579
	=====	=====	=====

</TABLE>

(1) As of May 31, 2001

(2) Treasury method used to calculate diluted shares outstanding. Refer to page 6 of this presentation for calculation.

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HISTORICAL STOCK PRICE PERFORMANCE

JANNEY MONTGOMERY SCOTT

Historical Stock Price Performance

- In the past two years, the Company's stock has traded as high as \$14.50 (on several days in June 1999) and as low as \$2.88 (December 6, 2000). The stock has not traded at or above \$12.00 per share since June 30, 1999, despite efforts to deliver shareholder value through a strategic realignment of the Company's business units.
- Since early 1999, the Company's stock price has under-performed a composite of selected publicly trade peers, as well as general market indices such as the S&P Small Cap Industrials Index and the S&P 500 Composite.
- In spite of some recent strengthening in the Hillman and Kar businesses, the restructuring issues, a softening market for the STS segment, and the highly leveraged nature of the Company's balance sheet, have all contributed to a steady decline of the Company's stock price over the past two years.
- Also contributing to the Company's poor stock performance are investor preoccupation with larger capitalization stocks and other industry sectors, a lack of research coverage, and limited float and liquidity of the Company's shares.
- Over the past six months, roughly 1.4 million shares of the Company's common stock have traded, at an average price of \$3.83 per share.

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Historical Stock Price Performance

[STOCK PRICE AND VOLUME ACTIVITY LINE GRAPH]

<TABLE>
<CAPTION>

<S>

DATE	PRICE	VOLUME
	<C>	<C>
6/8/99	14.44	0
6/9/99	14.50	1,000
6/10/99	14.25	1,300
6/11/99	14.50	12,600
6/14/99	14.13	17,000
6/15/99	14.06	600
6/16/99	14.13	9,400
6/17/99	14.50	17,800
6/18/99	14.50	1,000
6/21/99	14.38	1,000
6/22/99	13.94	3,000
6/23/99	13.75	2,700
6/24/99	13.06	10,200
6/25/99	13.13	0
6/28/99	12.88	19,100
6/29/99	12.81	8,800
6/30/99	12.94	1,300
7/1/99	11.00	60,700
7/2/99	10.88	64,400
7/6/99	10.81	56,100
7/7/99	10.44	34,700
7/8/99	9.75	34,800
7/9/99	9.69	24,300
7/12/99	9.44	13,000
7/13/99	8.63	102,900
7/14/99	8.06	100,500
7/15/99	8.44	175,700
7/16/99	8.63	44,600
7/19/99	8.63	47,600
7/20/99	8.69	7,400
7/21/99	8.69	8,100
7/22/99	8.81	15,800
7/23/99	9.13	18,900
7/26/99	9.13	12,100
7/27/99	9.06	78,600
7/28/99	9.13	16,800
7/29/99	8.81	15,800
7/30/99	9.00	19,100
8/2/99	9.06	7,500
8/3/99	8.94	3,700
8/4/99	8.75	12,100
8/5/99	8.69	4,300
8/6/99	8.63	6,100
8/9/99	8.63	5,800
8/10/99	8.69	11,300
8/11/99	8.56	16,700
8/12/99	8.44	14,700
8/13/99	8.44	14,400
8/16/99	8.38	4,900
8/17/99	8.25	17,700
8/18/99	8.19	7,200
8/19/99	7.94	35,700
8/20/99	7.88	3,000
8/23/99	7.75	16,100
8/24/99	7.63	10,700
8/25/99	7.63	4,400
8/26/99	7.31	17,600
8/27/99	7.38	8,400
8/30/99	7.13	4,000
8/31/99	6.88	7,500
9/1/99	6.75	12,500
9/2/99	6.75	6,000
9/3/99	6.75	1,200
9/7/99	7.00	23,600
9/8/99	7.25	25,100
9/9/99	7.38	12,500
9/10/99	7.25	7,500
9/13/99	7.25	15,600
9/14/99	7.00	4,600
9/15/99	6.75	75,200
9/16/99	6.69	3,000
9/17/99	6.50	12,800
9/20/99	6.44	15,900
9/21/99	6.44	7,100
9/22/99	5.69	55,800
9/23/99	5.94	39,100
9/24/99	5.63	42,000
9/27/99	5.44	16,000
9/28/99	5.25	14,800
9/29/99	4.88	26,600
9/30/99	5.63	31,100
10/1/99	5.38	29,900
10/4/99	5.25	31,100

10/5/99	5.25	1,000
10/6/99	5.25	4,200
10/7/99	5.19	9,300
10/8/99	5.50	17,200
10/11/99	5.63	14,800
10/12/99	5.19	47,600
10/13/99	5.19	13,900
10/14/99	5.00	26,200
10/15/99	5.00	10,800
10/18/99	4.63	23,900
10/19/99	5.13	46,800
10/20/99	5.88	23,100
10/21/99	6.38	26,200
10/22/99	6.75	20,600
10/25/99	7.25	22,600
10/26/99	7.13	27,300
10/27/99	7.00	18,300
10/28/99	5.63	68,100
10/29/99	4.81	89,000
11/1/99	4.25	112,100
11/2/99	4.13	59,700
11/3/99	4.69	53,700
11/4/99	4.56	69,700
11/5/99	4.63	8,800
11/8/99	4.38	39,400
11/9/99	4.31	10,600
11/10/99	4.25	16,700
11/11/99	4.13	7,500
11/12/99	4.00	46,400
11/15/99	3.88	23,500
11/16/99	3.75	46,400
11/17/99	3.75	42,100
11/18/99	3.75	43,300
11/19/99	3.81	29,700
11/22/99	3.56	35,800
11/23/99	3.50	476,800
11/24/99	3.94	44,700
11/26/99	4.19	24,400
11/29/99	4.38	50,400
11/30/99	4.88	79,900
12/1/99	5.00	28,000
12/2/99	5.25	35,100
12/3/99	6.50	68,200
12/6/99	6.13	77,100
12/7/99	6.19	21,100
12/8/99	5.50	64,600
12/9/99	5.50	10,100
12/10/99	5.44	20,500
12/13/99	5.38	10,500
12/14/99	5.13	31,300
12/15/99	5.00	5,600
12/16/99	4.31	33,400
12/17/99	4.25	95,700
12/20/99	4.06	32,500
12/21/99	4.00	55,600
12/22/99	3.94	65,400
12/23/99	4.00	28,600
12/27/99	3.94	58,000
12/28/99	4.13	62,700
12/29/99	4.25	27,000
12/30/99	4.31	44,900
12/31/99	4.25	45,000
1/3/00	4.69	17,900
1/4/00	5.19	31,400
1/5/00	5.06	11,300
1/6/00	5.38	35,600
1/7/00	5.25	12,000
1/10/00	5.44	21,600
1/11/00	5.75	21,000
1/12/00	5.81	2,300
1/13/00	5.69	12,200
1/14/00	5.75	14,200
1/18/00	5.88	23,600
1/19/00	6.25	11,100
1/20/00	5.75	45,100
1/21/00	5.44	13,600
1/24/00	5.31	34,100
1/25/00	4.81	42,900
1/26/00	4.50	32,500
1/27/00	5.13	23,800
1/28/00	5.00	11,800
1/31/00	5.00	30,400
2/1/00	5.19	27,600
2/2/00	5.31	5,300
2/3/00	5.00	15,500

2/4/00	5.13	14,400
2/7/00	5.38	3,500
2/8/00	5.13	3,900
2/9/00	5.06	5,700
2/10/00	5.88	110,800
2/11/00	5.69	56,000
2/14/00	5.63	32,900
2/15/00	5.38	12,400
2/16/00	5.38	21,200
2/17/00	5.44	7,600
2/18/00	5.31	9,600
2/22/00	5.25	3,500
2/23/00	5.19	3,700
2/24/00	5.13	2,100
2/25/00	5.00	2,300
2/28/00	4.94	4,300
2/29/00	5.00	1,000
3/1/00	5.00	3,500
3/2/00	5.13	18,400
3/3/00	5.44	31,900
3/6/00	5.25	5,800
3/7/00	5.38	5,700
3/8/00	5.38	6,400
3/9/00	5.31	6,300
3/10/00	5.06	20,900
3/13/00	4.69	23,000
3/14/00	4.69	5,200
3/15/00	4.63	10,200
3/16/00	4.56	2,500
3/17/00	4.63	25,600
3/20/00	4.88	23,300
3/21/00	5.13	13,400
3/22/00	4.88	4,700
3/23/00	4.69	21,900
3/24/00	4.75	4,200
3/27/00	4.75	12,400
3/28/00	4.75	1,500
3/29/00	4.69	6,500
3/30/00	4.63	10,300
3/31/00	4.63	300
4/3/00	4.63	2,500
4/4/00	4.50	13,500
4/5/00	4.50	4,900
4/6/00	4.25	24,500
4/7/00	4.44	2,000
4/10/00	4.75	8,300
4/11/00	4.69	1,000
4/12/00	4.69	5,700
4/13/00	4.75	7,700
4/14/00	4.69	5,800
4/17/00	4.38	10,800
4/18/00	4.38	3,900
4/19/00	4.63	26,100
4/20/00	4.88	30,500
4/24/00	4.81	4,400
4/25/00	4.81	5,500
4/26/00	4.50	10,800
4/27/00	4.69	24,000
4/28/00	4.56	1,500
5/1/00	4.50	6,000
5/2/00	4.50	3,600
5/3/00	4.50	4,700
5/4/00	4.81	12,500
5/5/00	4.69	5,800
5/8/00	4.81	8,100
5/9/00	4.75	7,600
5/10/00	4.56	3,700
5/11/00	4.56	4,000
5/12/00	4.69	4,600
5/15/00	4.75	5,000
5/16/00	4.69	5,200
5/17/00	4.56	5,700
5/18/00	4.75	3,000
5/19/00	4.81	8,100
5/22/00	4.56	3,000
5/23/00	4.38	9,300
5/24/00	4.31	5,900
5/25/00	4.31	2,200
5/26/00	4.44	3,500
5/30/00	4.31	3,700
5/31/00	4.50	8,800
6/1/00	4.38	2,300
6/2/00	4.38	16,700
6/5/00	4.56	3,600
6/6/00	4.44	10,700

6/7/00	4.38	6,100
6/8/00	4.38	6,400
6/9/00	4.44	2,600
6/12/00	4.50	2,800
6/13/00	4.44	3,700
6/14/00	4.44	300
6/15/00	4.44	1,600
6/16/00	4.38	8,300
6/19/00	4.44	3,200
6/20/00	4.44	8,000
6/21/00	4.38	3,300
6/22/00	4.38	36,300
6/23/00	4.88	31,000
6/26/00	4.75	12,700
6/27/00	4.94	4,200
6/28/00	4.94	5,300
6/29/00	5.00	20,200
6/30/00	5.06	45,300
7/3/00	5.06	9,800
7/5/00	5.19	3,700
7/6/00	5.19	11,700
7/7/00	5.19	8,800
7/10/00	5.19	1,700
7/11/00	5.06	1,500
7/12/00	5.06	1,700
7/13/00	5.19	3,100
7/14/00	5.19	800
7/17/00	5.13	5,900
7/18/00	5.19	2,100
7/19/00	5.25	4,000
7/20/00	5.13	8,300
7/21/00	5.13	6,600
7/24/00	5.13	500
7/25/00	5.38	19,000
7/26/00	5.13	8,800
7/27/00	4.94	17,800
7/28/00	4.88	1,000
7/31/00	4.88	6,100
8/1/00	4.88	2,500
8/2/00	4.81	2,700
8/3/00	4.75	2,400
8/4/00	4.69	30,600
8/7/00	4.69	600
8/8/00	4.69	800
8/9/00	4.69	3,500
8/10/00	4.69	2,000
8/11/00	4.69	1,000
8/14/00	4.69	500
8/15/00	4.69	600
8/16/00	4.69	1,100
8/17/00	4.63	2,500
8/18/00	4.69	1,500
8/21/00	4.50	9,000
8/22/00	4.50	5,300
8/23/00	4.50	500
8/24/00	4.50	6,100
8/25/00	4.50	1,600
8/28/00	4.56	100
8/29/00	4.50	2,400
8/30/00	4.50	9,000
8/31/00	4.38	6,900
9/1/00	4.38	6,200
9/5/00	4.31	5,400
9/6/00	4.19	11,500
9/7/00	4.25	2,500
9/8/00	4.25	15,900
9/11/00	4.25	5,400
9/12/00	4.31	3,900
9/13/00	4.38	1,000
9/14/00	4.44	1,900
9/15/00	4.31	1,200
9/18/00	4.25	5,900
9/19/00	4.13	14,500
9/20/00	4.13	3,100
9/21/00	4.13	3,600
9/22/00	4.00	6,900
9/25/00	3.75	22,900
9/26/00	4.00	11,300
9/27/00	3.81	6,700
9/28/00	4.00	2,000
9/29/00	3.94	1,100
10/2/00	3.94	2,100
10/3/00	3.81	6,400
10/4/00	3.81	1,600
10/5/00	3.69	8,300

10/6/00	3.75	1,500
10/9/00	3.75	3,600
10/10/00	3.56	17,700
10/11/00	3.50	25,500
10/12/00	3.44	14,900
10/13/00	3.38	12,000
10/16/00	3.44	1,900
10/17/00	3.25	9,900
10/18/00	3.13	6,600
10/19/00	3.19	9,200
10/20/00	3.00	45,900
10/23/00	3.00	13,800
10/24/00	3.00	58,400
10/25/00	2.94	318,200
10/26/00	3.00	1,500
10/27/00	3.00	8,700
10/30/00	3.13	500
10/31/00	3.00	3,300
11/1/00	3.00	100
11/2/00	3.13	6,000
11/3/00	3.19	2,500
11/6/00	3.00	7,000
11/7/00	3.13	10,800
11/8/00	3.06	6,700
11/9/00	3.31	6,200
11/10/00	3.25	7,100
11/13/00	3.13	5,400
11/14/00	3.13	1,700
11/15/00	3.06	22,300
11/16/00	3.00	15,800
11/17/00	3.13	15,000
11/20/00	3.63	15,200
11/21/00	3.56	10,900
11/22/00	3.50	22,800
11/24/00	3.38	4,700
11/27/00	3.06	22,000
11/28/00	3.13	12,100
11/29/00	3.13	5,400
11/30/00	3.19	15,900
12/1/00	3.06	14,300
12/4/00	2.94	14,800
12/5/00	3.00	85,000
12/6/00	2.88	6,300
12/7/00	3.00	6,600
12/8/00	3.25	38,800
12/11/00	3.38	15,900
12/12/00	3.00	33,900
12/13/00	3.00	3,900
12/14/00	3.00	23,600
12/15/00	3.13	4,100
12/18/00	3.19	29,300
12/19/00	3.19	9,800
12/20/00	3.13	12,300
12/21/00	3.06	8,500
12/22/00	3.06	19,700
12/26/00	3.13	58,200
12/27/00	3.25	22,900
12/28/00	3.06	17,500
12/29/00	3.06	68,600
1/2/01	3.06	3,400
1/3/01	3.13	21,600
1/4/01	3.19	1,800
1/5/01	3.25	9,400
1/8/01	3.25	3,400
1/9/01	3.25	11,600
1/10/01	3.44	15,600
1/11/01	3.44	1,100
1/12/01	3.44	7,500
1/16/01	3.50	8,900
1/17/01	3.38	14,100
1/18/01	3.25	18,000
1/19/01	3.63	27,900
1/22/01	3.69	8,800
1/23/01	3.75	7,000
1/24/01	3.75	200
1/25/01	3.81	5,100
1/26/01	4.06	4,900
1/29/01	4.35	18,500
1/30/01	4.74	37,300
1/31/01	4.76	9,500
2/1/01	4.68	1,800
2/2/01	4.75	2,900
2/5/01	4.75	3,600
2/6/01	4.52	11,400
2/7/01	4.50	4,200

2/8/01	4.65	8,100
2/9/01	4.50	5,200
2/12/01	4.30	10,000
2/13/01	4.10	4,400
2/14/01	4.10	400
2/15/01	4.05	2,700
2/16/01	3.68	24,400
2/20/01	3.70	4,200
2/21/01	3.67	500
2/22/01	3.64	3,000
2/23/01	3.70	100
2/26/01	3.70	2,600
2/27/01	3.70	2,400
2/28/01	3.70	600
3/1/01	3.75	8,100
3/2/01	3.70	3,400
3/5/01	3.70	200
3/6/01	3.79	1,600
3/7/01	3.80	2,000
3/8/01	3.78	1,000
3/9/01	3.83	0
3/12/01	3.80	1,700
3/13/01	3.90	4,300
3/14/01	3.90	1,300
3/15/01	3.90	6,000
3/16/01	3.85	1,400
3/19/01	3.85	200
3/20/01	3.85	100
3/21/01	3.85	200
3/22/01	3.75	4,000
3/23/01	3.75	2,300
3/26/01	3.70	3,500
3/27/01	3.74	2,000
3/28/01	3.90	4,600
3/29/01	3.80	1,400
3/30/01	4.00	6,200
4/2/01	3.90	1,600
4/3/01	4.00	14,600
4/4/01	4.00	2,700
4/5/01	3.85	1,700
4/6/01	3.98	7,000
4/9/01	4.00	25,500
4/10/01	4.10	48,200
4/11/01	4.03	300
4/12/01	3.94	1,600
4/16/01	4.02	800
4/17/01	3.91	500
4/18/01	3.90	9,200
4/19/01	3.90	3,100
4/20/01	3.85	7,500
4/23/01	4.00	53,500
4/24/01	3.90	25,700
4/25/01	3.95	1,100
4/26/01	3.90	2,800
4/27/01	4.00	12,500
4/30/01	3.90	1,300
5/1/01	4.00	51,300
5/2/01	3.99	9,300
5/3/01	3.99	300
5/4/01	4.00	116,900
5/7/01	3.95	1,200
5/8/01	3.90	1,600
5/9/01	3.95	2,100
5/10/01	3.98	2,000
5/11/01	3.90	13,200
5/14/01	3.85	500
5/15/01	3.85	600
5/16/01	3.82	100
5/17/01	3.86	1,400
5/18/01	3.92	18,500
5/21/01	3.84	9,800
5/22/01	4.00	15,000
5/23/01	4.00	76,800
5/24/01	4.00	4,100
5/25/01	4.11	4,800
5/29/01	4.15	6,900
5/30/01	4.50	19,800
5/31/01	5.20	38,000
6/1/01	5.31	13,800
6/4/01	5.30	4,600
6/5/01	5.17	10,900
6/6/01	4.86	12,100
6/7/01	5.00	82,800

</TABLE>

Relative Historical Stock Performance

Daily from June 7, 2000 - June 7, 2001

[INDEXED PRICES LINE GRAPH]

RELATIVE HISTORICAL STOCK PERFORMANCE

<TABLE>

<CAPTION>

<S>	DATE <C>	SDP <C>	S&P500 <C>	PEER GROUP <C>
	6/7/00	100.00	100.00	100.00
	6/8/00	100.00	99.34	99.46
	6/9/00	101.43	99.02	99.20
	6/12/00	102.86	98.28	99.06
	6/13/00	101.43	99.87	99.80
	6/14/00	101.43	99.94	100.30
	6/15/00	101.43	100.50	98.63
	6/16/00	100.00	99.53	96.60
	6/19/00	101.43	101.00	94.87
	6/20/00	101.43	100.31	93.55
	6/21/00	100.00	100.53	93.49
	6/22/00	100.00	98.70	92.62
	6/23/00	111.43	97.97	92.81
	6/26/00	108.57	98.91	92.35
	6/27/00	112.86	98.59	93.11
	6/28/00	112.86	98.88	93.13
	6/29/00	114.29	98.03	92.25
	6/30/00	115.71	98.86	90.03
	7/3/00	115.71	99.88	93.39
	7/5/00	118.57	98.29	93.43
	7/6/00	118.57	99.00	93.62
	7/7/00	118.57	100.51	94.89
	7/10/00	118.57	100.29	95.42
	7/11/00	115.71	100.65	96.65
	7/12/00	115.71	101.47	96.20
	7/13/00	118.57	101.66	96.22
	7/14/00	118.57	102.62	96.34
	7/17/00	117.14	102.66	93.91
	7/18/00	118.57	101.52	94.20
	7/19/00	120.00	100.72	92.41
	7/20/00	117.14	101.65	92.01
	7/21/00	117.14	100.60	91.01
	7/24/00	117.14	99.52	92.41
	7/25/00	122.86	100.21	91.87
	7/26/00	117.14	98.71	92.29
	7/27/00	112.86	98.52	91.29
	7/28/00	111.43	96.50	89.98
	7/31/00	111.43	97.25	90.14
	8/1/00	111.43	97.74	90.89
	8/2/00	110.00	97.78	91.88
	8/3/00	108.57	98.72	90.10
	8/4/00	107.14	99.43	91.03
	8/7/00	107.14	100.54	91.25
	8/8/00	107.14	100.78	92.36
	8/9/00	107.14	100.10	92.45
	8/10/00	107.14	99.24	93.13
	8/11/00	107.14	100.03	94.78
	8/14/00	107.14	101.37	95.86
	8/15/00	107.14	100.89	94.27
	8/16/00	107.14	100.58	94.60
	8/17/00	105.71	101.68	94.18
	8/18/00	107.14	101.38	93.72
	8/21/00	102.86	101.91	94.15
	8/22/00	102.86	101.82	93.65
	8/23/00	102.86	102.35	92.34
	8/24/00	102.86	102.51	92.91
	8/25/00	102.86	102.38	92.67
	8/28/00	104.29	102.90	92.25
	8/29/00	102.86	102.62	91.74
	8/30/00	102.86	102.12	91.49
	8/31/00	100.00	103.15	91.49
	9/1/00	100.00	103.36	90.69

9/5/00	98.57	102.43	92.40
9/6/00	95.71	101.42	93.18
9/7/00	97.14	102.12	92.85
9/8/00	97.14	101.57	91.97
9/11/00	97.14	101.22	92.99
9/12/00	98.57	100.72	92.68
9/13/00	100.00	100.92	91.89
9/14/00	101.43	100.65	89.36
9/15/00	98.57	99.62	88.27
9/18/00	97.14	98.18	87.05
9/19/00	94.29	99.22	85.57
9/20/00	94.29	98.64	84.66
9/21/00	94.29	98.48	85.05
9/22/00	91.43	98.46	84.54
9/25/00	85.71	97.80	83.48
9/26/00	91.43	97.00	83.24
9/27/00	87.14	96.96	84.32
9/28/00	91.43	99.11	85.48
9/29/00	90.00	97.63	85.22
10/2/00	90.00	97.61	84.37
10/3/00	87.14	96.95	86.63
10/4/00	87.14	97.48	86.67
10/5/00	84.29	97.62	87.40
10/6/00	85.71	95.76	86.42
10/9/00	85.71	95.29	86.48
10/10/00	81.43	94.27	85.95
10/11/00	80.00	92.74	85.82
10/12/00	78.57	90.38	85.41
10/13/00	77.14	93.39	85.85
10/16/00	78.57	93.43	85.40
10/17/00	74.29	91.75	84.49
10/18/00	71.43	91.22	83.49
10/19/00	72.86	94.39	85.92
10/20/00	68.57	94.94	85.21
10/23/00	68.57	94.86	85.22
10/24/00	68.57	95.02	85.93
10/25/00	67.14	92.76	85.09
10/26/00	68.57	92.73	85.73
10/27/00	68.57	93.76	85.42
10/30/00	71.43	95.06	87.36
10/31/00	68.57	97.15	90.98
11/1/00	68.57	96.59	90.02
11/2/00	71.43	97.07	89.82
11/3/00	72.86	96.96	89.89
11/6/00	68.57	97.34	90.76
11/7/00	71.43	97.32	90.18
11/8/00	70.00	95.78	90.04
11/9/00	75.71	95.16	88.95
11/10/00	74.29	92.84	84.16
11/13/00	71.43	91.84	84.71
11/14/00	71.43	93.99	84.93
11/15/00	70.00	94.46	85.41
11/16/00	68.57	93.27	84.57
11/17/00	71.43	92.96	85.45
11/20/00	82.86	91.25	83.74
11/21/00	81.43	91.57	82.89
11/22/00	80.00	89.87	82.11
11/24/00	77.14	91.19	83.78
11/27/00	70.00	91.68	84.65
11/28/00	71.43	90.81	82.86
11/29/00	71.43	91.20	83.42
11/30/00	72.86	89.37	82.51
12/1/00	70.00	89.39	83.89
12/4/00	67.14	90.05	86.28
12/5/00	68.57	93.56	86.57
12/6/00	65.71	91.85	85.52
12/7/00	68.57	91.31	85.83
12/8/00	74.29	93.10	86.57
12/11/00	77.14	93.80	88.05
12/12/00	68.57	93.19	90.33
12/13/00	68.57	92.43	90.39
12/14/00	68.57	91.14	90.37
12/15/00	71.43	89.18	89.95
12/18/00	72.86	89.90	91.96
12/19/00	72.86	88.73	94.89
12/20/00	71.43	85.96	94.21
12/21/00	70.00	86.65	98.55
12/22/00	70.00	88.76	102.12
12/26/00	71.43	89.39	102.74
12/27/00	74.29	90.32	106.84
12/28/00	70.00	90.68	106.72
12/29/00	70.00	89.73	106.78
1/2/01	70.00	87.22	107.22
1/3/01	71.43	91.59	109.52
1/4/01	72.86	90.62	110.23

1/5/01	74.29	88.24	107.99
1/8/01	74.29	88.07	107.84
1/9/01	74.29	88.41	108.55
1/10/01	78.57	89.26	107.49
1/11/01	78.57	90.18	106.52
1/12/01	78.57	89.60	107.19
1/16/01	80.00	90.16	106.27
1/17/01	77.14	90.36	106.06
1/18/01	74.29	91.61	104.29
1/19/01	82.86	91.24	104.67
1/22/01	84.29	91.27	104.35
1/23/01	85.71	92.46	102.84
1/24/01	85.71	92.72	103.20
1/25/01	87.14	92.26	103.07
1/26/01	92.86	92.09	102.21
1/29/01	99.43	92.71	101.63
1/30/01	108.34	93.36	102.54
1/31/01	108.80	92.84	103.88
2/1/01	106.97	93.35	103.47
2/2/01	108.57	91.72	103.49
2/5/01	108.57	92.04	104.27
2/6/01	103.31	91.91	105.46
2/7/01	102.86	91.13	107.43
2/8/01	106.29	90.56	107.87
2/9/01	102.86	89.36	107.49
2/12/01	98.29	90.41	108.52
2/13/01	93.71	89.63	109.59
2/14/01	93.71	89.44	109.28
2/15/01	92.57	90.16	110.48
2/16/01	84.11	88.46	110.62
2/20/01	84.57	86.92	113.28
2/21/01	83.89	85.31	113.46
2/22/01	83.20	85.15	111.45
2/23/01	84.57	84.67	109.59
2/26/01	84.57	86.16	111.22
2/27/01	84.57	85.50	110.54
2/28/01	84.57	84.27	109.70
3/1/01	85.71	84.36	109.81
3/2/01	84.57	83.88	110.62
3/5/01	84.57	84.37	111.41
3/6/01	86.63	85.21	111.41
3/7/01	86.86	85.76	111.02
3/8/01	86.40	85.96	111.33
3/9/01	87.43	83.83	110.01
3/12/01	86.86	80.21	108.65
3/13/01	89.14	81.40	108.18
3/14/01	89.14	79.29	105.21
3/15/01	89.14	79.76	106.43
3/16/01	88.00	78.20	103.88
3/19/01	88.00	79.57	105.33
3/20/01	88.00	77.66	104.89
3/21/01	88.00	76.27	101.89
3/22/01	85.71	75.96	101.27
3/23/01	85.71	77.47	100.37
3/26/01	84.57	78.34	104.10
3/27/01	85.49	80.35	105.05
3/28/01	89.14	78.38	105.49
3/29/01	86.86	78.02	104.26
3/30/01	91.43	78.86	105.55
4/2/01	89.14	77.88	105.94
4/3/01	91.43	75.20	103.38
4/4/01	91.43	74.98	105.70
4/5/01	88.00	78.26	109.25
4/6/01	90.97	76.69	108.29
4/9/01	91.43	77.32	109.49
4/10/01	93.71	79.41	111.57
4/11/01	92.11	79.24	109.25
4/12/01	90.06	80.44	110.59
4/16/01	91.89	80.18	111.70
4/17/01	89.37	81.00	111.73
4/18/01	89.14	84.15	114.98
4/19/01	89.14	85.21	113.45
4/20/01	88.00	84.48	112.92
4/23/01	91.43	83.21	112.65
4/24/01	89.14	82.20	110.84
4/25/01	90.29	83.51	110.36
4/26/01	89.14	83.90	110.47
4/27/01	91.43	85.16	110.59
4/30/01	89.14	84.92	110.94
5/1/01	91.43	86.07	111.13
5/2/01	91.20	86.14	111.63
5/3/01	91.20	84.86	110.58
5/4/01	91.43	86.08	110.87
5/7/01	90.29	85.87	111.64
5/8/01	89.14	85.72	112.32

5/9/01	90.29	85.33	111.75
5/10/01	90.97	85.31	112.51
5/11/01	89.14	84.66	111.94
5/14/01	88.00	84.88	112.27
5/15/01	88.00	84.92	113.06
5/16/01	87.31	87.33	116.52
5/17/01	88.23	87.57	116.35
5/18/01	89.60	87.81	116.09
5/21/01	87.77	89.23	115.61
5/22/01	91.43	88.99	115.52
5/23/01	91.43	87.61	115.41
5/24/01	91.43	87.89	116.22
5/25/01	93.94	86.85	116.41
5/29/01	94.86	86.17	116.84
5/30/01	102.86	84.82	116.69
5/31/01	118.86	85.35	117.54
6/1/01	121.37	85.68	117.01
6/4/01	121.14	86.12	118.27
6/5/01	118.17	87.24	120.79
6/6/01	111.09	86.32	120.71
6/7/01	114.29	86.79	121.25

</TABLE>

* Peer Group includes: AIT, B, GPC, HDL, IDG, SORC.
Indexed prices are market cap. weighted.

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JANNEY MONTGOMERY SCOTT
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Stock Price Performance

[3 YEAR STOCK PRICE LINE GRAPH]

[3 YEAR VOLUME LINE GRAPH]

STOCK PRICE PERFORMANCE

<TABLE>

<CAPTION>

<S>	DATE	PRICE	VOLUME
<C>	<C>	<C>	<C>
	6/1/98	27.13	12,200
	6/2/98	27.00	3,400
	6/3/98	26.88	9,300
	6/4/98	26.63	4,800
	6/5/98	26.63	4,000
	6/8/98	25.88	10,300
	6/9/98	25.50	13,000
	6/10/98	25.50	3,200
	6/11/98	25.25	3,800
	6/12/98	25.06	4,100
	6/15/98	24.00	17,800
	6/16/98	24.38	36,100
	6/17/98	24.44	3,300
	6/18/98	24.44	3,500
	6/19/98	24.13	11,200
	6/22/98	24.38	14,300
	6/23/98	23.88	12,100
	6/24/98	22.63	103,000
	6/25/98	22.38	30,100
	6/26/98	22.31	10,300
	6/29/98	22.00	15,300
	6/30/98	21.75	69,000
	7/1/98	21.75	7,000
	7/2/98	21.38	7,300
	7/6/98	21.25	30,900
	7/7/98	21.13	1,100
	7/8/98	20.81	2,300
	7/9/98	20.50	17,000
	7/10/98	19.75	34,600
	7/13/98	19.88	200
	7/14/98	19.88	5,400
	7/15/98	20.00	12,800
	7/16/98	19.75	8,000
	7/17/98	19.88	9,500
	7/20/98	19.75	3,400
	7/21/98	19.63	60,900
	7/22/98	19.50	3,900
	7/23/98	19.00	26,800
	7/24/98	18.94	700
	7/27/98	18.50	3,800

7/28/98	18.50	6,200
7/29/98	18.44	12,100
7/30/98	18.81	68,800
7/31/98	18.75	5,100
8/3/98	18.38	9,500
8/4/98	17.25	40,900
8/5/98	16.00	102,700
8/6/98	16.75	24,300
8/7/98	18.38	28,700
8/10/98	19.00	31,200
8/11/98	18.63	9,400
8/12/98	19.00	52,400
8/13/98	18.88	5,500
8/14/98	19.00	8,600
8/17/98	19.00	43,800
8/18/98	19.25	400
8/19/98	19.50	23,500
8/20/98	19.50	7,900
8/21/98	19.25	27,100
8/24/98	19.50	32,000
8/25/98	19.44	9,700
8/26/98	19.19	70,200
8/27/98	18.25	6,100
8/28/98	17.69	39,500
8/31/98	17.13	44,800
9/1/98	16.94	16,900
9/2/98	17.00	50,600
9/3/98	16.25	9,800
9/4/98	15.56	17,900
9/8/98	15.88	10,100
9/9/98	15.63	6,900
9/10/98	15.50	2,500
9/11/98	15.00	9,800
9/14/98	15.00	36,700
9/15/98	15.00	13,800
9/16/98	15.13	14,200
9/17/98	15.00	4,100
9/18/98	15.06	4,500
9/21/98	15.25	2,700
9/22/98	15.56	3,000
9/23/98	15.75	1,900
9/24/98	15.75	1,300
9/25/98	16.00	73,200
9/28/98	16.13	2,700
9/29/98	16.25	1,100
9/30/98	16.38	500
10/1/98	16.25	9,500
10/2/98	16.19	3,000
10/5/98	16.19	6,900
10/6/98	16.19	6,600
10/7/98	15.81	32,600
10/8/98	14.13	28,300
10/9/98	14.13	36,200
10/12/98	14.50	27,300
10/13/98	14.50	1,000
10/14/98	14.38	2,000
10/15/98	14.38	12,900
10/16/98	14.69	107,300
10/19/98	14.38	25,900
10/20/98	14.00	66,000
10/21/98	14.00	45,000
10/22/98	14.50	117,600
10/23/98	15.25	13,800
10/26/98	15.81	12,900
10/27/98	16.00	14,800
10/28/98	15.75	8,100
10/29/98	15.69	25,700
10/30/98	15.56	30,800
11/2/98	16.00	13,800
11/3/98	17.00	8,400
11/4/98	18.25	22,500
11/5/98	18.75	9,800
11/6/98	18.88	23,800
11/9/98	19.25	23,800
11/10/98	19.00	12,200
11/11/98	18.75	9,200
11/12/98	18.75	3,300
11/13/98	18.75	1,000
11/16/98	18.88	3,000
11/17/98	18.81	1,800
11/18/98	19.25	8,300
11/19/98	19.50	6,200
11/20/98	19.63	500
11/23/98	20.00	9,900
11/24/98	20.13	2,200

11/25/98	20.25	1,600
11/27/98	20.25	400
11/30/98	20.88	11,900
12/1/98	21.00	8,600
12/2/98	21.50	55,900
12/3/98	21.38	44,500
12/4/98	21.56	15,100
12/7/98	21.50	13,000
12/8/98	20.88	7,200
12/9/98	21.06	5,400
12/10/98	20.63	17,000
12/11/98	20.25	3,900
12/14/98	20.13	400
12/15/98	20.63	11,800
12/16/98	20.25	2,400
12/17/98	19.63	6,000
12/18/98	19.63	1,400
12/21/98	19.56	4,900
12/22/98	19.63	8,300
12/23/98	18.69	4,700
12/24/98	18.44	1,600
12/28/98	18.75	7,900
12/29/98	19.00	3,300
12/30/98	18.75	6,400
12/31/98	18.81	23,700
1/4/99	18.31	6,200
1/5/99	18.50	6,500
1/6/99	18.75	5,200
1/7/99	18.94	4,400
1/8/99	18.63	7,200
1/11/99	18.25	1,500
1/12/99	18.25	7,000
1/13/99	18.00	10,400
1/14/99	18.00	6,300
1/15/99	18.25	3,100
1/19/99	18.25	800
1/20/99	18.38	6,200
1/21/99	17.75	29,300
1/22/99	17.38	28,200
1/25/99	17.50	2,700
1/26/99	17.50	19,700
1/27/99	17.75	2,900
1/28/99	18.00	10,100
1/29/99	18.38	1,500
2/1/99	18.44	5,900
2/2/99	18.38	44,600
2/3/99	18.25	6,700
2/4/99	18.56	10,500
2/5/99	18.50	9,600
2/8/99	18.44	5,600
2/9/99	18.31	1,000
2/10/99	18.25	500
2/11/99	18.13	9,400
2/12/99	17.88	6,000
2/16/99	17.69	2,600
2/17/99	17.69	1,800
2/18/99	17.63	1,500
2/19/99	17.75	11,400
2/22/99	17.63	3,600
2/23/99	17.50	1,200
2/24/99	17.50	3,800
2/25/99	17.75	20,400
2/26/99	17.88	21,500
3/1/99	17.94	1,400
3/2/99	17.94	1,900
3/3/99	17.94	6,100
3/4/99	18.38	9,900
3/5/99	18.38	2,300
3/8/99	18.31	5,900
3/9/99	18.25	4,000
3/10/99	18.13	2,000
3/11/99	18.13	3,000
3/12/99	18.13	5,200
3/15/99	18.25	2,600
3/16/99	17.75	8,900
3/17/99	17.88	700
3/18/99	17.94	1,400
3/19/99	15.38	97,300
3/22/99	14.50	12,300
3/23/99	14.44	4,300
3/24/99	14.19	5,700
3/25/99	14.25	5,600
3/26/99	14.00	12,200
3/29/99	13.88	12,400
3/30/99	14.13	3,600

3/31/99	14.13	4,400
4/1/99	14.19	5,200
4/5/99	14.00	7,500
4/6/99	13.63	1,800
4/7/99	13.56	2,900
4/8/99	13.13	12,700
4/9/99	13.06	10,000
4/12/99	12.94	7,100
4/13/99	12.69	23,200
4/14/99	12.88	14,400
4/15/99	13.00	14,200
4/16/99	14.38	16,900
4/19/99	15.13	11,400
4/20/99	15.25	2,300
4/21/99	15.56	7,700
4/22/99	15.25	14,100
4/23/99	15.00	8,400
4/26/99	15.25	3,900
4/27/99	15.63	47,800
4/28/99	15.00	3,800
4/29/99	15.38	9,100
4/30/99	16.13	11,500
5/3/99	16.25	6,700
5/4/99	16.13	10,500
5/5/99	15.88	1,900
5/6/99	15.38	2,700
5/7/99	15.38	36,000
5/10/99	16.00	2,900
5/11/99	16.13	2,600
5/12/99	16.25	1,600
5/13/99	16.31	2,900
5/14/99	16.00	4,300
5/17/99	15.88	2,900
5/18/99	15.50	2,900
5/19/99	15.38	1,600
5/20/99	15.44	1,400
5/21/99	15.38	100
5/24/99	15.13	4,000
5/25/99	14.38	7,300
5/26/99	14.31	9,400
5/27/99	14.25	6,300
5/28/99	14.25	200
6/1/99	14.63	4,700
6/2/99	14.25	2,900
6/3/99	14.38	1,200
6/4/99	14.13	300
6/7/99	14.50	3,700
6/8/99	14.44	0
6/9/99	14.50	1,000
6/10/99	14.25	1,300
6/11/99	14.50	12,600
6/14/99	14.13	17,000
6/15/99	14.06	600
6/16/99	14.13	9,400
6/17/99	14.50	17,800
6/18/99	14.50	1,000
6/21/99	14.38	1,000
6/22/99	13.94	3,000
6/23/99	13.75	2,700
6/24/99	13.06	10,200
6/25/99	13.13	0
6/28/99	12.88	19,100
6/29/99	12.81	8,800
6/30/99	12.94	1,300
7/1/99	11.00	60,700
7/2/99	10.88	64,400
7/6/99	10.81	56,100
7/7/99	10.44	34,700
7/8/99	9.75	34,800
7/9/99	9.69	24,300
7/12/99	9.44	13,000
7/13/99	8.63	102,900
7/14/99	8.06	100,500
7/15/99	8.44	175,700
7/16/99	8.63	44,600
7/19/99	8.63	47,600
7/20/99	8.69	7,400
7/21/99	8.69	8,100
7/22/99	8.81	15,800
7/23/99	9.13	18,900
7/26/99	9.13	12,100
7/27/99	9.06	78,600
7/28/99	9.13	16,800
7/29/99	8.81	15,800
7/30/99	9.00	19,100

8/2/99	9.06	7,500
8/3/99	8.94	3,700
8/4/99	8.75	12,100
8/5/99	8.69	4,300
8/6/99	8.63	6,100
8/9/99	8.63	5,800
8/10/99	8.69	11,300
8/11/99	8.56	16,700
8/12/99	8.44	14,700
8/13/99	8.44	14,400
8/16/99	8.38	4,900
8/17/99	8.25	17,700
8/18/99	8.19	7,200
8/19/99	7.94	35,700
8/20/99	7.88	3,000
8/23/99	7.75	16,100
8/24/99	7.63	10,700
8/25/99	7.63	4,400
8/26/99	7.31	17,600
8/27/99	7.38	8,400
8/30/99	7.13	4,000
8/31/99	6.88	7,500
9/1/99	6.75	12,500
9/2/99	6.75	6,000
9/3/99	6.75	1,200
9/7/99	7.00	23,600
9/8/99	7.25	25,100
9/9/99	7.38	12,500
9/10/99	7.25	7,500
9/13/99	7.25	15,600
9/14/99	7.00	4,600
9/15/99	6.75	75,200
9/16/99	6.69	3,000
9/17/99	6.50	12,800
9/20/99	6.44	15,900
9/21/99	6.44	7,100
9/22/99	5.69	55,800
9/23/99	5.94	39,100
9/24/99	5.63	42,000
9/27/99	5.44	16,000
9/28/99	5.25	14,800
9/29/99	4.88	26,600
9/30/99	5.63	31,100
10/1/99	5.38	29,900
10/4/99	5.25	31,100
10/5/99	5.25	1,000
10/6/99	5.25	4,200
10/7/99	5.19	9,300
10/8/99	5.50	17,200
10/11/99	5.63	14,800
10/12/99	5.19	47,600
10/13/99	5.19	13,900
10/14/99	5.00	26,200
10/15/99	5.00	10,800
10/18/99	4.63	23,900
10/19/99	5.13	46,800
10/20/99	5.88	23,100
10/21/99	6.38	26,200
10/22/99	6.75	20,600
10/25/99	7.25	22,600
10/26/99	7.13	27,300
10/27/99	7.00	18,300
10/28/99	5.63	68,100
10/29/99	4.81	89,000
11/1/99	4.25	112,100
11/2/99	4.13	59,700
11/3/99	4.69	53,700
11/4/99	4.56	69,700
11/5/99	4.63	8,800
11/8/99	4.38	39,400
11/9/99	4.31	10,600
11/10/99	4.25	16,700
11/11/99	4.13	7,500
11/12/99	4.00	46,400
11/15/99	3.88	23,500
11/16/99	3.75	46,400
11/17/99	3.75	42,100
11/18/99	3.75	43,300
11/19/99	3.81	29,700
11/22/99	3.56	35,800
11/23/99	3.50	476,800
11/24/99	3.94	44,700
11/26/99	4.19	24,400
11/29/99	4.38	50,400
11/30/99	4.88	79,900

12/1/99	5.00	28,000
12/2/99	5.25	35,100
12/3/99	6.50	68,200
12/6/99	6.13	77,100
12/7/99	6.19	21,100
12/8/99	5.50	64,600
12/9/99	5.50	10,100
12/10/99	5.44	20,500
12/13/99	5.38	10,500
12/14/99	5.13	31,300
12/15/99	5.00	5,600
12/16/99	4.31	33,400
12/17/99	4.25	95,700
12/20/99	4.06	32,500
12/21/99	4.00	55,600
12/22/99	3.94	65,400
12/23/99	4.00	28,600
12/27/99	3.94	58,000
12/28/99	4.13	62,700
12/29/99	4.25	27,000
12/30/99	4.31	44,900
12/31/99	4.25	45,000
1/3/00	4.69	17,900
1/4/00	5.19	31,400
1/5/00	5.06	11,300
1/6/00	5.38	35,600
1/7/00	5.25	12,000
1/10/00	5.44	21,600
1/11/00	5.75	21,000
1/12/00	5.81	2,300
1/13/00	5.69	12,200
1/14/00	5.75	14,200
1/18/00	5.88	23,600
1/19/00	6.25	11,100
1/20/00	5.75	45,100
1/21/00	5.44	13,600
1/24/00	5.31	34,100
1/25/00	4.81	42,900
1/26/00	4.50	32,500
1/27/00	5.13	23,800
1/28/00	5.00	11,800
1/31/00	5.00	30,400
2/1/00	5.19	27,600
2/2/00	5.31	5,300
2/3/00	5.00	15,500
2/4/00	5.13	14,400
2/7/00	5.38	3,500
2/8/00	5.13	3,900
2/9/00	5.06	5,700
2/10/00	5.88	110,800
2/11/00	5.69	56,000
2/14/00	5.63	32,900
2/15/00	5.38	12,400
2/16/00	5.38	21,200
2/17/00	5.44	7,600
2/18/00	5.31	9,600
2/22/00	5.25	3,500
2/23/00	5.19	3,700
2/24/00	5.13	2,100
2/25/00	5.00	2,300
2/28/00	4.94	4,300
2/29/00	5.00	1,000
3/1/00	5.00	3,500
3/2/00	5.13	18,400
3/3/00	5.44	31,900
3/6/00	5.25	5,800
3/7/00	5.38	5,700
3/8/00	5.38	6,400
3/9/00	5.31	6,300
3/10/00	5.06	20,900
3/13/00	4.69	23,000
3/14/00	4.69	5,200
3/15/00	4.63	10,200
3/16/00	4.56	2,500
3/17/00	4.63	25,600
3/20/00	4.88	23,300
3/21/00	5.13	13,400
3/22/00	4.88	4,700
3/23/00	4.69	21,900
3/24/00	4.75	4,200
3/27/00	4.75	12,400
3/28/00	4.75	1,500
3/29/00	4.69	6,500
3/30/00	4.63	10,300
3/31/00	4.63	300

4/3/00	4.63	2,500
4/4/00	4.50	13,500
4/5/00	4.50	4,900
4/6/00	4.25	24,500
4/7/00	4.44	2,000
4/10/00	4.75	8,300
4/11/00	4.69	1,000
4/12/00	4.69	5,700
4/13/00	4.75	7,700
4/14/00	4.69	5,800
4/17/00	4.38	10,800
4/18/00	4.38	3,900
4/19/00	4.63	26,100
4/20/00	4.88	30,500
4/24/00	4.81	4,400
4/25/00	4.81	5,500
4/26/00	4.50	10,800
4/27/00	4.69	24,000
4/28/00	4.56	1,500
5/1/00	4.50	6,000
5/2/00	4.50	3,600
5/3/00	4.50	4,700
5/4/00	4.81	12,500
5/5/00	4.69	5,800
5/8/00	4.81	8,100
5/9/00	4.75	7,600
5/10/00	4.56	3,700
5/11/00	4.56	4,000
5/12/00	4.69	4,600
5/15/00	4.75	5,000
5/16/00	4.69	5,200
5/17/00	4.56	5,700
5/18/00	4.75	3,000
5/19/00	4.81	8,100
5/22/00	4.56	3,000
5/23/00	4.38	9,300
5/24/00	4.31	5,900
5/25/00	4.31	2,200
5/26/00	4.44	3,500
5/30/00	4.31	3,700
5/31/00	4.50	8,800
6/1/00	4.38	2,300
6/2/00	4.38	16,700
6/5/00	4.56	3,600
6/6/00	4.44	10,700
6/7/00	4.38	6,100
6/8/00	4.38	6,400
6/9/00	4.44	2,600
6/12/00	4.50	2,800
6/13/00	4.44	3,700
6/14/00	4.44	300
6/15/00	4.44	1,600
6/16/00	4.38	8,300
6/19/00	4.44	3,200
6/20/00	4.44	8,000
6/21/00	4.38	3,300
6/22/00	4.38	36,300
6/23/00	4.88	31,000
6/26/00	4.75	12,700
6/27/00	4.94	4,200
6/28/00	4.94	5,300
6/29/00	5.00	20,200
6/30/00	5.06	45,300
7/3/00	5.06	9,800
7/5/00	5.19	3,700
7/6/00	5.19	11,700
7/7/00	5.19	8,800
7/10/00	5.19	1,700
7/11/00	5.06	1,500
7/12/00	5.06	1,700
7/13/00	5.19	3,100
7/14/00	5.19	800
7/17/00	5.13	5,900
7/18/00	5.19	2,100
7/19/00	5.25	4,000
7/20/00	5.13	8,300
7/21/00	5.13	6,600
7/24/00	5.13	500
7/25/00	5.38	19,000
7/26/00	5.13	8,800
7/27/00	4.94	17,800
7/28/00	4.88	1,000
7/31/00	4.88	6,100
8/1/00	4.88	2,500
8/2/00	4.81	2,700

8/3/00	4.75	2,400
8/4/00	4.69	30,600
8/7/00	4.69	600
8/8/00	4.69	800
8/9/00	4.69	3,500
8/10/00	4.69	2,000
8/11/00	4.69	1,000
8/14/00	4.69	500
8/15/00	4.69	600
8/16/00	4.69	1,100
8/17/00	4.63	2,500
8/18/00	4.69	1,500
8/21/00	4.50	9,000
8/22/00	4.50	5,300
8/23/00	4.50	500
8/24/00	4.50	6,100
8/25/00	4.50	1,600
8/28/00	4.56	100
8/29/00	4.50	2,400
8/30/00	4.50	9,000
8/31/00	4.38	6,900
9/1/00	4.38	6,200
9/5/00	4.31	5,400
9/6/00	4.19	11,500
9/7/00	4.25	2,500
9/8/00	4.25	15,900
9/11/00	4.25	5,400
9/12/00	4.31	3,900
9/13/00	4.38	1,000
9/14/00	4.44	1,900
9/15/00	4.31	1,200
9/18/00	4.25	5,900
9/19/00	4.13	14,500
9/20/00	4.13	3,100
9/21/00	4.13	3,600
9/22/00	4.00	6,900
9/25/00	3.75	22,900
9/26/00	4.00	11,300
9/27/00	3.81	6,700
9/28/00	4.00	2,000
9/29/00	3.94	1,100
10/2/00	3.94	2,100
10/3/00	3.81	6,400
10/4/00	3.81	1,600
10/5/00	3.69	8,300
10/6/00	3.75	1,500
10/9/00	3.75	3,600
10/10/00	3.56	17,700
10/11/00	3.50	25,500
10/12/00	3.44	14,900
10/13/00	3.38	12,000
10/16/00	3.44	1,900
10/17/00	3.25	9,900
10/18/00	3.13	6,600
10/19/00	3.19	9,200
10/20/00	3.00	45,900
10/23/00	3.00	13,800
10/24/00	3.00	58,400
10/25/00	2.94	318,200
10/26/00	3.00	1,500
10/27/00	3.00	8,700
10/30/00	3.13	500
10/31/00	3.00	3,300
11/1/00	3.00	100
11/2/00	3.13	6,000
11/3/00	3.19	2,500
11/6/00	3.00	7,000
11/7/00	3.13	10,800
11/8/00	3.06	6,700
11/9/00	3.31	6,200
11/10/00	3.25	7,100
11/13/00	3.13	5,400
11/14/00	3.13	1,700
11/15/00	3.06	22,300
11/16/00	3.00	15,800
11/17/00	3.13	15,000
11/20/00	3.63	15,200
11/21/00	3.56	10,900
11/22/00	3.50	22,800
11/24/00	3.38	4,700
11/27/00	3.06	22,000
11/28/00	3.13	12,100
11/29/00	3.13	5,400
11/30/00	3.19	15,900
12/1/00	3.06	14,300

12/4/00	2.94	14,800
12/5/00	3.00	85,000
12/6/00	2.88	6,300
12/7/00	3.00	6,600
12/8/00	3.25	38,800
12/11/00	3.38	15,900
12/12/00	3.00	33,900
12/13/00	3.00	3,900
12/14/00	3.00	23,600
12/15/00	3.13	4,100
12/18/00	3.19	29,300
12/19/00	3.19	9,800
12/20/00	3.13	12,300
12/21/00	3.06	8,500
12/22/00	3.06	19,700
12/26/00	3.13	58,200
12/27/00	3.25	22,900
12/28/00	3.06	17,500
12/29/00	3.06	68,600
1/2/01	3.06	3,400
1/3/01	3.13	21,600
1/4/01	3.19	1,800
1/5/01	3.25	9,400
1/8/01	3.25	3,400
1/9/01	3.25	11,600
1/10/01	3.44	15,600
1/11/01	3.44	1,100
1/12/01	3.44	7,500
1/16/01	3.50	8,900
1/17/01	3.38	14,100
1/18/01	3.25	18,000
1/19/01	3.63	27,900
1/22/01	3.69	8,800
1/23/01	3.75	7,000
1/24/01	3.75	200
1/25/01	3.81	5,100
1/26/01	4.06	4,900
1/29/01	4.35	18,500
1/30/01	4.74	37,300
1/31/01	4.76	9,500
2/1/01	4.68	1,800
2/2/01	4.75	2,900
2/5/01	4.75	3,600
2/6/01	4.52	11,400
2/7/01	4.50	4,200
2/8/01	4.65	8,100
2/9/01	4.50	5,200
2/12/01	4.30	10,000
2/13/01	4.10	4,400
2/14/01	4.10	400
2/15/01	4.05	2,700
2/16/01	3.68	24,400
2/20/01	3.70	4,200
2/21/01	3.67	500
2/22/01	3.64	3,000
2/23/01	3.70	100
2/26/01	3.70	2,600
2/27/01	3.70	2,400
2/28/01	3.70	600
3/1/01	3.75	8,100
3/2/01	3.70	3,400
3/5/01	3.70	200
3/6/01	3.79	1,600
3/7/01	3.80	2,000
3/8/01	3.78	1,000
3/9/01	3.83	0
3/12/01	3.80	1,700
3/13/01	3.90	4,300
3/14/01	3.90	1,300
3/15/01	3.90	6,000
3/16/01	3.85	1,400
3/19/01	3.85	200
3/20/01	3.85	100
3/21/01	3.85	200
3/22/01	3.75	4,000
3/23/01	3.75	2,300
3/26/01	3.70	3,500
3/27/01	3.74	2,000
3/28/01	3.90	4,600
3/29/01	3.80	1,400
3/30/01	4.00	6,200
4/2/01	3.90	1,600
4/3/01	4.00	14,600
4/4/01	4.00	2,700
4/5/01	3.85	1,700

4/6/01	3.98	7,000
4/9/01	4.00	25,500
4/10/01	4.10	48,200
4/11/01	4.03	300
4/12/01	3.94	1,600
4/16/01	4.02	800
4/17/01	3.91	500
4/18/01	3.90	9,200
4/19/01	3.90	3,100
4/20/01	3.85	7,500
4/23/01	4.00	53,500
4/24/01	3.90	25,700
4/25/01	3.95	1,100
4/26/01	3.90	2,800
4/27/01	4.00	12,500
4/30/01	3.90	1,300
5/1/01	4.00	51,300
5/2/01	3.99	9,300
5/3/01	3.99	300
5/4/01	4.00	116,900
5/7/01	3.95	1,200
5/8/01	3.90	1,600
5/9/01	3.95	2,100
5/10/01	3.98	2,000
5/11/01	3.90	13,200
5/14/01	3.85	500
5/15/01	3.85	600
5/16/01	3.82	100
5/17/01	3.86	1,400
5/18/01	3.92	18,500
5/21/01	3.84	9,800
5/22/01	4.00	15,000
5/23/01	4.00	76,800
5/24/01	4.00	4,100
5/25/01	4.11	4,800
5/29/01	4.15	6,900
5/30/01	4.50	19,800
5/31/01	5.20	38,000
6/1/01	5.31	13,800
6/4/01	5.30	4,600
6/5/01	5.17	10,900
6/6/01	4.86	12,100
6/7/01	5.00	82,800

</TABLE>

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JANNEY MONTGOMERY SCOTT
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Relative Recent Stock Performance - Last Six Months

Daily from December 7, 2000 - June 7, 2001

[INDEXED PRICES LINE GRAPH]

<TABLE> <CAPTION>			
DATE	SDP	S&P500	PEER GROUP
<S>	<C>	<C>	<C>
12/7/00	100.00	100.00	100.00
12/8/00	108.33	101.96	100.86
12/11/00	112.50	102.73	102.58
12/12/00	100.00	102.06	105.24
12/13/00	100.00	101.22	105.31
12/14/00	100.00	99.81	105.28
12/15/00	104.17	97.66	104.79
12/18/00	106.25	98.45	107.13
12/19/00	106.25	97.18	110.55
12/20/00	104.17	94.13	109.76
12/21/00	102.08	94.89	114.82
12/22/00	102.08	97.20	118.98
12/26/00	104.17	97.89	119.70
12/27/00	108.33	98.91	124.47
12/28/00	102.08	99.31	124.33
12/29/00	102.08	98.27	124.41
1/2/01	102.08	95.51	124.92
1/3/01	104.17	100.30	127.60
1/4/01	106.25	99.24	128.43
1/5/01	108.33	96.64	125.82
1/8/01	108.33	96.45	125.64
1/9/01	108.33	96.82	126.47
1/10/01	114.58	97.75	125.23

1/11/01	114.58	98.75	124.10
1/12/01	114.58	98.12	124.89
1/16/01	116.67	98.74	123.81
1/17/01	112.50	98.95	123.57
1/18/01	108.33	100.33	121.51
1/19/01	120.83	99.92	121.94
1/22/01	122.92	99.95	121.57
1/23/01	125.00	101.25	119.81
1/24/01	125.00	101.54	120.24
1/25/01	127.08	101.04	120.08
1/26/01	135.42	100.85	119.08
1/29/01	145.00	101.53	118.40
1/30/01	158.00	102.25	119.47
1/31/01	158.67	101.67	121.03
2/1/01	156.00	102.23	120.55
2/2/01	158.33	100.44	120.57
2/5/01	158.33	100.80	121.49
2/6/01	150.67	100.65	122.87
2/7/01	150.00	99.80	125.16
2/8/01	155.00	99.18	125.68
2/9/01	150.00	97.86	125.23
2/12/01	143.33	99.01	126.43
2/13/01	136.67	98.16	127.68
2/14/01	136.67	97.94	127.31
2/15/01	135.00	98.74	128.71
2/16/01	122.67	96.87	128.88
2/20/01	123.33	95.19	131.97
2/21/01	122.33	93.43	132.19
2/22/01	121.33	93.25	129.84
2/23/01	123.33	92.73	127.67
2/26/01	123.33	94.35	129.57
2/27/01	123.33	93.63	128.78
2/28/01	123.33	92.29	127.80
3/1/01	125.00	92.38	127.94
3/2/01	123.33	91.86	128.88
3/5/01	123.33	92.40	129.79
3/6/01	126.33	93.32	129.79
3/7/01	126.67	93.92	129.34
3/8/01	126.00	94.13	129.71
3/9/01	127.50	91.80	128.16
3/12/01	126.67	87.84	126.58
3/13/01	130.00	89.14	126.04
3/14/01	130.00	86.84	122.58
3/15/01	130.00	87.35	123.99
3/16/01	128.33	85.63	121.02
3/19/01	128.33	87.14	122.71
3/20/01	128.33	85.04	122.20
3/21/01	128.33	83.52	118.71
3/22/01	125.00	83.18	117.98
3/23/01	125.00	84.84	116.93
3/26/01	123.33	85.79	121.29
3/27/01	124.67	87.99	122.39
3/28/01	130.00	85.84	122.91
3/29/01	126.67	85.44	121.47
3/30/01	133.33	86.36	122.96
4/2/01	130.00	85.29	123.42
4/3/01	133.33	82.35	120.44
4/4/01	133.33	82.11	123.14
4/5/01	128.33	85.70	127.29
4/6/01	132.67	83.99	126.16
4/9/01	133.33	84.67	127.56
4/10/01	136.67	86.96	129.99
4/11/01	134.33	86.78	127.28
4/12/01	131.33	88.09	128.84
4/16/01	134.00	87.80	130.14
4/17/01	130.33	88.71	130.17
4/18/01	130.00	92.16	133.96
4/19/01	130.00	93.31	132.18
4/20/01	128.33	92.51	131.56
4/23/01	133.33	91.13	131.24
4/24/01	130.00	90.02	129.13
4/25/01	131.67	91.46	128.58
4/26/01	130.00	91.88	128.70
4/27/01	133.33	93.26	128.84
4/30/01	130.00	93.00	129.26
5/1/01	133.33	94.26	129.47
5/2/01	133.00	94.33	130.06
5/3/01	133.00	92.93	128.83
5/4/01	133.33	94.27	129.17
5/7/01	131.67	94.04	130.07
5/8/01	130.00	93.87	130.86
5/9/01	131.67	93.45	130.19
5/10/01	132.67	93.42	131.08
5/11/01	130.00	92.71	130.42
5/14/01	128.33	92.96	130.80

5/15/01	128.33	93.00	131.72
5/16/01	127.33	95.64	135.75
5/17/01	128.67	95.90	135.55
5/18/01	130.67	96.16	135.25
5/21/01	128.00	97.71	134.69
5/22/01	133.33	97.46	134.59
5/23/01	133.33	95.94	134.46
5/24/01	133.33	96.25	135.40
5/25/01	137.00	95.11	135.62
5/29/01	138.33	94.37	136.13
5/30/01	150.00	92.89	135.95
5/31/01	173.33	93.47	136.94
6/1/01	177.00	93.83	136.33
6/4/01	176.67	94.31	137.79
6/5/01	172.33	95.54	140.72
6/6/01	162.00	94.53	140.63
6/7/01	166.67	95.04	141.26

</TABLE>

* Peer Group includes: AIT, B, GPC, HDL, IDG, SORC.
Indexed prices are market cap. weighted.

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JANNEY MONTGOMERY SCOTT

STOCK PREMIUM ANALYSIS

JANNEY MONTGOMERY SCOTT

Stock Premium Analysis

- In order to compare Allied's offer price of \$10.375 to comparable transactions, purchase price premiums for transactions with the following characteristics were analyzed:
 - The target company was a publicly traded entity
 - The transaction was completed within the last six months
 - The target company had a market capitalization between \$50 million and \$200 million.
- 10 transactions were found, and the average purchase price premium four weeks prior to announcement was approximately 38%. The chart on the following page illustrates the number of transactions that fell within various premium ranges.
- The proposed purchase price per share of \$10.375 represents a 105% premium over SunSource's closing price of \$5.05 on June 14th, and a 171% premium over SunSource's average closing price over the past six months of \$3.83.

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JANNEY MONTGOMERY SCOTT

Stock Premium Analysis

Market Capitalization Between \$50 -\$200 Million

HISTOGRAM FOR PURCHASE PREMIUMS FOUR WEEKS PRIOR TO ANNOUNCEMENT

[BAR CHART]

<TABLE>

<CAPTION>

PURCHASE PREMIUM	NUMBER OF ACQUISITIONS
<S>	<C>
<10%	2
10 to 25%	1
25 to 50%	4
50 to 75%	1

75 to 100% 1
>100% 1
</TABLE>

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Stock Price Premium Analysis

<TABLE>
<CAPTION>

SUNSOURCE, INC.

M&A Premium Analysis for the last six months for Public Target Companies w/ a Market Cap between \$50-200 million.

COMPLETION ENTERPRISE DATE (mm)	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	TRANSACTION VALUE (mm)	VALUE
<S> 31 May 2001 221.0	<C> Hallwood Energy Corp.	<C> Explores, acquires and develops oil and gas properties.	<C> Pure Resources, Inc.	<C> \$ 221.0	<C> \$
31 May 2001 224.3	E.W. Blanch Holdings, Inc.	Provides integrated risk management and distribution services.	Benfield Greig Group Plc	224.3	
21 May 2001 142.5	USA Detergents, Inc.	Manufactures laundry and household cleaning products	Church & Dwight Co., Inc.	127.3	
18 May 2001 151.0	InterContinental Life Corp.	Administers existing portfolios of individual and group life and health insurance, credit life, and disability and annuity products.	Financial Industries Corp.	78.5	
11 May 2001 87.0	Barringer Technologies, Inc.	Develops analytical instruments.	Smiths Group Plc	87.0	
10 May 2001 107.0	ASI Solutions Inc.	Provides human resources outsourcing.	Aon Corp.	107.0	
01 May 2001 173.6	Sequoia Software Corp.	XML-based Internet infrastructure software for creating interactive e-business portals.	Citrix Systems, Inc.	173.6	
30 Apr 2001 87.5	Kenan Transport Co.	Provides transportation services.	Advantage Management Group, Inc.	87.5	
20 Apr 2001 71.0	Allergan Specialty Therapeutics, Inc.	Researches, develops human pharmaceuticals products.	Allergan, Inc.	71.0	
16 Feb 2001 121.5	Robinson Nugent, Inc.	Designs, manufactures, and markets electronic connectors, integrated circuit sockets, and cable assemblies.	3M	121.5	

</TABLE>

<TABLE>
<CAPTION>

				TARGET PRICE PRIOR TO ANNOUNCEMENT		
----- COMPLETION DATE DAY -----	TARGET FULL NAME	BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 MONTH	1 WEEK	1

<S>	<C>	<C>	<C>	<C>	<C>	<C>
31 May 2001 9.03	Hallwood Energy Corp.	Explores, acquires and develops oil and gas properties.	Pure Resources, Inc.	\$ 9.34	\$ 9.50	\$
31 May 2001 7.75	E.W. Blanch Holdings, Inc.	Provides integrated risk management and distribution services.	Benfield Greig Group Plc	9.40	7.26	
21 May 2001 5.81	USA Detergents, Inc.	Manufactures laundry and household cleaning products	Church & Dwight Co., Inc.	4.47	4.81	
18 May 2001 10.75	InterContinental Life Corp.	Administers existing portfolios of individual and group life and health insurance, credit life, and disability and annuity products.	Financial Industries Corp.	9.25	9.88	
11 May 2001 10.00	Barringer Technologies, Inc.	Develops analytical instruments.	Smiths Group Plc	9.94	9.47	
10 May 2001 11.50	ASI Solutions Inc.	Provides human resources outsourcing.	Aon Corp.	18.00	11.50	
01 May 2001 5.00	Sequoia Software Corp.	XML-based Internet infrastructure software for creating interactive e-business portals.	Citrix Systems, Inc.	3.09	3.47	
30 Apr 2001 26.50	Kenan Transport Co.	Provides transportation services.	Advantage Management Group, Inc.	25.00	24.13	
20 Apr 2001 22.00	Allergan Specialty Therapeutics, Inc.	Researches, develops human pharmaceuticals products.	Allergan, Inc.	20.50	21.28	
16 Feb 2001 16.63	Robinson Nugent, Inc.	Designs, manufactures, and markets electronic connectors, integrated circuit sockets, and cable assemblies.	3M	16.81	15.69	

</TABLE>

<TABLE>
<CAPTION>

				PREMIUM (%) PRICE TO ANNOUNCEMENT		
		TARGET		-----		
COMPLETION DATE MONTH	TARGET FULL NAME	BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 DAY	1 WEEK	1

<S>	<C>	<C>	<C>	<C>	<C>	<C>
31 May 2001 33.8	Hallwood Energy Corp.	Explores, acquires	Pure Resources, Inc.	38.4	31.6	

and develops oil
and gas properties.

31 May 2001 43.6	E.W. Blanch Holdings, Inc.	Provides integrated risk management and distribution services.	Benfield Greig Group Plc	74.2	86.0
21 May 2001 56.6	USA Detergents, Inc.	Manufactures laundry and household cleaning products	Church & Dwight Co., Inc.	20.4	45.5
18 May 2001 101.0	InterContinental Life Corp.	Administers existing portfolios of individual and group life and health insurance, credit life, and disability and annuity products.	Financial Industries Corp.	72.9	88.3
11 May 2001 11.2	Barringer Technologies, Inc.	Develops analytical instruments.	Smiths Group Plc	10.5	16.7
10 May 2001 19.9	ASI Solutions Inc.	Provides human resources outsourcing.	Aon Corp.	25.4	25.4
01 May 2001 82.3	Sequoia Software Corp.	XML-based Internet infrastructure software for creating interactive e-business portals.	Citrix Systems, Inc.	12.8	62.6
30 Apr 2001 40.0	Kenan Transport Co.	Provides transportation services.	Advantage Management Group, Inc.	32.1	45.1
20 Apr 2001 5.9	Allergan Specialty Therapeutics, Inc.	Researches, develops human pharmaceuticals products.	Allergan, Inc.	-1.4	2.0
16 Feb 2001 29.7	Robinson Nugent, Inc.	Designs, manufactures, and markets electronic connectors, integrated circuit sockets, and cable assemblies.	3M	31.1	39.0

</TABLE>

<TABLE>

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
AVERAGE	129.9	138.6	12.58	11.70	12.50	31.6	44.2	38.4
MEDIAN	114.3	132.0	9.67	9.69	10.38	28.3	42.0	36.9
LOW	71.0	71.0	3.09	3.47	5.00	(1.4)	2.0	(19.9)
HIGH	224.3	224.3	24.13	24.13	26.50	74.2	88.3	101.0

</TABLE>

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JANNEY MONTGOMERY SCOTT
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OVERVIEW OF ALLIED CAPITAL CORPORATION

JANNEY MONTGOMERY SCOTT
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Allied Capital Corporation Overview

- - Allied Capital Corporation ("Allied") is a Washington D.C. based company that was founded in 1958 and has been public since 1960 (NYSE: ALD.) Its market capitalization is approximately \$2.2 billion; the stock currently trades at approximately \$24, representing P/E ratios of approximately

11.5 times LTM net income, 10.8 times the average 2001 analyst estimate of \$2.23 per share, and 9.6 times the average 2002 analyst estimate of \$2.51 per share.

- - Allied is a business development company that provides private investment capital to private and public companies in a variety of industries throughout the U.S. Investment activity is focused in two areas: private finance and commercial real estate finance.
- - Over 70% of Allied's investments are in the private finance sector, and are generally used to fund growth, buyouts, acquisitions, recapitalizations, and bridge financings. Allied's investments typically range in size from \$5 million to \$30 million, and are generally structured as unsecured, subordinated loans with equity features such as warrants or options. Allied also maintains a small portfolio of commercial real estate loans.
- - Allied experienced strong growth in 2000 driven by strong originations, but during the first quarter of 2001, buyout and private finance activity across the industry slowed largely due to credit tightening among senior lenders.

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JANNEY MONTGOMERY SCOTT
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ALD - Analysts' Opinions and Earnings Estimates

<TABLE>
<CAPTION>

ORGANIZATION	OPINION	2001 ESTIMATE	2002 ESTIMATE

<S>	<C>	<C>	<C>
Merrill Lynch	Strong Buy	\$ 2.27	\$ 2.50
BB&T Capital Markets	Strong Buy	2.25	2.59
U.S. Bancorp Piper Jaffray	Strong Buy	2.25	2.58
Wells Fargo Van Kasper	Strong Buy	2.23	--
First Union Securities	Strong Buy	2.20	--
Hilliard Lyons	Strong Buy	2.20	--
Jolson Merchant Partners	Strong Buy	2.20	2.50
Banc of America Securities	Buy	2.32	2.70
Friedman, Billings, Ramsey & Co.	Buy	2.25	2.50
William Blair & Company	Buy	2.25	--
Ferris, Baker Watts & Co.	Buy	2.19	2.44
A.G. Edwards & Sons	Hold	2.20	2.35
Davenport & Company	Hold	2.20	2.50
Robertson Stephens	Hold	2.17	2.40
		-----	-----
Average		\$ 2.23	\$ 2.51

</TABLE>

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JANNEY MONTGOMERY SCOTT
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ALD - Stock Performance

[3 YEAR STOCK PRICE LINE GRAPH]

[3 YEAR VOLUME LINE GRAPH]

<TABLE>
<CAPTION>

DATE	PRICE	VOLUME
<S>	<C>	<C>
5/28/98	24.25	193,300
5/29/98	24.25	174,600
6/1/98	24.50	190,100
6/2/98	25.00	64,900
6/3/98	25.13	86,600
6/4/98	26.00	148,200
6/5/98	25.88	98,600
6/8/98	25.38	225,400
6/9/98	24.94	89,300
6/10/98	24.63	62,100
6/11/98	25.00	95,900

6/12/98	24.25	115,300
6/15/98	22.88	241,300
6/16/98	22.13	403,900
6/17/98	22.63	331,000
6/18/98	21.75	438,000
6/19/98	23.50	993,700
6/22/98	23.94	346,300
6/23/98	23.88	319,500
6/24/98	24.50	136,100
6/25/98	24.25	149,200
6/26/98	23.75	217,800
6/29/98	25.13	214,600
6/30/98	24.50	147,100
7/1/98	24.56	138,200
7/2/98	24.50	45,500
7/6/98	24.06	126,000
7/7/98	23.75	63,700
7/8/98	24.50	198,100
7/9/98	24.81	202,600
7/10/98	22.94	611,500
7/13/98	23.25	176,800
7/14/98	23.75	239,800
7/15/98	22.88	203,000
7/16/98	24.25	178,100
7/17/98	23.94	82,100
7/20/98	23.63	71,300
7/21/98	22.75	115,500
7/22/98	22.94	109,400
7/23/98	21.63	392,700
7/24/98	21.25	144,100
7/27/98	20.69	204,000
7/28/98	19.88	378,800
7/29/98	20.38	672,600
7/30/98	21.38	178,600
7/31/98	21.63	142,400
8/3/98	22.13	224,500
8/4/98	21.25	195,700
8/5/98	21.38	270,300
8/6/98	20.94	53,600
8/7/98	21.25	90,100
8/10/98	21.06	79,500
8/11/98	19.88	153,800
8/12/98	20.00	250,600
8/13/98	20.13	77,400
8/14/98	19.88	86,400
8/17/98	19.63	145,000
8/18/98	20.31	190,900
8/19/98	19.75	90,300
8/20/98	19.75	151,200
8/21/98	18.69	189,700
8/24/98	19.00	286,400
8/25/98	18.63	272,100
8/26/98	16.94	562,200
8/27/98	16.00	661,800
8/28/98	16.81	522,400
8/31/98	16.00	326,700
9/1/98	17.06	517,300
9/2/98	17.88	318,100
9/3/98	17.19	153,600
9/4/98	17.25	194,500
9/8/98	17.88	322,400
9/9/98	17.00	281,200
9/10/98	16.38	304,100
9/11/98	16.06	250,100
9/14/98	16.13	267,000
9/15/98	16.06	340,600
9/16/98	15.50	302,100
9/17/98	15.88	218,600
9/18/98	15.63	330,400
9/21/98	15.25	155,700
9/22/98	15.19	392,100
9/23/98	15.19	352,000
9/24/98	15.19	313,100
9/25/98	14.94	413,600
9/28/98	15.94	518,500
9/29/98	18.00	324,900
9/30/98	17.75	147,400
10/1/98	17.63	227,700
10/2/98	17.13	172,800
10/5/98	15.63	406,600
10/6/98	14.63	432,300
10/7/98	12.88	1,241,500
10/8/98	12.50	811,100
10/9/98	15.13	609,400
10/12/98	14.75	404,700

10/13/98	14.75	170,000
10/14/98	15.50	212,000
10/15/98	15.38	233,500
10/16/98	16.44	294,200
10/19/98	16.63	163,700
10/20/98	16.75	226,800
10/21/98	17.38	158,800
10/22/98	17.38	135,700
10/23/98	17.19	120,900
10/26/98	17.88	159,300
10/27/98	16.88	228,100
10/28/98	17.19	127,500
10/29/98	17.88	220,300
10/30/98	18.75	319,500
11/2/98	18.88	170,400
11/3/98	18.88	83,800
11/4/98	18.88	126,800
11/5/98	18.44	118,300
11/6/98	18.00	75,900
11/9/98	18.00	92,500
11/10/98	17.88	131,000
11/11/98	17.25	146,600
11/12/98	17.25	124,000
11/13/98	16.75	168,400
11/16/98	16.94	251,600
11/17/98	16.94	210,800
11/18/98	17.06	219,200
11/19/98	17.44	1,039,700
11/20/98	17.00	745,700
11/23/98	17.00	446,000
11/24/98	17.06	334,200
11/25/98	17.56	175,900
11/27/98	17.75	60,300
11/30/98	18.00	547,200
12/1/98	18.00	98,600
12/2/98	17.94	152,200
12/3/98	18.00	181,800
12/4/98	17.94	204,700
12/7/98	17.94	252,100
12/8/98	17.88	153,400
12/9/98	17.44	273,100
12/10/98	17.19	111,800
12/11/98	17.69	164,700
12/14/98	17.13	214,900
12/15/98	17.13	293,800
12/16/98	17.06	268,100
12/17/98	17.38	239,200
12/18/98	17.56	164,400
12/21/98	16.88	204,800
12/22/98	17.19	234,500
12/23/98	17.13	132,800
12/24/98	17.00	110,500
12/28/98	17.13	136,400
12/29/98	17.19	126,300
12/30/98	17.25	141,800
12/31/98	17.31	67,100
1/4/99	18.25	197,200
1/5/99	18.00	158,800
1/6/99	18.00	251,600
1/7/99	17.88	118,700
1/8/99	18.06	148,300
1/11/99	18.00	150,000
1/12/99	18.00	227,000
1/13/99	17.69	243,300
1/14/99	17.63	93,400
1/15/99	17.53	111,500
1/19/99	17.75	224,900
1/20/99	17.94	437,100
1/21/99	17.94	278,500
1/22/99	18.00	99,600
1/25/99	17.94	144,400
1/26/99	18.00	261,900
1/27/99	18.00	189,600
1/28/99	17.94	229,400
1/29/99	18.00	105,200
2/1/99	17.25	135,100
2/2/99	17.75	280,700
2/3/99	17.75	100,200
2/4/99	17.13	204,700
2/5/99	17.06	84,900
2/8/99	17.00	80,000
2/9/99	16.88	79,100
2/10/99	16.88	87,300
2/11/99	16.94	131,100
2/12/99	17.00	53,600

2/16/99	17.13	132,500
2/17/99	17.00	57,900
2/18/99	16.94	177,900
2/19/99	17.00	136,400
2/22/99	16.81	357,900
2/23/99	16.75	268,300
2/24/99	17.00	326,200
2/25/99	17.03	551,100
2/26/99	17.63	564,600
3/1/99	19.06	506,500
3/2/99	19.31	278,700
3/3/99	19.56	160,800
3/4/99	20.00	196,500
3/5/99	19.69	175,700
3/8/99	19.56	144,500
3/9/99	19.13	202,400
3/10/99	19.00	130,100
3/11/99	19.25	472,000
3/12/99	18.97	200,100
3/15/99	18.75	159,300
3/16/99	18.00	1,122,100
3/17/99	17.94	356,400
3/18/99	17.94	273,000
3/19/99	18.00	166,300
3/22/99	17.88	246,300
3/23/99	17.56	323,800
3/24/99	17.88	179,900
3/25/99	18.75	437,400
3/26/99	18.56	148,500
3/29/99	18.50	331,000
3/30/99	18.06	93,100
3/31/99	18.38	85,900
4/1/99	18.69	292,600
4/5/99	18.50	88,200
4/6/99	18.25	118,100
4/7/99	17.63	155,300
4/8/99	17.20	190,500
4/9/99	17.03	181,900
4/12/99	17.31	137,200
4/13/99	17.25	270,600
4/14/99	17.06	298,400
4/15/99	17.13	195,400
4/16/99	18.06	173,700
4/19/99	18.13	216,200
4/20/99	18.00	150,000
4/21/99	18.00	104,000
4/22/99	18.00	103,600
4/23/99	18.06	56,600
4/26/99	18.13	108,700
4/27/99	18.38	414,200
4/28/99	18.19	305,700
4/29/99	17.94	146,700
4/30/99	18.00	138,300
5/3/99	17.88	112,800
5/4/99	18.00	130,900
5/5/99	17.69	113,600
5/6/99	17.44	249,000
5/7/99	17.56	207,000
5/10/99	17.44	308,800
5/11/99	18.69	750,300
5/12/99	19.25	431,300
5/13/99	19.00	196,800
5/14/99	18.88	257,600
5/17/99	18.94	167,400
5/18/99	18.91	132,000
5/19/99	18.75	174,800
5/20/99	18.94	182,300
5/21/99	19.13	173,300
5/24/99	18.75	159,600
5/25/99	18.63	167,000
5/26/99	18.75	605,000
5/27/99	18.50	58,700
5/28/99	18.63	117,800
6/1/99	18.75	41,300
6/2/99	18.25	91,600
6/3/99	18.81	94,400
6/4/99	18.94	45,900
6/7/99	19.00	69,600
6/8/99	18.94	99,200
6/9/99	19.19	100,700
6/10/99	19.06	59,700
6/11/99	18.81	78,900
6/14/99	19.25	242,900
6/15/99	19.56	131,400
6/16/99	19.38	129,600

6/17/99	19.50	125,800
6/18/99	20.38	331,000
6/21/99	20.69	198,600
6/22/99	20.88	283,300
6/23/99	21.50	292,800
6/24/99	20.75	139,800
6/25/99	20.63	122,500
6/28/99	20.13	170,000
6/29/99	21.38	331,100
6/30/99	24.00	1,037,500
7/1/99	23.00	707,700
7/2/99	22.50	231,300
7/6/99	23.00	500,400
7/7/99	22.75	335,600
7/8/99	22.19	304,400
7/9/99	22.25	252,000
7/12/99	22.38	219,100
7/13/99	21.56	457,100
7/14/99	22.00	307,100
7/15/99	22.56	192,100
7/16/99	22.50	293,500
7/19/99	22.00	134,100
7/20/99	22.00	137,900
7/21/99	22.00	139,700
7/22/99	22.00	125,900
7/23/99	21.94	103,700
7/26/99	21.38	131,900
7/27/99	22.50	203,700
7/28/99	22.19	114,600
7/29/99	23.19	289,000
7/30/99	22.50	169,600
8/2/99	22.50	134,700
8/3/99	22.06	147,700
8/4/99	21.50	119,000
8/5/99	21.13	198,800
8/6/99	20.63	116,000
8/9/99	21.13	182,600
8/10/99	21.63	245,900
8/11/99	22.06	314,800
8/12/99	22.88	354,000
8/13/99	23.25	275,600
8/16/99	23.19	358,300
8/17/99	22.88	298,800
8/18/99	21.75	321,800
8/19/99	21.38	172,500
8/20/99	21.88	172,300
8/23/99	22.56	146,700
8/24/99	22.56	111,700
8/25/99	22.38	134,200
8/26/99	22.25	72,400
8/27/99	22.00	84,500
8/30/99	22.13	264,400
8/31/99	22.59	122,900
9/1/99	22.56	198,100
9/2/99	22.13	159,600
9/3/99	22.06	131,700
9/7/99	22.19	120,400
9/8/99	22.06	214,200
9/9/99	21.59	141,400
9/10/99	21.63	172,300
9/13/99	21.88	174,000
9/14/99	20.88	138,200
9/15/99	20.50	210,300
9/16/99	20.50	226,000
9/17/99	20.94	93,800
9/20/99	21.44	170,900
9/21/99	21.19	166,900
9/22/99	21.75	98,500
9/23/99	20.88	119,300
9/24/99	21.19	90,400
9/27/99	22.13	223,500
9/28/99	21.13	286,900
9/29/99	21.81	87,400
9/30/99	22.44	228,200
10/1/99	22.50	255,700
10/4/99	22.00	166,900
10/5/99	21.75	159,000
10/6/99	23.00	317,100
10/7/99	22.00	244,900
10/8/99	21.88	106,400
10/11/99	21.69	84,100
10/12/99	21.08	100,400
10/13/99	20.81	218,000
10/14/99	20.25	188,500
10/15/99	20.25	384,500

10/18/99	20.25	253,800
10/19/99	20.50	424,900
10/20/99	20.38	306,700
10/21/99	20.00	236,700
10/22/99	19.88	409,100
10/25/99	19.50	428,600
10/26/99	19.50	438,000
10/27/99	19.56	395,500
10/28/99	20.63	386,400
10/29/99	20.06	206,300
11/1/99	19.94	237,300
11/2/99	20.94	219,200
11/3/99	21.25	334,600
11/4/99	20.88	628,100
11/5/99	20.81	388,500
11/8/99	20.38	294,000
11/9/99	20.69	198,500
11/10/99	20.69	148,800
11/11/99	20.81	202,200
11/12/99	20.88	118,400
11/15/99	20.88	157,100
11/16/99	21.00	193,500
11/17/99	20.94	233,700
11/18/99	20.69	142,200
11/19/99	20.50	159,800
11/22/99	20.38	113,100
11/23/99	19.94	146,600
11/24/99	20.19	147,500
11/26/99	19.94	26,200
11/29/99	20.13	152,100
11/30/99	20.25	218,000
12/1/99	20.16	208,800
12/2/99	20.06	157,500
12/3/99	20.13	136,700
12/6/99	19.44	198,000
12/7/99	19.75	148,800
12/8/99	19.69	974,500
12/9/99	19.25	548,900
12/10/99	19.50	560,600
12/13/99	18.81	338,800
12/14/99	18.25	404,900
12/15/99	18.25	557,000
12/16/99	17.38	390,100
12/17/99	18.13	558,400
12/20/99	17.44	262,500
12/21/99	18.56	289,700
12/22/99	17.75	517,200
12/23/99	17.63	433,700
12/27/99	17.44	294,200
12/28/99	17.13	345,800
12/29/99	18.00	325,400
12/30/99	17.75	347,900
12/31/99	18.31	281,900
1/3/00	17.63	450,600
1/4/00	16.75	346,200
1/5/00	16.75	693,800
1/6/00	16.75	367,300
1/7/00	16.44	841,000
1/10/00	16.69	617,200
1/11/00	16.06	598,100
1/12/00	16.38	532,800
1/13/00	17.63	866,900
1/14/00	17.13	518,000
1/18/00	17.75	604,300
1/19/00	17.44	381,800
1/20/00	17.13	495,800
1/21/00	17.13	291,000
1/24/00	16.94	254,800
1/25/00	17.06	217,200
1/26/00	17.31	363,100
1/27/00	17.69	435,400
1/28/00	17.88	329,700
1/31/00	18.50	425,700
2/1/00	18.94	498,500
2/2/00	18.63	216,000
2/3/00	19.31	520,700
2/4/00	19.63	519,000
2/7/00	19.56	423,000
2/8/00	19.69	445,400
2/9/00	18.81	590,900
2/10/00	18.13	357,500
2/11/00	17.69	601,000
2/14/00	17.56	482,600
2/15/00	17.88	376,000
2/16/00	18.50	328,200

2/17/00	18.41	504,600
2/18/00	18.19	268,200
2/22/00	18.44	357,200
2/23/00	18.13	227,100
2/24/00	17.88	232,900
2/25/00	17.88	302,400
2/28/00	17.75	311,300
2/29/00	17.38	456,900
3/1/00	17.94	257,700
3/2/00	17.50	224,700
3/3/00	17.63	263,200
3/6/00	17.25	408,300
3/7/00	16.81	523,800
3/8/00	16.69	1,315,800
3/9/00	17.06	495,400
3/10/00	16.81	421,300
3/13/00	16.56	309,400
3/14/00	16.75	508,000
3/15/00	16.81	272,700
3/16/00	17.94	647,700
3/17/00	17.94	356,200
3/20/00	17.06	197,600
3/21/00	17.56	263,800
3/22/00	17.94	239,700
3/23/00	18.06	267,800
3/24/00	17.88	327,200
3/27/00	17.38	153,200
3/28/00	17.63	241,400
3/29/00	17.19	393,700
3/30/00	17.00	277,700
3/31/00	17.44	314,500
4/3/00	17.69	791,100
4/4/00	17.94	535,500
4/5/00	17.56	544,800
4/6/00	17.63	247,500
4/7/00	17.56	221,500
4/10/00	17.19	344,300
4/11/00	17.44	339,600
4/12/00	17.38	412,400
4/13/00	17.56	381,100
4/14/00	16.56	425,700
4/17/00	17.00	390,100
4/18/00	17.56	382,300
4/19/00	17.13	256,000
4/20/00	17.44	298,900
4/24/00	17.06	213,900
4/25/00	17.50	342,100
4/26/00	17.81	424,200
4/27/00	18.13	482,600
4/28/00	18.69	209,700
5/1/00	18.56	451,300
5/2/00	18.50	306,500
5/3/00	18.06	345,600
5/4/00	17.50	423,500
5/5/00	18.50	219,700
5/8/00	18.31	251,800
5/9/00	17.50	412,700
5/10/00	17.31	616,500
5/11/00	17.50	400,900
5/12/00	17.63	305,300
5/15/00	17.81	373,300
5/16/00	17.81	334,000
5/17/00	17.50	455,800
5/18/00	17.50	426,100
5/19/00	17.31	379,600
5/22/00	17.38	559,700
5/23/00	17.19	357,200
5/24/00	17.31	426,700
5/25/00	17.00	432,700
5/26/00	16.81	401,400
5/30/00	17.00	562,000
5/31/00	17.06	337,700
6/1/00	17.56	300,100
6/2/00	17.63	673,400
6/5/00	17.19	914,700
6/6/00	17.25	574,400
6/7/00	17.06	855,600
6/8/00	17.06	1,393,100
6/9/00	17.00	509,800
6/12/00	17.25	451,400
6/13/00	17.56	640,800
6/14/00	17.44	569,800
6/15/00	17.19	452,300
6/16/00	17.31	574,000
6/19/00	17.31	396,700

6/20/00	17.13	390,000
6/21/00	17.13	304,800
6/22/00	17.00	345,400
6/23/00	17.13	290,400
6/26/00	17.00	249,500
6/27/00	17.25	331,600
6/28/00	17.25	344,500
6/29/00	17.13	370,700
6/30/00	17.00	533,900
7/3/00	17.75	424,900
7/5/00	17.44	235,700
7/6/00	17.75	244,100
7/7/00	17.63	383,900
7/10/00	17.56	341,300
7/11/00	17.56	371,300
7/12/00	17.69	231,500
7/13/00	17.69	265,400
7/14/00	17.56	208,900
7/17/00	17.56	261,500
7/18/00	17.63	326,200
7/19/00	17.56	267,600
7/20/00	17.63	239,100
7/21/00	17.63	249,000
7/24/00	17.69	248,900
7/25/00	18.00	385,700
7/26/00	18.06	342,400
7/27/00	18.00	323,600
7/28/00	18.19	494,400
7/31/00	18.94	622,600
8/1/00	19.00	432,200
8/2/00	19.19	416,200
8/3/00	19.63	468,700
8/4/00	19.63	482,700
8/7/00	19.69	198,600
8/8/00	19.88	223,500
8/9/00	19.63	454,400
8/10/00	19.75	256,300
8/11/00	20.00	337,300
8/14/00	20.06	253,100
8/15/00	19.94	381,700
8/16/00	20.00	188,600
8/17/00	19.81	315,500
8/18/00	19.50	252,300
8/21/00	20.06	258,000
8/22/00	20.13	473,500
8/23/00	20.06	174,600
8/24/00	20.00	268,000
8/25/00	20.00	264,600
8/28/00	20.13	219,400
8/29/00	19.94	250,500
8/30/00	20.06	235,300
8/31/00	20.25	225,700
9/1/00	20.06	252,100
9/5/00	20.00	238,100
9/6/00	20.25	226,900
9/7/00	20.25	229,200
9/8/00	20.38	183,800
9/11/00	20.38	256,100
9/12/00	21.13	381,600
9/13/00	21.00	651,400
9/14/00	20.69	299,800
9/15/00	20.50	316,200
9/18/00	19.69	380,800
9/19/00	20.38	259,900
9/20/00	19.25	529,100
9/21/00	19.75	2,717,500
9/22/00	20.13	766,000
9/25/00	20.19	769,900
9/26/00	20.06	596,900
9/27/00	20.44	743,000
9/28/00	20.75	594,300
9/29/00	20.75	396,700
10/2/00	20.69	440,600
10/3/00	18.50	1,449,600
10/4/00	19.00	933,200
10/5/00	19.56	958,000
10/6/00	19.69	1,068,200
10/9/00	19.88	794,500
10/10/00	19.56	694,100
10/11/00	19.75	312,900
10/12/00	18.81	550,400
10/13/00	19.44	256,200
10/16/00	19.50	315,400
10/17/00	19.38	530,000
10/18/00	19.06	341,300

10/19/00	19.31	247,300
10/20/00	19.50	217,600
10/23/00	18.94	198,300
10/24/00	19.13	457,700
10/25/00	19.31	226,700
10/26/00	19.31	340,500
10/27/00	19.88	401,400
10/30/00	20.38	250,000
10/31/00	20.63	395,200
11/1/00	20.63	275,000
11/2/00	20.56	310,800
11/3/00	20.63	175,800
11/6/00	20.88	266,700
11/7/00	20.13	458,200
11/8/00	20.00	719,800
11/9/00	20.00	388,600
11/10/00	19.56	186,200
11/13/00	19.81	215,700
11/14/00	20.27	299,800
11/15/00	20.31	259,000
11/16/00	20.13	259,900
11/17/00	20.13	288,100
11/20/00	20.19	484,900
11/21/00	20.38	376,100
11/22/00	20.38	266,800
11/24/00	20.31	118,700
11/27/00	20.38	361,600
11/28/00	20.13	195,400
11/29/00	20.13	231,900
11/30/00	20.44	370,300
12/1/00	20.69	388,400
12/4/00	19.81	546,200
12/5/00	20.56	569,500
12/6/00	20.31	258,100
12/7/00	20.38	182,500
12/8/00	21.00	474,400
12/11/00	21.38	480,700
12/12/00	20.94	254,100
12/13/00	20.31	301,500
12/14/00	20.38	200,600
12/15/00	20.56	293,800
12/18/00	20.88	243,000
12/19/00	20.38	261,400
12/20/00	20.00	410,200
12/21/00	20.50	386,000
12/22/00	20.94	259,300
12/26/00	20.94	301,000
12/27/00	21.00	219,100
12/28/00	21.06	417,900
12/29/00	20.88	345,000
1/2/01	20.69	342,800
1/3/01	21.13	954,600
1/4/01	21.19	458,900
1/5/01	21.06	506,400
1/8/01	21.13	294,100
1/9/01	21.31	349,500
1/10/01	22.00	612,200
1/11/01	22.50	471,100
1/12/01	22.25	800,200
1/16/01	22.63	365,000
1/17/01	22.13	322,300
1/18/01	22.06	502,600
1/19/01	22.13	370,100
1/22/01	22.88	534,800
1/23/01	23.00	379,600
1/24/01	23.00	393,100
1/25/01	22.88	465,200
1/26/01	23.00	357,800
1/29/01	23.00	465,600
1/30/01	23.00	413,400
1/31/01	23.06	652,900
2/1/01	23.38	589,700
2/2/01	23.75	321,300
2/5/01	24.00	425,300
2/6/01	24.25	616,300
2/7/01	24.25	590,500
2/8/01	24.25	301,400
2/9/01	24.13	507,900
2/12/01	24.06	392,300
2/13/01	24.19	608,700
2/14/01	23.50	1,057,000
2/15/01	23.63	640,400
2/16/01	23.75	312,400
2/20/01	23.94	435,600
2/21/01	23.69	480,200

2/22/01	23.56	484,100
2/23/01	23.50	512,400
2/26/01	23.75	280,900
2/27/01	24.06	692,000
2/28/01	23.88	446,500
3/1/01	24.00	224,600
3/2/01	24.13	398,100
3/5/01	24.31	225,100
3/6/01	24.63	231,600
3/7/01	24.94	301,800
3/8/01	24.94	347,800
3/9/01	24.81	277,000
3/12/01	23.94	223,500
3/13/01	24.38	311,300
3/14/01	23.38	469,500
3/15/01	23.38	478,100
3/16/01	22.50	445,900
3/19/01	22.88	476,900
3/20/01	22.13	307,500
3/21/01	21.94	546,000
3/22/01	21.19	760,200
3/23/01	22.19	424,400
3/26/01	22.94	237,200
3/27/01	23.13	371,100
3/28/01	22.69	223,700
3/29/01	22.75	453,100
3/30/01	20.13	2,184,900
4/2/01	20.63	1,024,900
4/3/01	21.06	899,600
4/4/01	20.75	1,276,400
4/5/01	21.88	978,500
4/6/01	20.94	595,000
4/9/01	21.60	320,000
4/10/01	21.58	429,200
4/11/01	19.57	1,878,300
4/12/01	20.25	887,500
4/16/01	19.90	723,800
4/17/01	19.88	611,600
4/18/01	19.90	1,240,500
4/19/01	20.04	814,800
4/20/01	20.45	861,800
4/23/01	20.49	726,100
4/24/01	22.03	1,906,300
4/25/01	22.95	1,131,800
4/26/01	23.61	1,008,600
4/27/01	23.75	410,000
4/30/01	23.27	431,000
5/1/01	23.14	562,000
5/2/01	22.78	580,000
5/3/01	21.93	2,875,700
5/4/01	22.43	826,800
5/7/01	22.27	454,500
5/8/01	22.78	612,300
5/9/01	22.50	600,200
5/10/01	22.55	341,500
5/11/01	22.81	472,700
5/14/01	23.20	594,900
5/15/01	23.47	505,100
5/16/01	23.98	692,400
5/17/01	24.16	514,800
5/18/01	23.58	806,600
5/21/01	24.93	893,900
5/22/01	24.89	671,900
5/23/01	24.62	663,300
5/24/01	24.67	444,700
5/25/01	24.61	380,900
5/29/01	24.82	282,600
5/30/01	24.85	401,900
5/31/01	24.66	433,700
6/1/01	24.87	366,900
6/4/01	25.07	551,700
6/5/01	25.40	877,400
6/6/01	25.35	648,400
6/7/01	25.05	330,600

</TABLE>

CY2002 (P)	MARKET	LTM	LTM	LTM	LTM	CY2001 (P)
EPS	CAP	REVENUE	EBITDA	EBIT	NET INCOME	EPS
-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
<C>						
ALLIED CAPITAL CP	\$ 2,193,408	\$ 232,763	\$ 130,852	\$ 129,872	\$ 165,548	\$ 2.23
\$ 2.51						
Am Cap Strategies Ltd	741,691	72,682	57,578	56,233	51,276	2.28
2.61						
Amresco Inc	12,703	145,847	(97,010)	(113,537)	(198,091)	N/A
N/A						
Cit Group Inc	10,224,414	4,345,900	2,445,800	1,010,500	627,800	2.52
2.83						
Heller Financial Inc	1,612,402	1,030,000	466,000	416,000	254,000	3.06
3.51						

<TABLE>
<CAPTION>

	STOCK	ENTERPRISE VALUE /			EQUITY VALUE /		
	PRICE	LTM	LTM	LTM	LTM	CY2001 (P)	
CY2002 (P)	(06/14/01)	REVENUE	EBITDA	EBIT	NET INCOME	NET INCOME	NET
INCOME							
-----	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
<C>							
ALLIED CAPITAL CP	\$ 24.00	13.2 x	23.5 x	23.7 x	11.5 x	10.8 x	
9.6 x							
Am Cap Strategies Ltd	26.21	12.7 x	16.1 x	16.4 x	12.9 x	11.5 x	
10.0 x							
Amresco Inc	1.20	7.3 x	NM	NM	NM	N/A	
N/A							
Cit Group Inc	38.95	10.9 x	19.4 x	47.0 x	13.3 x	15.5 x	
13.8 x							
Heller Financial Inc	35.16	16.0 x	35.4 x	39.6 x	13.5 x	11.5 x	
10.0 x							

<TABLE>
<CAPTION>

	ENTERPRISE VALUE /			EQUITY VALUE /		
	LTM	LTM	LTM	LTM	CY2001 (P)	CY2002 (P)
	REVENUE	EBITDA	EBIT	NET INCOME	NET INCOME	NET INCOME
-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
High	16.0 x	35.4 x	47.0 x	13.5 x	15.5 x	13.8 x
Low	7.3	16.1	16.4	12.9	11.5	10.0
Median	11.8	19.4	39.6	13.3	11.5	10.0

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JANNEY MONTGOMERY SCOTT
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ALD - Income Statement Summary

	FOR THE FISCAL YEAR ENDED DECEMBER 31,				
	1997 (1)		1998 (2)		
1999					
-----	-----		-----		-----
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Interest and Dividend Income	\$ 86,882	89.2%	\$ 80,281	87.3%	
\$121,112 85.8%					
Premiums from Loan Dispositions	7,277	7.5%	5,949	6.5%	
14,284 10.1%					
Investment Advisory Fees and Other Income	3,246	3.3%	5,696	6.2%	
5,744 4.1%					

	Total Interest & Related Portfolio Income	97,405	100.0%	91,926	100.0%
141,140	100.0%				
Interest Expense		26,952	27.7%	20,694	22.5%
34,860	24.7%				
Employee Expense		10,258	10.5%	11,829	12.9%
16,136	11.4%				
Administrative Expense		8,970	9.2%	11,921	13.0%
12,350	8.8%				
-----		-----		-----	--

	Total Operating Expenses	46,180	47.4%	44,444	48.3%
63,346	44.9%				
Formula and Cut-off Awards		-	0.0%	7,049	7.7%
6,753	4.8%				
-----		-----		-----	--

	Operating Income Before Gains	51,225	52.6%	40,433	44.0%
71,041	50.3%				
Net Realized Gains		10,704	11.0%	22,541	24.5%
25,391	18.0%				
Net Unrealized Gains		7,209	7.4%	1,079	1.2%
2,138	1.5%				
-----		-----		-----	--

	Total Net Gains	17,913	18.4%	23,620	25.7%
27,529	19.5%				
-----		-----		-----	--

	Net Income before Taxes	69,138	71.0%	64,053	69.7%
98,570	69.8%				
Income tax expense/(benefit)		1,444	1.5%	787	0.9%
-	0.0%				
-----		-----		-----	--

	Net Income	\$ 67,694	69.5%	\$ 63,266	68.8%
98,570	69.8%				\$
=====		=====		=====	
=====					
	Earnings Per Share - Basic	\$ 1.38		\$ 1.22	\$
1.65					
Earnings Per Share - Diluted		\$ 1.37		\$ 1.22	\$
1.64					

<CAPTION>

	FOR THE FISCAL YEAR ENDED DECEMBER 31,		LATEST 12 MONTHS	
	2000		3/31/01	
	-----		-----	
<S>	<C>	<C>	<C>	<C>
Interest and Dividend Income	\$182,307	86.2%	\$198,370	85.2%
Premiums from Loan Dispositions	16,138	7.6%	13,670	5.9%
Investment Advisory Fees and Other Income	13,144	6.2%	20,723	8.9%
	-----		-----	
Total Interest & Related Portfolio Income	211,589	100.0%	232,763	100.0%
Interest Expense	57,412	27.1%	61,031	26.2%
Employee Expense	19,842	9.4%	21,691	9.3%
Administrative Expense	15,435	7.3%	15,649	6.7%
	-----		-----	
Total Operating Expenses	92,689	43.8%	98,371	42.3%
Formula and Cut-off Awards	6,183	2.9%	4,520	1.9%
	-----		-----	
Operating Income Before Gains	112,717	53.3%	129,872	55.8%
Net Realized Gains	15,523	7.3%	14,501	6.2%
Net Unrealized Gains	14,861	7.0%	21,175	9.1%
	-----		-----	
Total Net Gains	30,384	14.4%	35,676	15.3%
	-----		-----	
Net Income before Taxes	143,101	67.6%	165,548	71.1%
Income tax expense/(benefit)	-	0.0%	-	0.0%
	-----		-----	
Net Income	\$143,101	67.6%	\$165,548	71.1%
	=====		=====	
Earnings Per Share - Basic	\$ 1.96		\$ 2.12	
Earnings Per Share - Diluted	\$ 1.95		\$ 2.10	

</TABLE>

<TABLE>

<CAPTION>

REVENUES
[BAR CHART]

NET INCOME
[BAR CHART]

YEAR REVENUES
<S> <C>

YEAR NET INCOME
<C> <C>

1997	\$ 97,405	1997	\$ 67,694
1998	\$ 91,926	1998	\$ 63,266
1999	\$ 141,140	1999	\$ 98,570
2000	\$ 211,589	2000	\$ 143,101
LTM	\$ 232,763	LTM	\$ 165,548

</TABLE>

(1) 1997 results have been adjusted to exclude \$5.2 million in merger related expenses

(2) 1998 results have been adjusted to exclude a \$14.3 million in post-merger gain on securitization of commercial mortgage loans

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JANNEY MONTGOMERY SCOTT

ALD - Quarterly Results

<TABLE>

<CAPTION>

		FOR THE QUARTER ENDED			
		12/31/99		3/31/00	
6/30/00					
<S>		<C>	<C>	<C>	<C>
<C>					
Interest and Dividend Income		\$ 35,396	83.7%	\$ 38,728	88.2%
42,986	86.0%				
Premiums from Loan Dispositions		5,252	12.4%	3,289	7.5%
4,554	9.1%				
Investment Advisory Fees and Other Income		1,630	3.9%	1,880	4.3%
2,425	4.9%				
Total Interest & Related Portfolio Income		42,278	100.0%	43,897	100.0%
49,965	100.0%				
Interest Expense		10,687	25.3%	12,311	28.0%
14,280	28.6%				
Employee Expense		4,833	11.4%	4,569	10.4%
5,191	10.4%				
Administrative Expense		3,874	9.2%	2,753	6.3%
4,082	8.2%				
Total Operating Expenses		19,394	45.9%	19,633	44.7%
23,553	47.1%				
Formula and Cut-off Awards		1,565	3.7%	1,691	3.9%
1,712	3.4%				
Operating Income Before Gains		21,319	50.4%	22,573	51.4%
24,700	49.4%				
Net Realized Gains		8,943	21.2%	2,176	5.0%
12,865	25.7%				
Net Unrealized Gains		663	1.6%	4,832	11.0%
(2,775)	-5.6%				
Total Net Gains		9,606	22.7%	7,008	16.0%
10,090	20.2%				
Net Income before Taxes		30,925	73.1%	29,581	67.4%
34,790	69.6%				
Income tax expense/(benefit)		-	0.0%	-	0.0%
-	0.0%				
Net Income		\$ 30,925	73.1%	\$ 29,581	67.4%
34,790	69.6%				
Earnings Per Share - Basic		\$ 0.49		\$ 0.45	
0.50					
Earnings Per Share - Diluted		\$ 0.49		\$ 0.45	
0.50					

<CAPTION>

FOR THE QUARTER ENDED

	9/30/00		12/31/00		
3/31/01					
<S>	<C>	<C>	<C>	<C>	<C>
Interest and Dividend Income	\$ 48,054	85.8%	\$ 51,762	83.8%	\$
54,875 84.3%					
Premiums from Loan Dispositions	2,909	5.2%	5,386	8.7%	
821 1.3%					
Investment Advisory Fees and Other Income	5,029	9.0%	4,587	7.4%	
9,375 14.4%					
Total Interest & Related Portfolio Income	55,992	100.0%	61,735	100.0%	
65,071 100.0%					
Interest Expense	15,054	26.9%	15,767	25.5%	
15,930 24.5%					
Employee Expense	4,949	8.8%	5,133	8.3%	
6,418 9.9%					
Administrative Expense	3,876	6.9%	4,724	7.7%	
2,967 4.6%					
Total Operating Expenses	23,879	42.6%	25,624	41.5%	
25,315 38.9%					
Formula and Cut-off Awards	1,394	2.5%	1,386	2.2%	
28 0.0%					
Operating Income Before Gains	30,719	54.9%	34,725	56.2%	
39,728 61.1%					
Net Realized Gains	8,054	14.4%	(7,572)	-12.3%	
1,154 1.8%					
Net Unrealized Gains	(2,324)	-4.2%	15,128	24.5%	
11,146 17.1%					
Total Net Gains	5,730	10.2%	7,556	12.2%	
12,300 18.9%					
Net Income before Taxes	36,449	65.1%	42,281	68.5%	
52,028 80.0%					
Income tax expense/(benefit)	-	0.0%	-	0.0%	
- 0.0%					
Net Income	\$ 36,449	65.1%	\$ 42,281	68.5%	\$
52,028 80.0%					
Earnings Per Share - Basic	\$ 0.48		\$ 0.52		\$
0.61					
Earnings Per Share - Diluted	\$ 0.48		\$ 0.52		\$
0.60					

<TABLE>
<CAPTION>

REVENUES
[BAR CHART]

NET INCOME
[BAR CHART]

QUARTER	REVENUES	QUARTER	NET INCOME
<S>	<C>	<C>	<C>
Dec-99	\$ 42,278	Dec-99	\$ 30,925
Mar-00	\$ 43,897	Mar-00	\$ 29,581
Jun-00	\$ 49,965	Jun-00	\$ 34,790
Sep-00	\$ 55,992	Sep-00	\$ 36,449
Dec-00	\$ 61,735	Dec-00	\$ 42,281
Mar-01	\$ 65,071	Mar-01	\$ 52,028

ALD - Balance Sheet Data

<TABLE> <CAPTION>				
	12/31/98	12/31/99	12/31/00	3/31/01
<S>	<C>	<C>	<C>	<C>
Portfolio at value:				
Private Finance	\$ 339,163	\$ 647,040	\$1,282,467	\$1,303,288
Commercial Real Estate Finance	346,860	520,029	505,534	583,465
Small Business Finance	114,251	61,428	-	-
Total Portfolio Value	800,274	1,228,497	1,788,001	1,886,753
Cash and Equivalents	25,075	18,155	2,449	9,392
Other Assets	30,730	43,386	63,367	77,353
Total Assets	\$ 856,079	\$1,290,038	\$1,853,817	\$1,973,498
Notes Payable and Debentures	239,350	487,350	704,648	715,276
Revolving Credit Facilities	95,000	105,500	82,000	168,500
Accounts Payable and Other Liabilities	29,612	22,675	30,477	28,477
Total Liabilities	363,962	615,525	817,125	912,253
Preferred Stock	7,000	7,000	7,000	7,000
Shareholders' Equity	485,117	667,513	1,029,692	1,054,245
Total Liabilities and Equity	\$ 856,079	\$1,290,038	\$1,853,817	\$1,973,498
Debt/Equity	0.68	0.88	0.76	0.83
Debt/Total Capitalization	0.40	0.47	0.43	0.45
Return on Assets	7.9%	8.0%	8.0%	8.8%

</TABLE>

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JANNEY MONTGOMERY SCOTT

ALD - Shareholder Profile

<TABLE> <CAPTION>		
INSTITUTIONAL INVESTORS (1)	SHARES HELD (000s)	BENEFICIAL OWNERSHIP
<S>	<C>	<C>
Goldman Sachs	2,044	2.2%
Franklin Resource	1,917	2.1%
Lazard Freres	1,892	2.1%
JP Morgan	1,614	1.8%
Barclays Global	1,528	1.7%
T Rowe Price	1,445	1.6%
Fenimore Asset	1,057	1.2%
Mellon Bank	1,015	1.1%
Managers Fund	815	0.9%
Vanguard Group	733	0.8%
Fidelity Management	679	0.7%
Merrill Lynch	666	0.7%
State Street	662	0.7%
Wasatch Advisors	661	0.7%
Schroder Investment	554	0.6%
Loomis Sayles	547	0.6%
Ashford Capital Management	537	0.6%
Neuberger & Berman	506	0.6%
TIAA-CREF Investment	501	0.5%
All Other Institutional Investors	12,659	13.9%
	32,031	35.0%

</TABLE>

<TABLE> <CAPTION>		
DIRECTORS AND OFFICERS (2)	SHARES HELD (000s)	BENEFICIAL OWNERSHIP
<S>	<C>	<C>
William L. Walton	916	1.0%
Joan M. Sweeney	584	0.6%

G. Cabell Williams, III	583	0.6%
John M. Scheurer	551	0.6%
George C. Williams, Jr	433	0.5%
Philip A. McNeill	342	0.4%
Guy T. Steuart, II	333	0.4%
Warren K. Montouri	241	0.3%
Thomas H. Westbrook	237	0.3%
Scott S. Binder	190	0.2%
Penni F. Roll	111	0.1%
Samuel B. Guren	103	0.1%
All Other Management	552	0.6%

	5,177	5.7%

</TABLE>

<TABLE>		
<S>	<C>	<C>
INSTITUTIONAL INVESTORS	32,031	35.0%
MANAGEMENT	5,177	5.7%
ESTIMATED RETAIL FLOAT	54,184	59.3%
	-----	-----
TOTAL SHARES OUTSTANDING (3)	91,392	100.0%
</TABLE>		

- (1) Source: Bloomberg
- (2) Source: March 28, 2001 Proxy
- (3) Source: Shares outstanding as of May 15, 2001

[PIE CHART]

<TABLE>	
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	BENEFICIAL OWNERSHIP
<S>	<C>
Institutional Investors	35.0%
Management	5.7%
Estimated Retail Float	59.3%
</TABLE>	

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JANNEY MONTGOMERY SCOTT

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END OF PRESENTATION

JANNEY MONTGOMERY SCOTT

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Stock Premium Analysis

- In order to compare Allied's offer price of \$10.375 to comparable transactions, purchase price premiums for transactions with the following characteristics were analyzed:
- The target company was a publicly traded entity
 - The transaction was completed within the last six months
 - The target company had a market capitalization between \$50 million and \$200 million.
- 52 transactions were found, and the average purchase price premium four weeks prior to announcement was approximately 56%. The chart on the following page illustrates the number of transactions that fell within various premium ranges.
- The proposed purchase price per share of \$10.375 represents a 105% premium over SunSource's closing price of \$5.05 on June 14th, and a 171% premium over SunSource's average closing price over the past six months of \$3.83.

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JANNEY MONTGOMERY SCOTT

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HISTOGRAM FOR PURCHASE PREMIUMS FOUR WEEKS PRIOR TO
ANNOUNCEMENT

[BAR GRAPH]

<TABLE> <CAPTION>	
PURCHASE PREMIUM	NUMBER OF ACQUISITIONS
<S>	<C>
<10%	9
10 to 25%	7
25 to 50%	14
50 to 75%	10
75 to 100%	3
>100%	9
</TABLE>	

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JANNEY MONTGOMERY SCOTT
=====

SUNSOURCE, INC.

=====

M&A Premium Analysis for the last six months for Public Target Companies w/
a Market Cap between \$50-200 million.

<TABLE>
<CAPTION>

COMPLETION ENTERPRISE DATE VALUE (MM)	TARGET TICKER SYMBOL	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	TRANSACTION VALUE (MM)

<S> <C> 07 Jun 2001 \$ 75.0	<C> SMOP	<C> Southern Mineral Corp.	<C> Explores oil and gas properties.	<C> PetroCorp, Inc.	<C> \$ 75.0
07 Jun 2001 139.9	OSH	Oshman's Sporting Goods Inc.	Operates sporting goods specialty stores.	Gart Sports Company	139.9
31 May 2001 42.0	CMSS	Credit Management Solutions, Inc.	Provides transactional software.	First American Financial Corp.	45.5
31 May 2001 221.0	HECO	Hallwood Energy Corp.	Explores, acquires and develops oil and gas properties.	Pure Resources, Inc	221.0
31 May 2001 224.3	EWB	E.W. Blanch Holdings, Inc.	Provides integrated risk management and distribution services.	Benfield Greig Group Plc	224.3
21 May 2001 142.5	USAD	USA Detergents, Inc.	Manufactures laundry and household cleaning products.	Church & Dwight Co., Inc.	127.3
18 May 2001 151.0	ILCO	InterContinental Life Corp.	Administers existing portfolios of individual and group life and health insurance.	Financial Industries Corp.	78.5
16 May 2001	BARG	Bargo Energy Co.	Develops oil,	Bellwether	241.1

241.1			natural gas properties.	Exploration Co.	
15 May 2001 174.8	VRES	VICORP Restaurants, Inc.	Operates, franchises family-type restaurants.	Investor Group	174.8
14 May 2001 101.8	FLIB	First Liberty Bank Corp.	Bank holding company.	Community Bank System, Inc.	101.8
11 May 2001 87.0	BARR	Barringer Technologies Inc.	Develops analytical instruments.	Smiths Group Plc	87.0
10 May 2001 107.0	ASIS	ASI Solutions Inc.	Provides human resources outsourcing.	Aon Corp.	107.0
01 May 2001 198.8	PBOC	PBOC Holdings, Inc.	Holding company for People's Bank of California.	FBOP Corp.	198.8
01 May 2001 45.5	CENL	Centennial Technologies, Inc.	Manufactures PC card-based solutions.	Solelectron Corp.	45.5
01 May 2001 173.6	SQSW	Sequoia Software Corp.	XML-based Internet infrastructure software for creating interactive e-business portals.	Citrix Systems, Inc.	173.6
30 Apr 2001 87.5	KTCO	Kenan Transport Co.	Provides transportation services.	Advantage Management Group, Inc.	87.5
25 Apr 2001 155.5	VX	VIALOG Corporation	Provides teleconferencing and other group communications services.	Genesys SA	155.5
23 Apr 2001 154.3	COHB	Cohoes Bancorp, Inc.	Holding company - Cohoes Savings Bank.	Hudson River Bancorp, Inc.	154.3

</TABLE>

<TABLE>
<CAPTION>

TARGET PRICE				PRIOR TO		
ANNOUNCEMENT				-----		
COMPLETION	TARGET	TICKER	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 MONTH
DATE		SYMBOL				
1 WEEK						

<S>	<C>	<C>	<C>	<C>	<C>	<C>
<C>						
07 Jun 2001		SMOP	Southern Mineral	Explores oil and	PetroCorp, Inc.	\$ 3.38
\$ 3.25			Corp.	gas properties.		
07 Jun 2001		OSH	Oshman's Sporting	Operates sporting	Gart Sports Company	8.88
9.40			Goods Inc.	goods specialty stores.		
31 May 2001		CMSS	Credit Management	Provides transactional	First American	1.25
4.06			Solutions, Inc.	software.	Financial Corp.	
31 May 2001		HECO	Hallwood Energy Corp.	Explores, acquires	Pure Resources, Inc	9.34

9.50			and develops oil and gas properties.		
31 May 2001 7.26	EWB	E.W. Blanch Holdings, Inc.	Provides integrated risk management and distribution services.	Benfield Greig Group Plc	9.40
21 May 2001 4.81	USAD	USA Detergents, Inc.	Manufactures laundry and household cleaning products.	Church & Dwight Co., Inc.	4.47
18 May 2001 9.88	ILCO	InterContinental Life Corp.	Administers existing portfolios of individual and group life and health insurance.	Financial Industries Corp.	9.25
16 May 2001 1.03	BARG	Bargo Energy Co.	Develops oil, natural gas properties.	Bellwether Exploration Co.	0.88
15 May 2001 19.06	VRES	VICORP Restaurants, Inc.	Operates, franchises family-type restaurants.	Investor Group	16.88
14 May 2001 13.25	FLIB	First Liberty Bank Corp.	Bank holding company.	Community Bank System, Inc.	11.00
11 May 2001 9.47	BARR	Barringer Technologies Inc.	Develops analytical instruments.	Smiths Group Plc	9.94
10 May 2001 11.50	ASIS	ASI Solutions Inc.	Provides human resources outsourcing.	Aon Corp.	18.00
01 May 2001 9.25	PBOC	PBOC Holdings, Inc.	Holding company for People's Bank of California.	FBOP Corp.	6.88
01 May 2001 14.88	CENL	Centennial Technologies, Inc.	Manufactures PC card-based solutions.	Solelectron Corp.	11.00
01 May 2001 3.47	SQSW	Sequoia Software Corp.	XML-based Internet infrastructure software for creating interactive e-business portals.	Citrix Systems, Inc.	3.09
30 Apr 2001 24.13	KTCO	Kenan Transport Co.	Provides transportation services.	Advantage Management Group, Inc.	25.00
25 Apr 2001 7.00	VX	VIALOG Corporation	Provides teleconferencing and other group communications services.	Genesys SA	8.19
23 Apr 2001 16.88	COHB	Cohoes Bancorp, Inc.	Holding company - Cohoes Savings Bank.	Hudson River Bancorp, Inc.	16.88

</TABLE>

<TABLE>
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PREMIUM

TARGET

PRICE	(%)	PRIOR					PRIOR
TO							TO
ANNOUNCEMENT	ANNOUNCEMENT						-----
COMPLETION	TARGET	TICKER					
DATE	SYMBOL	SYMBOL	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 DAY	
1 DAY							
-----	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>		<C>	<C>	<C>	
<C>							
07 Jun 2001		SMOP	Southern Mineral	Explores oil and	PetroCorp, Inc.	\$ 3.13	
50.7			Corp.	gas properties.			
07 Jun 2001		OSH	Oshman's Sporting	Operates sporting	Gart Sports Company	9.35	
79.3			Goods Inc.	goods specialty stores.			
31 May 2001		CMSS	Credit Management	Provides transactional	First American	3.38	
72.4			Solutions, Inc.	software.	Financial Corp.		
31 May 2001		HECO	Hallwood Energy Corp.	Explores, acquires	Pure Resources, Inc	9.03	
38.4				and develops oil			
				and gas properties.			
31 May 2001		EWB	E.W. Blanch	Provides integrated	Benfield Greig	7.75	
74.2			Holdings, Inc.	risk management and	Group Plc		
				distribution services.			
21 May 2001		USAD	USA Detergents, Inc.	Manufactures laundry	Church & Dwight	5.81	
20.4				and household	Co., Inc.		
				cleaning products.			
18 May 2001		ILCO	InterContinental	Administers existing	Financial	10.75	
72.9			Life Corp.	portfolios of individual	Industries Corp.		
				and group life and			
				health insurance.			
16 May 2001		BARG	Bargo Energy Co.	Develops oil,	Bellwether	1.72	
(26.7)				natural gas properties.	Exploration Co.		
15 May 2001		VRES	VICORP	Operates, franchises	Investor Group	18.88	
35.9			Restaurants, Inc.	family-type restaurants.			
14 May 2001		FLIB	First Liberty Bank	Bank holding company.	Community Bank	13.25	
20.2			Corp.		System, Inc.		
11 May 2001		BARR	Barringer	Develops analytical	Smiths Group Plc	10.00	
10.5			Technologies Inc.	instruments.			
10 May 2001		ASIS	ASI Solutions Inc.	Provides human	Aon Corp.	11.50	
25.4				resources outsourcing.			
01 May 2001		PBOC	PBOC Holdings, Inc.	Holding company	FBOP Corp.	9.19	
8.8				for People's Bank			
				of California.			
01 May 2001		CENL	Centennial	Manufactures PC	Solectron Corp.	18.38	
(23.5)			Technologies, Inc.	card-based solutions.			

01 May 2001 12.8	SQSW	Sequoia Software Corp.	XML-based Internet infrastructure software for creating interactive e-business portals.	Citrix Systems, Inc.	5.00
30 Apr 2001 32.1	KTCO	Kenan Transport Co.	Provides transportation services.	Advantage Management Group, Inc.	26.50
25 Apr 2001 (21.7)	VX	VIALOG Corporation	Provides teleconferencing and other group communications services.	Genesys SA	8.81
23 Apr 2001 14.7	COHB	Cohoes Bancorp, Inc.	Holding company - Cohoes Savings Bank.	Hudson River Bancorp, Inc.	17.00

</TABLE>

<TABLE>
<CAPTION>

(%) PRIOR
ANOUNCEMENT

PREMIUM
TO

COMPLETION DATE 1 MONTH	TARGET SYMBOL	TICKER SYMBOL	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 WEEK
<S> <C> 07 Jun 2001 39.6	<C> SMOP		Southern Mineral Corp.	Explores oil and gas properties.	PetroCorp, Inc.	44.9
07 Jun 2001 88.8	OSH		Oshman's Sporting Goods Inc.	Operates sporting goods specialty stores.	Gart Sports Company	78.3
31 May 2001 365.4	CMSS		Credit Management Solutions, Inc.	Provides transactional software.	First American Financial Corp.	43.2
31 May 2001 33.8	HECO		Hallwood Energy Corp.	Explores, acquires and develops oil and gas properties.	Pure Resources, Inc	31.6
31 May 2001 43.6	EWB		E.W. Blanch Holdings, Inc.	Provides integrated risk management and distribution services.	Benfield Greig Group Plc	86.0
21 May 2001 56.6	USAD		USA Detergents, Inc.	Manufactures laundry and household cleaning products.	Church & Dwight Co., Inc.	45.5
18 May 2001 101.0	ILCO		InterContinental Life Corp.	Administers existing portfolios of individual and group life and health insurance.	Financial Industries Corp.	88.3
16 May 2001 44.0	BARG		Bargo Energy Co.	Develops oil, natural gas properties.	Bellwether Exploration Co.	22.2

15 May 2001 52.0	VRES	VICORP Restaurants, Inc.	Operates, franchises family-type restaurants.	Investor Group	34.6
14 May 2001 44.8	FLIB	First Liberty Bank Corp.	Bank holding company.	Community Bank System, Inc.	20.2
11 May 2001 11.2	BARR	Barringer Technologies Inc.	Develops analytical instruments.	Smiths Group Plc	16.7
10 May 2001 (19.9)	ASIS	ASI Solutions Inc.	Provides human resources outsourcing.	Aon Corp.	25.4
01 May 2001 45.5	PBOC	PBOC Holdings, Inc.	Holding company for People's Bank of California.	FBOP Corp.	8.1
01 May 2001 27.8	CENL	Centennial Technologies, Inc.	Manufactures PC card-based solutions.	Solelectron Corp.	(5.5)
01 May 2001 82.3	SQSW	Sequoia Software Corp.	XML-based Internet infrastructure software for creating interactive e-business portals.	Citrix Systems, Inc.	62.6
30 Apr 2001 40.0	KTCO	Kenan Transport Co.	Provides transportation services.	Advantage Management Group, Inc.	45.1
25 Apr 2001 (15.7)	VX	VIALOG Corporation	Provides teleconferencing and other group communications services.	Genesys SA	(1.4)
23 Apr 2001 15.6	COHB	Cohoes Bancorp, Inc.	Holding company - Cohoes Savings Bank.	Hudson River Bancorp, Inc.	15.6

</TABLE>

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JANNEY MONTGOMERY SCOTT
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SUNSOURCE, INC.

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M&A Premium Analysis for the last six months for Public Target Companies w/ a
Market Cap Between \$50-200million.

<TABLE>
<CAPTION>

COMPLETION TRANSACTION DATE (MM)	TARGET ENTERPRISE SYMBOL VALUE (MM)	TICKER TARGET FULL NAME	DESCRIPTION TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	VALUE

<S> <C> 20 Apr 2001 71.0	<C> ASTI	<C> Allergan Specialty Therapeutics, Inc.	<C> Researches, develops human pharmaceuticals products.	<C> Allergan, Inc.	<C> 71.0
18 Apr 2001 104.0	HPRT	Heartport, Inc.	Manufactures cardiovascular devices.	Johnson & Johnson	104.0
06 Apr 2001 110.4	CCRO	ClinTrials Research, Inc.	Global contract medical research organization.	Inveresk Plc / Indigo Acquisition Corp.	110.4

05 Apr 2001 109.3	LABT	Labtec, Inc. (NEW)	Develops high-technology peripherals and accessories.	Logitech International S.A.	109.3
02 Apr 2001 55.1	BAYB	Bay Bancshares, Inc.	Holding company for bayshore National Bank.	SouthTrust Corp.	55.1
30 Mar 2001 169.7	ELBI	Eldorado Bancshares, Inc.	Holding company.	Zions Bancorporation	169.7
30 Mar 2001 108.2	BTOB	SierraCities.com, Inc.	Provides comprehensive online financing.	American Express Co.	108.2
22 Mar 2001 124.9	TXLID	Texoil, Inc.	Acquires, develops oil, gas reserves.	Ocean Energy, Inc.	124.9
15 Mar 2001 247.4	RMY	Delco Remy International, Inc.	Manufactures electrical, power/drive train components.	Court Square Capital Ltd.	116.3
07 Mar 2001 222.5	GSY	Guest Supply, Inc.	Supplies personal care amenities.	SYSCO Corporation	222.5
05 Mar 2001 135.8	FSPT	FirstSpartan Financial Corp.	Holding company for First Federal Bank.	BB&T Corp.	135.8
01 Mar 2001 95.1	WSTR	WesterFed Financial Corp.	Holding company for Western Security Bank.	Glacier Bancorp Inc.	95.1
28 Feb 2001 532.1	EFS	Enhance Financial Services Group	Through its subsidiaries, it reinsures financial guarantees of municipal and asset-backed debt obligations.	Radian Group Inc.	532.1
26 Feb 2001 55.8	SHWC	ShowCase Corporation	Provides fully integrated, business intelligence solutions for IBM AS/400 customers.	SPSS Inc.	73.0
16 Feb 2001 121.5	RNIC	Robinson Nugent, Inc.	Designs, manufactures, and markets electronic connectors, integrated circuit sockets, and cable assemblies.	3M	121.5
15 Feb 2001 109.7	NTCR	NetCreations, Inc.	Provides electronic mail address management.	Seal Pagine Gialle S.p.A	109.7
13 Feb 2001 168.1	JSBA	Jefferson Savings Bancorp, Inc.	The holding company for Jefferson Heritage Bank.	Union Planters Corp.	168.1
07 Feb 2001 132.1	CAIR	Corsair Communications, Inc.	Provides software solutions for the wireless industry.	Lightbridge. Inc.	132.1
02 Feb 2001 89.4	APLN	@plan.Inc.	Provides market research, decision support and planning systems specifically designed for internet advertisers, advertising agencies and web publishers.	DoubleClick Inc.	89.4

<CAPTION>

PRICE PRIOR TO
ANNOUNCEMENT

TARGET

COMPLETION TARGET TICKER

DATE MONTH 1 WEEK	SYMBOL	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1

<S>	<C>	<C>	<C>	<C>	<C>
<C>					
20 Apr 2001 21.28	ASTI	Allergan Specialty Therapeutics, Inc.	Researches, develops human pharmaceuticals products.	Allergan, Inc.	20.50
18 Apr 2001 1.88	HPRT	Heartport, Inc.	Manufactures cardiovascular devices.	Johnson & Johnson	1.69
06 Apr 2001 6.13	CCRO	ClinTrials Research, Inc.	Global contract medical research organization.	Inveresk Plc / Indigo Acquisition Corp.	6.00
05 Apr 2001 9.88	LABT	Labtec, Inc. (NEW)	Develops high-technology peripherals and accessories.	Logitech International S.A.	6.22
02 Apr 2001 22.00	BAYB	Bay Bancshares, Inc.	Holding company for bayshore National Bank.	SouthTrust Corp.	23.00
30 Mar 2001 8.38	ELBI	Eldorado Bancshares, Inc.	Holding company.	Zions Bancorporation	7.88
30 Mar 2001 3.75	BTOB	SierraCities.com, Inc.	Provides comprehensive online financing.	American Express Co.	1.75
22 Mar 2001 7.63	TXLID	Texoil, Inc.	Acquires, develops oil, gas reserves.	Ocean Energy, Inc.	6.81
15 Mar 2001 6.00	RMY	Delco Remy International, Inc.	Manufactures electrical, power/drive train components.	Court Square Capital Ltd.	6.88
07 Mar 2001 17.38	GSY	Guest Supply, Inc.	Supplies personal care amenities.	SYSCO Corporation	16.38
05 Mar 2001 20.06	FSPT	FirstSpartan Financial Corp.	Holding company for First Federal Bank.	BB&T Corp.	18.75
01 Mar 2001 15.75	WSTR	WesterFed Financial Corp.	Holding company for Western Security Bank.	Glacier Bancorp Inc.	15.63
28 Feb 2001 13.56	EFS	Enhance Financial Services Group	Through its subsidiaries, it reinsures financial guarantees of municipal and asset-backed debt obligations.	Radian Group Inc.	12.50
26 Feb 2001 5.00	SHWC	ShowCase Corporation	Provides fully integrated, business intelligence solutions for IBM AS/400 customers.	SPSS Inc.	6.75
16 Feb 2001 15.69	RNIC	Robinson Nugent, Inc.	Designs, manufactures, and markets electronic connectors, integrated circuit sockets, and cable assemblies.	3M	16.81
15 Feb 2001 5.59	NTCR	NetCreations, Inc.	Provides electronic mail address management.	Seal Pagine Gialle S.p.A	6.00
13 Feb 2001 10.94	JSBA	Jefferson Savings Bancorp, Inc.	The holding company for Jefferson Heritage Bank.	Union Planters Corp.	10.00
07 Feb 2001	CAIR	Corsair	Provides software solutions	Lightbridge. Inc.	9.00

6.91			Communications, Inc.	for the wireless industry.				
02 Feb 2001 6.38	APLN	@plan.Inc.	Provides market research, decision support and planning systems specifically designed for internet advertisers, advertising agencies and web publishers.	DoubleClick Inc.	6.50			
<CAPTION>								
PREMIUM					TARGET			
(<C>) PRIOR					PRICE PRIOR TO			
TO ANNOUNCEMENT					ANNOUNCEMENT			

COMPLETION	TARGET	TICKER						
DATE	SYMBOL	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 DAY	1		
DAY								

<S>	<C>	<C>	<C>	<C>	<C>			
<C>								
20 Apr 2001 (1.4)	ASTI	Allergan Specialty Therapeutics, Inc.	Researches, develops human pharmaceuticals products.	Allergan, Inc.	22.00			
18 Apr 2001 40.1	HPRT	Heartport, Inc.	Manufactures cardiovascular devices.	Johnson & Johnson	2.06			
06 Apr 2001 4.3	CCRO	ClinTrials Research, Inc.	Global contract medical research organization.	Inveresk Plc / Indigo Acquisition Corp.	5.75			
05 Apr 2001 42.8	LABT	Labtec, Inc. (NEW)	Develops high-technology peripherals and accessories.	Logitech International S.A.	11.88			
02 Apr 2001 20.1	BAYB	Bay Bancshares, Inc.	Holding company for bayshore National Bank.	SouthTrust Corp.	22.00			
30 Mar 2001 35.0	ELBI	Eldorado Bancshares, Inc.	Holding company.	Zions Bancorporation	8.88			
30 Mar 2001 39.8	BTOB	SierraCities.com, Inc.	Provides comprehensive online financing.	American Express Co.	4.06			
22 Mar 2001 9.1	TXLID	Texoil, Inc.	Acquires, develops oil, gas reserves.	Ocean Energy, Inc.	7.56			
15 Mar 2001 74.7	RMY	Delco Remy International, Inc.	Manufactures electrical, power/drive train components.	Court Square Capital Ltd.	5.44			
07 Mar 2001 32.5	GSY	Guest Supply, Inc.	Supplies personal care amenities.	SYSCO Corporation	18.69			
05 Mar 2001 77.9	FSPT	FirstSpartan Financial Corp.	Holding company for First Federal Bank.	BB&T Corp.	20.38			
01 Mar 2001 49.1	WSTR	WesterFed Financial Corp.	Holding company for Western Security Bank.	Glacier Bancorp Inc.	15.75			
28 Feb 2001 (0.2)	EFS	Enhance Financial Services Group	Through its subsidiaries, it reinsures financial guarantees of municipal and asset-backed debt obligations.	Radian Group Inc.	13.81			

26 Feb 2001 22.1	SHWC	ShowCase Corporation	Provides fully integrated, business intelligence solutions for IBM AS/400 customers.	SPSS Inc.	5.56
16 Feb 2001 31.1	RNIC	Robinson Nugent, Inc.	Designs, manufactures, and markets electronic connectors, integrated circuit sockets, and cable assemblies.	3M	16.63
15 Feb 2001 60.0	NTCR	NetCreations, Inc.	Provides electronic mail address management.	Seal Pagine Gialle S.p.A	4.38
13 Feb 2001 49.1	JSBA	Jefferson Savings Bancorp, Inc.	The holding company for Jefferson Heritage Bank.	Union Planters Corp.	11.31
07 Feb 2001 3.3	CAIR	Corsair Communications, Inc.	Provides software solutions for the wireless industry.	Lightbridge. Inc.	7.38
02 Feb 2001 9.1	APLN	@plan.Inc.	Provides market research, decision support and planning systems specifically designed for internet advertisers, advertising agencies and web publishers.	DoubleClick Inc.	7.25

<CAPTION>

PREMIUM

PRIOR

ANNOUNCEMENT

(%)

TO

COMPLETION DATE	TARGET SYMBOL	TICKER TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 MONTH
<S> 20 Apr 2001	<C> ASTI	<C> Allergan Specialty Therapeutics, Inc.	<C> Researches, develops human pharmaceuticals products.	<C> Allergan, Inc.	<C> 5.9
18 Apr 2001	HPRT	Heartport, Inc.	Manufactures cardiovascular devices.	Johnson & Johnson	71.3
06 Apr 2001	CCRO	ClinTrials Research, Inc.	Global contract medical research organization.	Inveresk Plc / Indigo Acquisition Corp.	-
05 Apr 2001	LABT	Labtec, Inc. (NEW)	Develops high-technology peripherals and accessories.	Logitech International S.A.	172.6
02 Apr 2001	BAYB	Bay Bancshares, Inc.	Holding company for bayshore National Bank.	SouthTrust Corp.	14.9
30 Mar 2001	ELBI	Eldorado Bancshares, Inc.	Holding company.	Zions Bancorporation	52.1
30 Mar 2001	BTOB	SierraCities.com, Inc.	Provides comprehensive online financing.	American Express Co.	225.6
22 Mar 2001	TXLID	Texoil, Inc.	Acquires, develops oil, gas reserves.	Ocean Energy, Inc.	21.1
15 Mar 2001	RMY	Delco Remy International, Inc.	Manufactures electrical, power/drive train components.	Court Square Capital Ltd.	38.2
07 Mar 2001	GSY	Guest Supply, Inc.	Supplies personal care amenities.	SYSCO Corporation	51.3
05 Mar 2001	FSPT	FirstSpartan Financial Corp.	Holding company for First Federal Bank.	BB&T Corp.	93.3
01 Mar 2001	WSTR	WesterFed Financial Corp.	Holding company for Western Security Bank.	Glacier Bancorp Inc.	50.3

28 Feb 2001	EFS	Enhance Financial Services Group	Through its subsidiaries, it reinsures financial guarantees of municipal and asset-backed debt obligations.	Radian Group Inc.	10.2
26 Feb 2001	SHWC	ShowCase Corporation	Provides fully integrated, business intelligence solutions for IBM AS/400 customers.	SPSS Inc.	0.6
16 Feb 2001	RNIC	Robinson Nugent, Inc.	Designs, manufactures, and markets electronic connectors, integrated circuit sockets, and cable assemblies.	3M	29.7
15 Feb 2001	NTCR	NetCreations, Inc.	Provides electronic mail address management.	Seal Pagine Gialle S.p.A	16.7
13 Feb 2001	JSBA	Jefferson Savings Bancorp, Inc.	The holding company for Jefferson Heritage Bank.	Union Planters Corp.	68.7
07 Feb 2001	CAIR	Corsair Communications, Inc.	Provides software solutions for the wireless industry.	Lightbridge. Inc.	(15.3)
02 Feb 2001	APLN	@plan.Inc.	Provides market research, decision support and planning systems specifically designed for internet advertisers, advertising agencies and web publishers.	DoubleClick Inc.	21.7

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JANNEY MONTGOMERY SCOTT
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SUNSOURCE, INC.

M&A Premium Analysis for the last six months for Public Target Companies w/ a Market Cap between \$50-200 million.

<TABLE>
<CAPTION>

COMPLETION ENTERPRISE DATE VALUE (MM)	TARGET TICKER	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	TRANSACTION VALUE (MM)
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
01 Feb 2001 92.5	LOIS	Loislaw.com	Provides legal information to law firms.	Wolters Kluwer NV	92.5
25 Jan 2001 70.0	GPM	Getty Petroleum Marketing	Markets petroleum products.	Lukoil-Holding	70.0
25 Jan 2001 126.9	RAMP	Ramp Networks, Inc.	Provides shared Internet access solutions.	Nokia OYJ	125.9
24 Jan 2001 121.7	DETC	Detection Systems, Inc.	Manufactures equipment for electronic protection industry.	Robert Bosch GmbH	121.7
23 Jan 2001 130.5	WHI	Washington Homes, Inc.	Designs, builds and markets single- family detached houses, townhouses and condominiums for first-time homebuyers.	Hovnanian Enterprises Inc.	130.5

18 Jan 2001 159.4	LIND	Lindberg Corp.	Provides metal heat treating processes.	Bodycote Investments VI, Inc.	159.4
05 Jan 2001 379.7	SNB	Sunburst Hospitality Corporation	Owns and operates extended-stay, traditional all suites, full service, and limited-service hotels.	Management Group	379.7
03 Jan 2001 53.2	EQNX	Equinox Systems, Inc.	Designs and markets server-based communications hardware and software for Internet access and commercial applications.	Avocent Corporation	53.2
02 Jan 2001 38.2	LINE	onlinetradinginc.com	Provides financial brokerage services through a variety of media, including the Internet.	Omega Research, Inc.	38.2
02 Jan 2001 102.3	JWG	JWGenesis Financial Corp.	Provides a wide range of financial services to individuals, businesses and other brokerage firms.	First Union Corp.	102.3
31 Dec 2000 54.0	HPBC	Home Port Bancorp Inc.	Attracts deposits and offers residential and commercial real estate mortgage.	Seacoast Financial Services Corp.	68.2
31 Dec 2000 103.5	BCL	BLC Financial Services, Inc.	Originates, sells, and services loans to small businesses.	Allied Capital Corp.	103.5
22 Dec 2000 82.2	FFYF	FFY Financial Corp.	Savings and loan holding company.	First Place Financial Corp.	82.2
21 Dec 2000 139.5	NWGN	Newgen Results Corp.	Database management and technology firm in the service arena of the automotive industry.	TeleTech Holdings, Inc.	139.5
20 Dec 2000 146.9	TACO	Taco Cabana, Inc.	Operates a chain of Mexican food restaurants.	Carrols Corporation	146.9

</TABLE>

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PRICE PRIOR TO ANNOUNCEMENT COMPLETION					TARGET
DATE		TICKER	TARGET	BUSINESS	ACQUIROR
1 WEEK	1 DAY	SYMBOL	FULL NAME	DESCRIPTION	FULL NAME

<S>	<C>	<C>	<C>	<C>	<C>
<C>	<C>				
01 Feb 2001 1.03	1.50	LOIS	Loislaw.com	Provides legal information to law firms.	Wolters Kluwer NV
25 Jan 2001 3.38	3.44	GPM	Getty Petroleum Marketing	Markets petroleum	Lukoil-Holding

			products.		
25 Jan 2001 3.75 4.97	RAMP	Ramp Networks, Inc.	Provides shared Internet access solutions.	Nokia OYJ	2.75
24 Jan 2001 12.44 13.00	DETC	Detection Systems, Inc.	Manufactures equipment for electronic protection industry.	Robert Bosch GmbH	12.25
23 Jan 2001 7.25 7.13	WHI	Washington Homes, Inc.	Designs, builds and markets single- family detached houses, townhouses and condominiums for first-time homebuyers.	Hovnanian Enterprises Inc.	6.50
18 Jan 2001 8.50 8.94	LIND	Lindberg Corp.	Provides metal heat treating processes.	Bodycote Investments VI, Inc.	7.06
05 Jan 2001 5.44 5.63	SNB	Sunburst Hospitality Corporation	Owns and operates extended-stay, traditional all suites, full service, and limited-service hotels.	Management Group	5.75
03 Jan 2001 7.00 7.00	EQNX	Equinox Systems, Inc.	Designs and markets server-based communications hardware and software for Internet access and commercial applications.	Avocent Corporation	6.00
02 Jan 2001 11.38 12.63	LINE	onlinetradinginc.com	Provides financial brokerage services through a variety of media, including the Internet.	Omega Research, Inc.	11.00
02 Jan 2001 11.81 14.88	JWG	JWGenesis Financial Corp.	Provides a wide range of financial services to individuals, businesses and other brokerage firms.	First Union Corp.	8.00
31 Dec 2000 24.75 25.31	HPBC	Home Port Bancorp Inc.	Attracts deposits and offers residential and commercial real estate mortgage.	Seacoast Financial Services Corp.	23.75
31 Dec 2000 2.13 2.19	BCL	BLC Financial Services, Inc.	Originates, sells, and services loans to small businesses.	Allied Capital Corp.	1.88
22 Dec 2000 10.00 10.00	FFYF	FFY Financial Corp.	Savings and loan holding company.	First Place Financial Corp.	11.06
21 Dec 2000 13.38 13.88	NWGN	Newgen Results Corp.	Database management and technology firm in the service arena of the automotive industry.	TeleTech Holdings, Inc.	13.75
20 Dec 2000 4.31 4.16	TACO	Taco Cabana, Inc.	Operates a chain of Mexican food restaurants.	Carrols Corporation	4.31

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						PREMIUM	
(<S>) PRIOR TO		TARGET		TARGET			
ANNOUNCEMENT		TICKER	TARGET	BUSINESS	ACQUIROR	-----	
COMPLETION							

DATE		SYMBOL	FULL NAME	DESCRIPTION	FULL NAME	1 DAY	1
WEEK	1 MONTH						

<S>	<C>		<C>	<C>	<C>	<C>	
<C>	<C>						
01 Feb 2001		LOIS	Loislaw.com	Provides legal	Wolters	190.3	
322.2	190.3			information to	Kluwer NV		
				law firms.			
25 Jan 2001		GPM	Getty Petroleum Marketing	Markets petroleum	Lukoil-Holding	45.5	
48.1	31.1			products.			
25 Jan 2001		RAMP	Ramp Networks, Inc.	Provides shared	Nokia OYJ	16.7	
54.7	110.9			Internet access			
				solutions.			
24 Jan 2001		DETC	Detection Systems, Inc.	Manufactures	Robert Bosch GmbH	38.5	
44.7	46.9			equipment for			
				electronic			
				protection industry.			
23 Jan 2001		WHI	Washington Homes, Inc.	Designs, builds	Hovnanian	41.5	
39.0	55.1			and markets single-	Enterprises Inc.		
				family detached			
				houses, townhouses			
				and condominiums			
				for first-time			
				homebuyers.			
18 Jan 2001		LIND	Lindberg Corp.	Provides metal heat	Bodycote	102.8	
113.2	156.6			treating processes.	Investments VI, Inc.		
05 Jan 2001		SNB	Sunburst Hospitality	Owns and operates			
			Corporation	extended-stay,	Management Group	31.1	
				traditional all			
35.6	28.3			suites, full service,			
				and limited-service			
				hotels.			
03 Jan 2001		EQNX	Equinox Systems, Inc.	Designs and markets	Avocent Corporation	39.3	
39.3	62.5			server-based			
				communications			
				hardware and software			
				for Internet access			
				and commercial			
				applications.			
02 Jan 2001		LINE	onlinetradinginc.com	Provides financial	Omega Research, Inc.	(73.6)	
(70.7)	(69.7)			brokerage services			
				through a variety of			
				media, including the			
				Internet.			
02 Jan 2001		JWG	JWGenesis Financial Corp.	Provides a wide range	First Union Corp.	(19.3)	
1.6	50.0			of financial services			
				to individuals,			
				businesses and other			
				brokerage firms.			
31 Dec 2000		HPBC	Home Port Bancorp Inc.	Attracts deposits and	Seacoast Financial	46.2	
49.5	55.8			offers residential and	Services Corp.		
				commercial real estate			
				mortgage.			

31 Dec 2000 76.8 100.4	BCL	BLC Financial Services, Inc.	Originates, sells, and services loans to small businesses.	Allied Capital Corp.	71.8
22 Dec 2000 19.6 8.1	FFYF	FFY Financial Corp.	Savings and loan holding company.	First Place Financial Corp.	19.6
21 Dec 2000 (0.9) (3.6)	NWGN	Newgen Results Corp.	Database management and technology firm in the service arena of the automotive industry.	TeleTech Holdings, Inc.	(4.5)
20 Dec 2000 109.6 109.6	TACO	Taco Cabana, Inc.	Operates a chain of Mexican food restaurants.	Carrols Corporation	117.5

</TABLE>

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<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
AVERAGE	132.7	136.2	9.46	9.78	10.28	33.8	42.6	56.1
MEDIAN	113.4	121.6	8.09	8.88	8.98	32.3	39.2	44.4
LOW	38.2	38.2	0.88	1.03	1.50	(73.6)	(70.7)	(69.7)
HIGH	532.1	532.1	25.00	24.75	26.50	190.3	322.2	365.4

</TABLE>

VOTING AND SUPPORT AGREEMENT

AGREEMENT, dated as of June 18, 2001 (this "Agreement"), by and among Allied Capital Corporation, a Maryland corporation ("Acquiror"), and the persons set forth on Schedule 1 hereto (collectively, the "Shareholders").

W I T N E S S E T H:

WHEREAS, concurrently herewith, Allied Capital Lock Acquisition Corporation, a Delaware corporation and an indirect wholly-owned subsidiary of Acquiror (the "Merger Sub"), and SunSource Inc., a Delaware corporation (the "Company"), are entering into an Agreement and Plan of Merger (as such agreement may hereafter be amended from time to time, the "Merger Agreement"; capitalized terms used and not defined herein having the respective meanings ascribed to them in the Merger Agreement) pursuant to which the Merger Sub will be merged with and into the Company (the "Merger");

WHEREAS, the Stockholders collectively own of record or are Beneficial Owners (as defined in Section 1 below) of shares (the "Shares") of common stock, par value \$0.01 per share, of the Company ("Common Stock"); and

WHEREAS, as an inducement and a condition to entering into the Merger Agreement, Acquiror has required that the Stockholders agree, and the Stockholders have agreed, to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual premises, representations, warranties, covenants and agreements contained herein, the parties hereto hereby agree as follows:

1. Provisions Concerning Shares. Each Shareholder hereby agrees that during the period commencing on the date hereof and continuing until this Section 1 terminates pursuant to Section 5 hereof, at any meeting of the holders of shares of Common Stock, however called, or in connection with any written consent of the holders of shares of Common Stock, such Shareholder shall vote (or cause to be voted) the Shares held of record or Beneficially Owned (as defined below) by such Shareholder, whether now owned or hereafter acquired and entitled to vote thereon, (i) in favor of the adoption of the Merger Agreement and any actions required in furtherance and consistent with the terms thereof and hereof; (ii) against any action or agreement that would result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement (after giving effect to any materiality or similar qualifications contained therein); and (iii) except as otherwise

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agreed to in writing in advance by Acquiror, against the following actions (other than the Merger and the transactions contemplated by the Merger Agreement): (A) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving the Company; (B) a sale, lease or transfer of a material amount of assets of the Company, or a reorganization, recapitalization, dissolution or liquidation of the Company; (C) (1) any change in a majority of the persons who constitute the board of directors of the Company; (2) any change in the present capitalization of the Company or any amendment of the Company's Certificate of Incorporation or By-Laws; (3) any other material change in the Company's corporate structure or business. None of the Stockholders shall enter into any agreement or understanding with any person the effect of which would be inconsistent or violative of the provisions and agreements contained in Section 1 or 2 hereof. For purposes of this Agreement, "Beneficially Own" or "Beneficial Ownership" with respect to any securities shall mean having "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), including pursuant to any agreement, arrangement or understanding, whether or not in writing. Without duplicative counting of the same securities by the same holder, securities Beneficially Owned by a person shall include securities Beneficially Owned by all other persons with whom such person would constitute a "group" as within the meanings of Section 13(d) (3) of the Exchange Act.

2. Other Covenants, Representations and Warranties. Each Shareholder hereby agrees, severally and not jointly, and represents and warrants as to itself to Acquiror as follows:

(a) Ownership of Shares. Each Shareholder is the Beneficial Owner of the number of shares set forth opposite such Shareholder's name on Schedule I hereto. On the date hereof, such Shares constitute all of the shares of Common Stock owned of record or Beneficially Owned by such Shareholder. Such Shareholder has with respect to the Shares Beneficially Owned by such Shareholder sole voting power and sole power to issue instructions with respect to the matters set forth in Section 1 hereof, sole

power of disposition, sole power of conversion, sole power to demand appraisal rights and, subject to the receipt of any required governmental approvals, sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all such Shares Beneficially Owned by such Shareholder, with no limitations, qualifications or restrictions on such rights.

(b) Power; Binding Agreement. Such Shareholder has all necessary power, authority or competence (if a natural person) to execute, deliver and perform this Agreement. The execution, delivery and performance of this Agreement by such Shareholder will not violate any other agreement to which such Shareholder is a party including, without limitation, any voting agreement, stockholders agreement or voting trust. The execution and delivery of this Agreement by such Shareholder, the performance by such Shareholder of its obligations hereunder and the consummation by such Shareholder of the transactions contemplated hereby have been duly authorized in the case of such Shareholder who is not natural a person by all requisite action on the part of such Shareholder, and no other corporate or other proceedings on

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the part of such Shareholder are necessary to approve this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by such Shareholder, and is enforceable against such Shareholder in accordance with its terms.

(c) No Conflicts. (A) No filing with, and no permit, authorization, consent or approval of, any state or federal public body or authority is necessary for the execution of this Agreement by such Shareholder and the consummation by such Shareholder of the transactions contemplated hereby and (B) none of the execution and delivery of this Agreement by such Shareholder, the consummation by such Shareholder of the transactions contemplated hereby or compliance by such Shareholder with any of the provisions hereof shall (1) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, material modification or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which such Shareholder is a party or by which such Shareholder or any of such Shareholder's properties or assets may be bound, or (2) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to such Shareholder or any of such Shareholder's properties or assets.

(d) No Solicitation. From and after the date hereof and continuing until this Section 2(d) terminates pursuant to Section 5 hereof, such Shareholder shall immediately cease any existing discussions or negotiations with any third parties conducted prior to the date hereof with respect to any Acquisition Proposal. Such Shareholder, in his capacity as such, shall not, directly or indirectly, through any officer, director, employee, representative or agent of the Company or of any of the Company's Subsidiaries or otherwise, (i) solicit or initiate any Acquisition Proposal, (ii) except as permitted by the Merger Agreement, engage in negotiations or discussions concerning or provide any nonpublic information to any person or entity relating to, any Acquisition Proposal or (iii) agree to or approve any Acquisition Proposal.

(e) Restriction on Transfer, Proxies and Non-Interference. Such Shareholder shall not, directly or indirectly, during the period commencing on the date hereof and continuing until this Section 2(e) terminates pursuant to Section 5 hereof: (i) except (A) as contemplated by the Merger Agreement, or (B) as a result of the operation of law, offer for sale, sell, transfer, tender, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to or consent to the offer for sale, sale, transfer, tender, pledge, encumbrance, assignment or other disposition of, any or all of their Shares or any interest therein; (ii) except as contemplated by this Agreement, grant any proxies or powers of attorney, deposit any Shares Beneficially Owned by such Shareholder into a voting trust or enter into a voting agreement with respect to any Shares; or (iii) take any action that would make any of its representations or warranties contained herein untrue or incorrect or have the effect of

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preventing or disabling any of them from performing his or her obligations under this Agreement.

(f) Reliance by Acquiror. Such Shareholder understands and acknowledges that Acquiror is entering into the Merger Agreement in reliance upon such Shareholder's execution and delivery of this Agreement.

3. Further Assurances. From time to time, at the other

party's request and without further consideration, each Shareholder, on the one hand, and Acquiror, on the other hand, shall execute and deliver such additional documents and take all such further lawful action as may be necessary or desirable in Acquiror's reasonable judgment to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the Merger Agreement.

4. Stop Transfer. Each Shareholder agrees with, and covenants to, Acquiror that such Shareholder shall not request that the Company register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing the Shares, unless such transfer is made in compliance with this Agreement. In the event of a stock dividend or distribution, or any change in the Company Common Stock by reason of any stock dividend, split-up, recapitalization, combination, exchange of shares or the like, the term "Shares" shall be deemed to refer to and include the Shares as well as all such stock dividends and distributions and any shares into which or for which any or all of the Shares may be changed or exchanged.

5. Termination. Except as otherwise provided herein, the covenants and agreements contained in Sections 1 through 4 hereof with respect to the Shares shall terminate (a) in the event the Merger Agreement is terminated in accordance with the terms of Article 12 thereof, upon such termination, and (b) in the event the Merger is consummated, at the Effective Time.

6. Reorganization. Each shareholder and the Acquiror understands that the Merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and agrees that it will not take any action or omit to take any action, including taking any position on any tax return, inconsistent with such qualification or that would disqualify the Merger as a reorganization. Notwithstanding the foregoing, if Acquiror elects the cash consideration option under Article III B of the Merger Agreement, then this Section 6 shall be null and void and of no force and effect whatsoever.

7. Miscellaneous.

(a) Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agree-

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ments and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(b) Assignment. Except for any assignment pursuant to a transfer permitted by Section 2(e)(i), this Agreement shall not be assigned by operation of law or otherwise without the prior written consent of the other party. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors.

(c) Amendments, Waivers, Etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, except upon the execution and delivery of a written agreement executed by the relevant parties hereto.

(d) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered by hand, or when sent by facsimile transmission (with receipt confirmed by an electronically generated written confirmation), addressed as follows (or to such other address as a party may designate by notice to the others):

If to the Shareholders: To the addresses set forth on the Signature Pages hereto

with a concurrent copy to:

Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103
Attention: Thomas J. Sharbaugh
Telecopy No.: (215) 963-5299

If to Acquiror: Allied Capital Corporation
1919 Pennsylvania Ave., 3rd Floor
Washington, D.C., 20006
Attention: Joan M. Sweeney
Telecopy No.: (202) 973-6351

with a concurrent copy to:

(e) Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(f) Specific Performance. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

(g) Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

(h) No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

(i) No Third Party Beneficiaries. This Agreement is not intended to be for the benefit of, and shall not be enforceable by, any person or entity who or which is not a party hereto. Without limiting the foregoing, no direct or indirect holder of any equity interests or securities of any party hereto (whether such holder is a limited or general partner, member, stockholder or otherwise), nor any affiliate of any party thereto, nor any director, officer, employee, representative, agent or other controlling person of each of the parties hereto and their respective affiliates, shall have any liability or obligation arising under this Agreement or the transactions contemplated hereby.

(j) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

(k) Submission to Jurisdiction; Venue. Any action or proceeding against any party hereto with respect to this Agreement shall be brought in the courts of the State of Delaware or of the United States located in the State of Delaware, and, by execution and delivery of this Agreement, each party hereto hereby irrevocably accepts for himself, herself or itself and in respect of his, her or its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each party hereto irrevocably consents to the service of process at any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party at his, her or its address set forth on the signature page, such service to become effective 30 days after such mailing. Nothing herein shall affect the right of any party hereto to serve process on any other party hereto in any other manner permitted by law. Each party hereto irrevocably waives any objection which it may now have or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement brought in the courts referred to above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

(l) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY ACTION, SUIT OR PROCEEDING.

(m) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

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IN WITNESS WHEREOF, Acquiror and the Stockholders have caused this Agreement to be duly executed as of the day and year first above written.

ALLIED CAPITAL CORPORATION

By: /s/ PHILIP A. MCNEILL

Name: Philip A. McNeill
Title: Managing Director

/s/ MAURICE P. ANDRIEN, JR.

Maurice P. Andrien, JR.
[Address]

/s/ JOSEPH M. CORVINO

Joseph M. Corvino
1420 Ardleigh Circle
Westchester, PA 19380

/s/ MAX W. HILLMAN

Max W. Hillman
[Address]

/s/ S. W. MILLER

Stephen W. Miller
[Address]

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[Address]

/s/ DONALD T. MARSHALL

Donald T. Marshall
[Address]

/s/ NORMAN V. EDMONSON

Norman V. Edmonson
[Address]

/s/ O. GORDON BREWER

O. Gordon Brewer
[Address]

/s/ STEWART A. BLISS

Stewart A. Bliss
[Address]

/s/ ARNOLD S. HOFFMAN

Arnold S. Hoffman
[Address]

/s/ ROBERT KEITH

Robert E. Keith, Jr.
[Address]

9

/s/ GEOFFREY C. SHEPARD

Geoffrey C. Shepard
[Address]

/s/ FRANCIS G. ZIEGLER

Francis G. Ziegler
[Address]

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SCHEDULE I

<TABLE>	
<S>	
Maurice Andrien	<C> 107,000
Joseph Corvino	39,626
Max Hillman	32,220
Stephen Miller	20,000
Donald Marshall	703,988
Norman Edmonson	421,753
O. Gordon Brewer	9,619
Stewart Bliss	6,660
Arnold Hoffman	21,774
Robert Keith	26,551
Geoffrey Shepard	11,741
Francis Ziegler	14,339
</TABLE>	

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June __, 2001

Allied Capital Corporation
 1919 Pennsylvania Avenue, N.W.
 Washington, DC 20006

ATTN: G. Cabell Williams III

RE: EQUITY PURCHASE AGREEMENT

Dear Mr. Williams:

In connection with the Agreement and Plan of Merger dated as of June __, 2001 (the "Merger Agreement"), pursuant to which a subsidiary of Allied Capital Corporation ("Allied Capital") shall merge with and into SunSource Inc. ("SunSource") upon the terms and conditions set forth therein (the "Merger"), the undersigned will purchase from Allied Capital 0 shares of Company Common Stock for a purchase price of \$10.375 per share and an aggregate purchase price of \$0 ("Aggregate Cash"). Capitalized terms not otherwise defined in this letter agreement shall have the meanings ascribed to them in the Merger Agreement. The undersigned, subject to the terms and conditions set forth in this letter agreement, hereby agrees that at the time of the Company Recapitalization, he will purchase such shares of Company Common Stock from Allied Capital. The undersigned shall then immediately contribute such shares to SunSource and an additional 19,880 shares of Company Common Stock beneficially owned by MAURICE ANDRIEN and for which he has full legal authority to sell, free and clear of all liens, claims and encumbrance in exchange for an equal number of shares of New Preferred Stock.

The amount of cash and number of shares indicated above are calculated using the Cash Election price of \$10.375. If the provisions of Article IIIA of the Merger Agreement are effective, then (i) the actual amount of shares of Company Common Stock to be purchased for cash shall be equal to the quotient obtained by dividing A by B where:

A	=	the amount of Aggregate Cash
B	=	the product of the Average Parent Common Stock Price and the Exchange Ratio or Adjusted Exchange Ratio, whichever is applicable

and (ii) the amount of shares of Company Common Stock purchased with cash to be contributed by the undersigned, as well as the number of shares of New Preferred Stock to be issued shall be reduced or increased accordingly.

Allied Capital Corporation
 June __, 2001
 Page 2

Additionally, the undersigned is the holder of 130,000 Rollover Options which he shall not exercise, surrender, assign, transfer or pledge prior to the Effective Time. Each Rollover Option shall remain in effect at the Effective Time without any change in the terms and conditions of such Rollover Option as in effect prior to the Effective Time, except that the Rollover Options shall vest in accordance with the terms of the Stock Option Plan at the Effective Time and shall not be adjusted as a result of the consummation by the Company of the transactions contemplated hereby.

In connection therewith, the undersigned has agreed to deposit \$0 into an escrow account pursuant to and subject to all of the terms and conditions set forth in the Escrow Agreement, dated as of the date hereof. The funds deposited by the undersigned pursuant to the Escrow Agreement will be credited toward the purchase price for the Company Common Stock to be acquired by the undersigned hereunder upon delivery of such funds to Allied Capital.

Such purchase of Company Common Stock and contribution of Company Common Stock for New Preferred Stock is subject to the following conditions: (i) immediately prior to the Company Recapitalization, Allied Capital and SunSource shall determine that the conditions precedent to the Merger specified in Articles VII, VIII and IX of the Merger Agreement have been or will promptly be satisfied or waived and SunSource shall have fulfilled its obligations under

Section 6.20 of the Merger Agreement, and (ii) the Merger Agreement has not been terminated pursuant to Article XII of the Merger Agreement. Upon satisfaction of each of the conditions set forth above, the undersigned shall deliver a written notice to the Escrow Agent under the Escrow Agreement authorizing the release of the Escrow Funds (as defined therein) to Allied Capital pursuant to the terms thereof.

This letter shall be governed by and construed under the laws of the State of Delaware without regard to conflict of law principles. Any judicial proceeding brought against the undersigned relating to a dispute arising out of this letter will be brought exclusively in the Delaware courts and by its execution and delivery of this letter, the undersigned accepts the exclusive jurisdiction of the Delaware courts.

Allied Capital Corporation
June __, 2001
Page 3

The letter shall terminate, and the undersigned shall have no further obligations hereunder if the Merger Agreement is terminated pursuant to Article XII of the Merger Agreement.

Very truly yours,

Maurice P. Andrien

ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Escrow Agreement" or "Agreement") is made and entered into this 18th day of June, 2001, by and among Max W. Hillman, Jr., Richard P. Hillman, Gary Seeds, Dennis Blake, and John McDonnell (collectively, the "Purchasers"), Allied Capital Corporation, a Maryland corporation and its successors ("Allied Capital"), and Citibank, N.A., a national banking association duly organized and validly existing under the laws of the United States of America, acting in its capacity as escrow agent (the "Escrow Agent").

WITNESSETH THAT:

WHEREAS, Allied Capital has executed, simultaneously with the execution of this Escrow Agreement, an Agreement and Plan of Merger, dated as of June 18, 2001 (the "Merger Agreement"), pursuant to which a subsidiary of Allied Capital shall merge with and into SunSource Inc., a Delaware corporation (the "Company"), upon the terms and subject to the conditions set forth therein (the "Merger").

WHEREAS, pursuant to the terms of the Merger Agreement, a Company Recapitalization (as that term is defined in the Merger Agreement) will take place immediately prior to the Effective Time (as that term is defined in the Merger Agreement) of the Merger, pursuant to which Purchasers will purchase a number of shares of Company Common Stock (as that term is defined in the Merger Agreement) from Allied Capital pursuant to the terms of the Equity Purchase Agreements, dated June 18, 2001, and entered into by each respective Purchaser and Allied Capital simultaneously with the execution of this Escrow Agreement (the "Equity Purchase Agreement").

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WHEREAS, the Merger Agreement contemplates the execution and delivery of this Escrow Agreement and the deposit by the Purchasers with the Escrow Agent of cash funds in the aggregate amount of \$1,543,217 in the proportions set forth on Exhibit D.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. Appointment of Escrow Agent. The Purchasers and Allied Capital each hereby appoint Citibank, N.A. as Escrow Agent to receive, hold, administer and deliver the Escrow Fund (as hereinafter defined) in accordance with this Escrow Agreement, and the Escrow Agent hereby accepts such appointment, subject solely to and upon the terms and conditions set forth herein.

2. Establishment of Escrow Fund. Purchasers herewith deposit with the Escrow Agent, and the Escrow Agent hereby acknowledges receipt from Purchasers of cash funds in the aggregate amount of \$1,543,217 (the "Deposit"). All cash earnings, interest and income from the Deposit which may, from time to time, be held by the Escrow Agent pursuant to the terms hereof are the property of the Purchasers, and are hereinafter referred to as the "Escrow Earnings." The Escrow Earnings shall be distributed on a quarterly basis commencing on September 30, 2001, to the Purchasers in the same proportion as shown on Exhibit D. The Deposit and the Escrow Earnings (collectively sometimes referred to herein as the "Escrow Fund") shall be held by the Escrow Agent in accordance with the terms and conditions hereinafter set forth. It is the parties' intention that the Escrow Agent shall dispose of the Escrow Fund in accordance with the express provisions of this Escrow Agreement, and shall not make, be required to make or be liable in any manner for its failure to make, any determination

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under the Merger Agreement, or any other agreement (except as expressly provided herein), including, without limitation, any determination of whether either the Purchasers or Allied Capital are entitled to delivery of payment of any or all of the Escrow Fund or to any other right or remedy thereunder. The Escrow Agent shall have no duty to solicit the Deposit.

3. Investment of Escrow Fund by Escrow Agent. The Escrow Agent shall invest and reinvest the funds held in the Escrow Fund as Max W. Hillman, Jr. or John McDonnell, each acting as the representative of all the Purchasers (each, acting solely, or both acting together, the "Representative") shall direct by the furnishing of a written direction of investment to the Escrow Agent (a "Written Direction"); provided, however, that no investment or reinvestment may be made except in the following:

(a) direct obligations of the United States of America or obligations the principal of and the interest on which are unconditionally guaranteed by the United States of America;

(b) any money market fund substantially all of which is invested in the foregoing investment categories, including any money market fund managed by Escrow Agent and any of its affiliates (i.e., Citifunds US Treasury Reserve; Citifunds Cash Reserve).

If Escrow Agent has not received a Written Direction at any time that an investment decision must be made, Escrow Agent shall invest the Escrow Fund, or such portion thereof as to which no Written Direction has been received, in Citifunds Cash Reserve. Each of the foregoing investments shall be made in the name of Escrow Agent on behalf of the Purchasers. Except in the case of (b) above, no investment shall be made in any instrument or security that has a maturity of greater than 30 calendar days except that for 30 calendar days

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following the date of this Agreement, investments may be made in any instrument or security that has a maturity of no greater than 60 calendar days. Notwithstanding anything to the contrary contained herein, Escrow Agent may (but shall have no obligation), without notice to the Purchasers or Allied Capital, sell or liquidate any of the foregoing investments at any time if the proceeds thereof are required for any release of funds permitted or required hereunder, and Escrow Agent shall not be liable for or responsible for any loss, cost or penalty resulting from any such sale or liquidation. With respect to any cash received by Escrow Agent for deposit into the Escrow Fund or any Written Direction received by Escrow Agent with respect to investment of any funds in the Escrow Fund after twelve o'clock p.m., New York City time, the Escrow Agent shall not be required to invest such funds or to effect such investment instruction until the next day upon which banks in New York City are open for business.

The parties to this Agreement acknowledge that non-deposit investment products are not obligations of, or guaranteed by, the Escrow Agent nor any of its affiliates, are not FDIC insured, and are subject to investment risks, including the possible loss of principal amount invested. Only deposits in the United States are subject to FDIC insurance.

4. Release of Escrow Fund. The Escrow Agent shall hold the Escrow Fund until it delivers the Escrow Fund as provided in this Section 4, as follows:

(a) If the Escrow Agent receives irrevocable written instructions in the form of Exhibit A signed by each Purchaser and Allied Capital, stating that the consummation of the Merger shall occur, the Escrow Agent shall promptly deliver the Escrow Fund in accordance with said instructions.

(b) If the Escrow Agent receives written instructions signed by each Purchaser and Allied Capital stating that the consummation of the Merger did not occur and

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directing payment of the Escrow Fund to either the Purchasers or Allied Capital, the Escrow Agent shall promptly deliver the Escrow Fund in accordance with such instructions.

(c) Except as set forth in (a) or (b) above, the Escrow Agent shall distribute the Escrow Fund upon notice from either the Purchasers or Allied Capital only in accordance with the procedures set forth in this subsection (c) below.

(i) Upon written notice from a Representative of the Purchasers, with evidence of service on Allied Capital, that the Company has accepted an Acquisition Proposal (as defined in the Merger Agreement, in accordance with Section 6.9 of the Merger Agreement, and evidence of such acceptance ("Acquisition Proposal Notice"), Escrow Agent shall, fifteen (15) calendar days after receipt of such notice, deliver the Escrow Fund to the Purchasers in the proportion shown on Exhibit D.

(ii) Upon written notice from Allied Capital to Escrow Agent, with evidence of service on the Purchasers, that Allied Capital has terminated the Merger Agreement due solely to a Purchaser's material breach of his Equity Purchase Agreement, or Voting Agreement (as defined in the Merger Agreement), or the failure of his Employment

Agreement to be in full force and effect pursuant to Article VIII of the Merger Agreement by virtue of his resignation or refusal to perform the terms of his Employment Agreement (other than due to his death or disability), such notice in either event naming such Purchaser ("Allied Capital's Notice"), Escrow Agent shall deliver only that portion of the Escrow Fund including interest thereon, indicated on Exhibit D which corresponds to such

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Purchaser (or, if more than one, such Purchasers) who have committed the material breach (the "Breaching Purchaser") to Allied Capital fifteen (15) calendar days after receipt of Allied Capital's Notice unless the applicable Breaching Purchaser shall, prior to the expiration of the aforesaid 15-day period, give written notice to Escrow Agent with a copy to Allied Capital of his countervailing claim to the Escrow Fund ("Purchaser's Rebuttal Notice") in which case the provisions of Section 4(c)(iv) will apply with respect to the disputed portion of the Escrow Fund. Any distribution of the Escrow Fund to Allied Capital pursuant to this Clause (ii) shall be deemed liquidated damages for the breach. The remaining portion of the Escrow Fund shall be delivered to the non-breaching Purchasers in the proportion shown on Exhibit D at the end of such 15-day period.

(iii) Upon written notice from a Representative to Escrow Agent, with evidence of service on Allied Capital, that the Merger Agreement has been terminated for any reason (the "Purchasers' Notice"), Escrow Agent shall deliver the Escrow Fund to the Purchasers in the proportions specified in Exhibit D, fifteen (15) calendar days after receipt of Purchasers' Notice, unless Allied Capital shall, prior to the expiration of the aforesaid 15-day period, give notice to Escrow Agent and the Purchasers as provided in Section 4(c)(ii) ("Allied Capital's Rebuttal Notice"), in which event the procedures set forth in Section 4(c)(ii) shall apply (as if the Allied Capital Rebuttal Notice constituted an Allied Capital Notice).

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(iv) After timely receipt by Escrow Agent of a Purchaser's Rebuttal Notice under Section 4(c)(ii), Escrow Agent shall not deliver the disputed portion of the Escrow Fund until such time as Escrow Agent receives (a) a written agreement signed by the applicable Breaching Purchaser and Allied Capital providing instructions as to the disposition of the Escrow Fund or (b) a certified copy of an order or judgment which has become final (meaning that the order or judgment is no longer subject to appeal or review) by a court of the State of Delaware or of the United States located in the State of Delaware ("Delaware Court") with respect to the disposition of the applicable Breaching Purchaser's or Allied Capital's claim which is presented to the Escrow Agent by the prevailing party. Escrow Agent shall deliver the Escrow Fund in accordance with said agreement, order or judgment.

(v) Notwithstanding the foregoing, after receipt by Escrow Agent of Allied Capital's Rebuttal Notice or a Purchaser's Rebuttal Notice, Escrow Agent may (a) deposit the disputed portion of the Escrow Fund with a new Escrow Agent agreed to in writing by Allied Capital and the Breaching Purchaser(s) or (b) commence an action in interpleader in the Delaware Court and deposit the Escrow Fund with such court.

(d) All deliveries of funds by the Escrow Agent to Allied Capital or the Purchasers as provided for herein shall be by wire transfer in immediately available funds to the accounts specified in Exhibit B or otherwise designated by Allied Capital or one of the Purchasers, as the case may be. In the event funds transfer instructions are given (other than in writing at the time of execution of this Agreement), whether in writing, by

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telecopier or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call back to the

applicable person or persons designated in Exhibit C attached hereto, and the Escrow Agent may rely upon the confirmations of anyone purporting to be the person or persons so designated in Exhibit C attached hereto. To ensure accuracy of the instructions the Escrow Agent receives, the Escrow Agent may record such call backs. If the Escrow Agent is unable to verify the instructions, or is not satisfied with the verification it receives, it is hereby authorized to not execute such instruction until all issues have been resolved. The persons and telephone numbers for call backs may be changed by the applicable party only in writing signed by such party or an authorized representative, actually received and acknowledged by the Escrow Agent. The parties agree to notify the Escrow Agent of any errors, delays or other problems within thirty (30) calendar days after receiving notification that a transaction has been executed. If it is determined that the transaction was delayed or erroneously executed as a result of the Escrow Agent's error, the Escrow Agent's sole obligation is to pay or refund such amounts as may be required by applicable law. In no event shall the Escrow Agent be responsible for any incidental or consequential damages or expenses in connection with the instruction. Any claim for interest payable will be at the Escrow Agent's published savings account rate in effect in New York City, New York.

(e) Notwithstanding anything to the contrary in this Escrow Agreement:

(1) The Escrow Agent may deposit the Escrow Fund with the clerk of the Delaware Court upon commencement of an action in the nature of interpleader or in the course of any court proceedings.

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(2) If at any time the Escrow Agent receives a final written non-appealable order of the Delaware Court presented to the Escrow Agent by the prevailing party, or written instructions signed by both Allied Capital and the Purchasers, directing delivery or payment of any part of the Escrow Fund, or instructions as set forth in accordance with Section 4(c), the Escrow Agent shall comply with such order or instructions.

(3) Upon any delivery or deposit of the Escrow Fund as provided in this Section 4(e), the Escrow Agent shall thereupon be released and discharged from any and all further obligations arising in connection with this Agreement.

5. Escrow Agent

(a) The Escrow Agent shall be entitled to reimbursement for all reasonable fees, expenses, disbursements and advances incurred or made by it in performance of its duties hereunder (including reasonable fees, expenses and disbursements of its counsel). Such reimbursement for fees, expenses, disbursements and advances shall be paid by Allied Capital whether or not the Merger is consummated; the Escrow Agent fee shall be as indicated on Exhibit E attached hereto (the "Escrow Agent Fee") which shall be paid by Allied Capital upon execution of this Agreement. All invoices hereunder will be sent by the Escrow Agent to Allied Capital.

(b) The Escrow Agent shall have no liability or obligation with respect to the Escrow Fund except for the Escrow Agent's willful misconduct, bad faith or gross negligence. The Escrow Agent's sole responsibility shall be for the safekeeping, investment and disbursement of the Escrow Fund in accordance with the terms of this Agreement. The Escrow Agent shall have no implied duties or obligations and shall not

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be charged with knowledge or notice of any fact or circumstance not specifically set forth herein or not given in compliance with this Agreement. Escrow Agent may conclusively rely upon any instrument (whether in its original or facsimile form), and shall have no liability for acting in accordance with such instrument, not only as to its due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, which the Escrow Agent shall in good faith believe to be genuine, to have been signed or presented by the person or parties purporting to sign the same and to conform to the provisions of this Agreement. In no event shall the Escrow Agent be liable for incidental, indirect, special, consequential or punitive damages. The Escrow Agent shall not be

obligated to take any legal action or commence any proceeding in connection with the Escrow Fund, any account in which the Escrow Fund is deposited, or this Agreement, or to appear in, prosecute or defend any such legal action or proceeding. The Escrow Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions hereof or of any other agreement or of its duties hereunder, or relating to any dispute involving any party hereto, and shall incur no liability and shall be fully indemnified from any liability whatsoever in acting in accordance with the opinion, advice or instruction of such counsel. Allied Capital, shall promptly pay, upon demand, the reasonable fees and expenses of any such counsel.

(c) The Escrow Agent is authorized, in its sole discretion, to comply with orders issued or process entered by the Delaware Court with respect to the Escrow Fund, without determination by the Escrow Agent of such court's jurisdiction in the matter; provided, however, that such Court order or process must be presented to the Escrow Agent in writing by the prevailing party. If any portion of the Escrow Fund is at any time

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attached, garnished or levied upon under order of the Delaware Court, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order of the Delaware Court, or in case any order, judgment or decree of the Delaware Court shall be made or entered by any Court affecting such property or any part thereof, then and in any such event, the Escrow Agent is authorized, upon presentation of such Court order by the prevailing party to the Escrow Agent, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree which it is advised by legal counsel selected by it is binding upon it without the need for appeal or other action; and if the Escrow Agent complies with any such order, writ, judgment or decree, it shall not be liable to any of the parties hereto or to any other person or entity by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated.

(d) From and at all times after the date of this Agreement, Allied Capital shall, to the fullest extent permitted by law and to the maximum extent contemplated herein, fully indemnify and hold harmless Escrow Agent, its affiliates and their respective directors, officers, employees, subsidiaries, affiliates and agents (collectively, the "Indemnified Parties") against any and all actions, claims (whether or not valid), losses, judgments, damages, liabilities, costs and expenses of any kind or nature whatsoever (including without limitation reasonable attorney's fees, costs and expenses) incurred by or asserted against any of the Indemnified Parties from and after the date hereof, whether direct, indirect or consequential, as a result of or arising from or in any way relating to any claim, demand, suit, action or proceeding (including any inquiry or investigation) by any person, whether threatened or initiated, asserting a claim for any legal or equitable

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remedy against any person under any common law or equitable cause or otherwise, arising from or in connection with the negotiation, preparation, execution, performance or failure of performance of this Agreement or any transactions contemplated herein, whether or not any such Indemnified Party is a party to any such action, proceeding, suit or the target of any such inquiry or investigation; provided, however, that no Indemnified Party shall have the right to be indemnified hereunder for any liability finally determined by the Delaware Court, subject to no further appeal, to the extent such liability resulted from the gross negligence, bad faith or willful misconduct of such Indemnified Party. If any such action or claim shall be brought or asserted against any Indemnified Party, such Indemnified Party shall promptly notify Allied Capital in writing, and Allied Capital shall assume the defense thereof with counsel reasonably satisfactory to the Escrow Agent, including the employment of counsel and the payment of all expenses. Such Indemnified Party shall, in its sole discretion, have the right to employ separate counsel (who may be selected by such Indemnified Party in its sole discretion) in any such action and to participate in the defense thereof, and the fees and expenses of such counsel shall be paid by such Indemnified Party, except that Allied Capital shall be required to pay such fees and expenses if (a) Allied Capital agrees to pay such fees and expenses, (b) Allied Capital shall fail to assume the defense of such action or proceeding or shall fail, in the reasonable discretion of such Indemnified Party, to employ counsel satisfactory

to the Indemnified Party in any such action or proceeding, (c) Allied Capital or Purchasers are the plaintiff in any such action or proceeding, (d) the named or potential parties to such action or proceeding (including any potentially impleaded parties) include both the Indemnified Party and Allied Capital and/or the Purchasers, and the Indemnified Party

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shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to Allied Capital or the Purchasers, or (e) Escrow Agent shall have reasonably and in good faith concluded, based upon the advice of counsel, that there is a conflict of interest between Allied Capital or Purchasers and the Escrow Agent in the conduct of the defense of such action. Allied Capital shall be liable to pay fees and expenses of counsel pursuant to the preceding sentence. All such fees and expenses payable by Allied Capital pursuant to the foregoing sentence shall be paid from time to time as incurred, both in advance and after the final disposition of such action or claim. All of the foregoing losses, damages, costs and expenses of the Indemnified Parties shall be payable by Allied Capital, upon demand by such Indemnified Party; provided, however, that in the event that Allied Capital pays any amount of such fees and expenses, and the action, claim, suit, demand or proceeding arises solely from the conduct or actions of a Purchaser or Purchasers, each referred to as an "Accountable Purchaser," then in such event, Allied Capital shall have the right to reimbursement for such payment from the Accountable Purchasers, jointly and severally. The obligations of Allied Capital and the Accountable Purchasers under this Section 5(d) shall survive any termination of this Agreement and the resignation or removal of the Escrow Agent shall be independent of any obligation to the Escrow Agent.

The parties agree that the payment by Allied Capital of any claim by the Escrow Agent for indemnification shall not impair, limit, modify, or affect as between Allied Capital and the Purchasers, the respective rights and obligations of Allied Capital and the Purchasers.

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(e) The Escrow Agent shall not be subject to, nor required to comply with, any other agreement between or among any or all of the Purchasers and Allied Capital or to which the Purchasers or Allied Capital is a party, even though reference thereto may be made herein, or to comply with any direction or instruction (other than those contained herein or delivered in accordance with this Escrow Agreement) from any Purchaser or Allied Capital or any entity acting on its behalf. The Escrow Agent shall not be required to, and shall not, expend or risk any of its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder. Escrow Agent shall not be responsible for monitoring the compliance by Purchasers, Allied Capital or the Company, and shall not be responsible for any failure by the Purchasers, Allied Capital or the Company to comply, with any of the obligations relating to the Merger, including, without limitation, obligations under applicable securities laws or under the Merger Agreement.

The Escrow Agent shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Escrow Agent (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility).

Unless otherwise specifically set forth herein, the Escrow Agent shall proceed as soon as practicable to collect any checks or other collection items at any time deposited hereunder. The Escrow Agent shall notify Allied Capital of any checks or deposits from Purchasers that have not been paid and are in collection. All such collections shall be

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subject to the Escrow Agent's usual collection practices or terms regarding items received by the Escrow Agent for deposit or collection. The Escrow Agent shall not be required, or have any duty, to notify anyone of any payment or maturity under the terms of any

instrument deposited hereunder, nor to take any legal action or enforce payment of any check, note or security deposited hereunder or to exercise any right or privilege which may be afforded to the holder of any such security.

In the event of any ambiguity or uncertainty hereunder or in any notice, instruction, court order or judgment, or other communication received by the Escrow Agent hereunder, the Escrow Agent may, in its sole discretion, refrain from taking any action other than retain possession of the Escrow Fund, unless the Escrow Agent receives written instructions, signed by the party whose signature is otherwise required for disbursement under the terms of this Agreement, which eliminates such ambiguity or uncertainty.

In the event of any dispute between or conflicting claims by or among Allied Capital and the Purchasers and/or any other person or entity with respect to any Escrow Fund, the Escrow Agent shall be entitled, in its sole discretion, to refuse to comply with any and all claims, demands or instructions with respect to such Escrow Fund so long as such dispute or conflict shall continue, and the Escrow Agent shall not be or become liable in any way to Allied Capital and the Purchasers for failure or refusal to comply with such conflicting claims, demands or instructions. The Escrow Agent shall be entitled to refuse to act until, in its sole discretion, either (i) such conflicting or adverse claims or demands shall have been determined by a final order, judgment or decree of the Delaware Court, presented in writing to the Escrow Agent by the prevailing party, which

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order, judgment or decree is not subject to appeal, or settled by agreement between the conflicting parties as evidenced in a writing satisfactory to the Escrow Agent or (ii) the Escrow Agent shall have received security or an indemnity satisfactory to it sufficient to hold it harmless from and against any and all losses which it may incur by reason of so acting. The Escrow Agent may, in addition, elect, in its sole discretion, to commence an interpleader action or seek other judicial relief or orders as it may deem, in its sole discretion, necessary. The costs and expenses (including reasonable attorney's fees and expenses) incurred in connection with such proceeding shall be paid by Allied Capital; provided, however, that in the event that Allied Capital pays any amount of such fees and expenses and is the prevailing party, then in such event, Allied Capital shall have the right to collect such payment, jointly and severally, from the Purchasers whose actions were determined by the Delaware Court to be in violation of this Agreement. Allied Capital and Purchasers shall use their reasonable best efforts to resolve any such disputes or conflicting claims in an effort to determine the proper disbursement of the Escrow Fund.

6. Successor Escrow Agent. The Escrow Agent (and any successor Escrow Agent) may at any time resign as such by delivering notice of its resignation to the Purchasers and Allied Capital, and delivering the Escrow Fund to a successor Escrow Agent jointly designated by the Purchasers and Allied Capital in writing, or if the parties cannot agree on the successor Escrow Agent within thirty (30) calendar days of the notice, to the Delaware Court, whereupon the resigning Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. After the resignation of any Escrow Agent, the provision of the Agreement limiting the liability of the Escrow Agent and indemnifying the

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Escrow Agent against liabilities, costs, fees and expenses (including legal fees and expenses) shall continue to inure to the benefit of the resigned Escrow Agent with respect to any action or omission taken or made by it while it was the Escrow Agent under this Escrow Agreement.

7. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be deemed effective when delivered by hand, or when telecopied with receipt confirmed, or when properly delivered by a nationally recognized commercial overnight delivery service, prepaid, as follows:

If to Allied Capital:

Allied Capital Corporation
1919 Pennsylvania Avenue, N.W.
Washington, DC 20006
ATTN: Daniel L. Russell
FAX: 202/659-2053

With a concurrent copy to:

Sutherland Asbill & Brennan LLP
1275 Pennsylvania Avenue, N.W.
Washington, DC 20004-2415
ATTN: James D. Darrow
FAX: 202/637-3593

If to the Purchasers:

The Hillman Group, Inc.
10590 Hamilton Avenue
Cincinnati, OH 45231
ATTN: Debbie Haidet - RE: Max W. Hillman, Jr.
FAX: 513-851-5585

And to

The Hillman Group, Inc.
10590 Hamilton Avenue
Cincinnati, OH 45231
ATTN: Debbie Haidet - RE: Richard P. Hillman
FAX: 513-851-5585

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And to

The Hillman Group, Inc.
10590 Hamilton Avenue
Cincinnati, OH 45231
ATTN: Debbie Haidet - RE: Gary Seeds
FAX: 513-851-5585

And to

The Hillman Group, Inc.
10590 Hamilton Avenue
Cincinnati, OH 45231
ATTN: Debbie Haidet - RE: Dennis Blake
FAX: 513-851-5585

And to

John McDonnell
23600 Edgeview Court
Barrington, IL 60010
FAX: 847-304-8108

If to the Escrow Agent:

Citibank, N.A.
120 Broadway 2nd Floor
New York, NY 10271
ATTN: Kerry McDonough
FAX: 212/266-4550

With a concurrent copy to:

Patterson, Belknap, Webb & Tyler LLP
1133 Avenue of the Americas
New York, NY 10036
ATTN: Herman H. Raspe, Esq.
FAX: 212/336-2222

Such notice addresses and telecopy numbers may be changed upon written notice to the other parties hereto.

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8. Severability. Any provision of this Escrow Agreement which may be determined by the Delaware Court to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability in any jurisdiction without invalidating or rendering unenforceable the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. It is expressly understood, however, that the parties hereto intend each and every provision of this Escrow Agreement to be valid and enforceable and hereby knowingly waive all rights to object to any provision of this Escrow Agreement.

9. Assignment. This Escrow Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and assigns, and shall not be enforceable by or inure to the benefit of any third party. No party may assign any of its rights or obligations under this Escrow Agreement without the written consent of the other parties or except as specifically contemplated herein. Any assignment in violation of this Section 9 shall be null and void.

10. Amendments; Termination. This Escrow Agreement may only be modified or terminated by a writing signed by all of the parties hereto, and no waiver hereunder shall be effective unless in writing signed by the party to be charged.

11. Counterparts. This Escrow Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. This Escrow Agreement may be executed and delivered in counterpart signature pages and delivered via facsimile transmission, and any such counterpart executed and delivered via facsimile transmission shall be deemed an original for all intents and purposes.

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12. Governing Law. This Escrow Agreement shall be governed by and constituted under the laws of the State of Delaware, without regard to Delaware conflict of laws principles. Any judicial proceeding brought against any of the parties to this Escrow Agreement relating to a dispute arising out of this Escrow Agreement will be brought exclusively in the Delaware Court and by its execution and delivery of this Escrow Agreement, each party hereto accepts the exclusive jurisdiction of the Delaware Court, and hereby waives any right it may have to a jury trial, or objection to venue or inconvenient forum. The provisions of this Section 12 shall survive termination of this Escrow Agreement.

13. Miscellaneous.

(a) The rights and remedies conferred upon the parties hereto shall be cumulative, and the exercise or waiver of any such right or remedy shall not preclude or inhibit the exercise of any additional rights or remedies. The waiver of any right or remedy hereunder shall not preclude the subsequent exercise of such right or remedy.

(b) Each of Allied Capital and the Purchasers hereby represents and warrants (i) that this Escrow Agreement has been duly authorized, executed and delivered on its behalf and constitutes its legal, valid and binding obligation, and (ii) that the execution, delivery and performance of this Escrow Agreement by it does not violate any applicable law or regulation and does not breach or violate any other agreements it is a party to.

(c) This Escrow Agreement shall constitute the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements in regard thereto.

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(d) This Agreement shall terminate upon the distribution of all Escrow Funds held hereunder. The provisions of Sections 5, 6 and 12 shall survive termination of this Escrow Agreement and/or the resignation or removal of the Escrow Agent.

(e) The Escrow Agent does not have any interest in the Escrow Fund deposited hereunder but is serving as escrow holder only and having only possession thereof. Allied Capital shall pay or reimburse the Escrow Agent upon request for any transfer taxes or other taxes relating to the Escrow Fund incurred in connection herewith and shall indemnify and hold harmless the Escrow Agent any amounts that it is obligated to pay in the way of such taxes. Any payments of income from this Escrow Account shall be subject to withholding regulations then in force with respect to United States taxes. The parties hereto will provide the Escrow Agent with appropriate W-9 forms for tax I.D. number certifications, or W-8 forms for non-resident alien certifications. It is understood that the Escrow Agent shall be responsible for income reporting only with respect to income earned on investment of funds which are a part of the Escrow Fund and is not responsible for any other reporting. Any income taxes generated from the Escrow Fund shall be paid by the Purchasers in the same proportion as shown on Exhibit D, and the Escrow Agent shall deliver Form 1099 with the respective amounts to and in the name of each Purchaser.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the day and year first above-written:

ALLIED CAPITAL CORPORATION

BY: /s/ JOAN SWEENEY

NAME: Joan Sweeney

TITLE: Managing Director

/s/ MAX W. HILLMAN, JR.

Max W. Hillman, Jr., individually
and acknowledging the appointment
as a representative hereunder

Tax ID Number

/s/ RICHARD P. HILLMAN

Richard P. Hillman

Tax ID Number

/s/ GARY SEEDS

Gary Seeds

Tax ID Number

/s/ DENNIS BLAKE

Dennis Blake

Tax ID Number

/s/ JOHN MCDONNELL

John McDonnell, individually
and acknowledging the appointment
as a representative hereunder

Tax ID Number

CITIBANK, N.A.

BY: /s/ JOHN P. HOWARD

NAME: John P. Howard

TITLE: Vice President

STATE OF OHIO:

ss:

COUNTY OF HAMILTON:

State aforesaid, DO HEREBY CERTIFY that Max W. Hillman, Jr. personally came before me and is the same person whose name is subscribed to the foregoing agreement, who, has appeared before me this day in person and acknowledged that he signed and delivered the said agreement as his own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 21st day of June, 2001.

/s/ SANDRA R. HARROD

Notary Public

My commission expires: 12-12-04

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STATE OF OHIO:

ss:

COUNTY OF HAMILTON:

I, Sandra R. Harrod, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Richard P. Hillman, Jr. personally came before me and is the same person whose name is subscribed to the foregoing agreement, who, has appeared before me this day in person and acknowledged that he signed and delivered the said agreement as his own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 21st day of June, 2001.

/s/ SANDRA R. HARROD

Notary Public

My commission expires: 12-12-04

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STATE OF OHIO:

ss:

COUNTY OF HAMILTON:

I, Sandra R. Harrod, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Gary Seeds personally came before me and is the same person whose name is subscribed to the foregoing agreement, who, has appeared before me this day in person and acknowledged that he signed and delivered the said agreement as his own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 21st day of June, 2001.

/s/ SANDRA R. HARROD

Notary Public

My commission expires: 12-12-04

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STATE OF OHIO:

ss:

COUNTY OF HAMILTON:

I, Sandra R. Harrod, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Dennis Blake personally came before me and is the same person whose name is subscribed to the foregoing agreement, who, has appeared before me this day in person and acknowledged that he signed

and delivered the said agreement as his own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 21st day of June, 2001.

/s/ SANDRA R. HARROD

Notary Public

My commission expires: 12-12-04

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STATE OF ILLINOIS:

ss:

COUNTY OF LAKE:

I, Patti M. Day, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that John McDonnell, personally came before me and is the same person whose name is subscribed to the foregoing agreement, who, has appeared before me this day in person and acknowledged that he signed and delivered the said agreement as his own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 21st day of June, 2001.

/s/ PATTI M. DAY

Notary Public

My commission expires: 2-19-03

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STOCKHOLDERS AGREEMENT

This STOCKHOLDERS AGREEMENT (this "Agreement"), dated as of _____, 2001, is made by and among Allied Capital Corporation, a Maryland corporation ("Allied"), Maurice P. Andrien, Jr., Joseph M. Corvino, Max W. Hillman, Jr., Stephen W. Miller, Richard P. Hillman, George Heredia, Gary Seeds, Terry Rowe, James Waters, Dennis Blake, Richard Buller, Kenneth Foskey, Michael Mueller, John Marshall, John McDonnell ("McDonnell") and Mark Yeary (each an "Initial Minority Holder" and collectively, the "Initial Minority Holders," and together with Allied, the "Post-Merger Stockholders"), any individual or entity who becomes a party hereto pursuant to Section 12 hereof (collectively, the "Other Stockholders" and together with the Initial Minority Holders, the "Minority Holders") and SunSource, Inc., a Delaware corporation (the "Corporation"). Allied and the Minority Holders are collectively referred to as the "Stockholders."

WHEREAS, Allied and the Corporation have entered into an Agreement and Plan of Merger dated as of June __, 2001 (the "Merger Agreement") pursuant to which a subsidiary of Allied will be merged with and into the Corporation (the "Merger");

WHEREAS, upon the consummation of the Merger, the Post-Merger Stockholders will become the sole stockholders of the Corporation; and

WHEREAS, in anticipation of the Merger, the Post-Merger Stockholders desire to enter into this Agreement, to be effective upon the consummation of the Merger, which imposes certain requirements as to the voting of the Corporation's stock, the sale or transfer of the Corporation's stock and certain other matters;

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. In addition to the capitalized terms defined elsewhere in this Agreement, the following capitalized terms shall have the following meanings when used in this Agreement:

"Affiliate" means, with respect to any Person, each Person that controls, is controlled by or is under common control with such Person.

"Allied" has the meaning given to it in the preamble.

"Board" means the Board of Directors of the Corporation.

"Call Exercise Notice" has the meaning given to it in Section 7 hereof.

"Cause" means "Cause" as defined in the relevant Minority Holder's employment agreement, or if there is no such employment agreement, "Cause" means:

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- (i) A willful failure to substantially perform the duties of employment, other than failure resulting from complete or partial incapacity due to physical or mental illness or impairment;
- (ii) A willful act which constitutes gross misconduct or fraud and which is injurious to the Corporation;
- (iii) Conviction of, or plea of "guilty" or "no contest" to a felony; or
- (iv) A material breach of any duty owed to the Corporation, including the duty of loyalty and the duties under any confidentiality agreement.

"Commission" has the meaning given to it in Section 14 hereof.

"Common Stock" means the common stock, par value \$0.01 per share, of the Corporation.

"Corporation" means SunSource, Inc., a Delaware corporation.

"Eligible Directors" has the meaning given it in Section 8 hereof.

"Equity Issuance" means the issuance by the Corporation of any Equity Securities to any Person other than (a) any securities issued pursuant to the Corporation's stock option, stock grant, stock purchase, incentive stock bonus or similar plans which have been approved by the Board, (b) any securities issued upon conversion, exercise or exchange of securities outstanding or

issued, (c) any securities issued in connection with any stock split or stock dividend or in connection with any recapitalization of the Corporation, to any person that at the time of such issuance is a Stockholder, provided that such securities are issued on a pro rata basis to all Stockholders (d) any securities issuable to customers, vendors or other Persons in similar commercial situations with the Corporation (other than any Affiliate of a Stockholder) in connection with corporate partnering agreements or other significant commercial transactions entered into on an arms' length basis and approved by the Board, (e) any securities issuable in full or partial consideration for the acquisition (by merger, consolidation, purchase or otherwise) by the Corporation of all or substantially all of the stock or assets of any other entity or business segment of any other entity in an arm's length transaction with an entity other than an Affiliate of a Stockholder unless the transaction is in compliance with Section 10 of this Agreement; (f) any securities issuable to a lender concurrently and in connection with a loan made to the Corporation by such lender in an arm's length transaction with an entity other than an Affiliate of a Stockholder unless the transaction is in compliance with Section 10 of this Agreement and (g) any securities offered pursuant to a registration statement filed under the Securities Act.

"Equity Security" means common stock and any other security convertible, exchangeable or exercisable for or into common stock.

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"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Established Value" has the meaning given to it in Section 7 hereof.

"Established Value Per Share" has the meaning given to it in Section 7 hereof.

"Good Reason" means "Good Reason" as defined in the relevant Minority Holder's employment agreement, or if there is no such employment agreement, "Good Reason" means that the Corporation:

- (i) has adversely changed the Minority Holder's position from the position held on the date of this Agreement;
- (ii) has adversely and materially changed the Minority Holder's duties or authority such that they are no longer consistent with the position held on the date of this Agreement;
- (iii) has reassigned the Minority Holder to a work location that is more than 75 miles from such Minority Holder's present work location; or
- (iv) has, to the extent a Minority Holder has a seat on the Board (but does not have an employment agreement), removed such Minority Holder from the Board for any reason other than Cause.

"Holder Request" has the meaning given to it in Section 14 hereof.

"Initial Minority Holder" has the meaning given to it in the preamble.

"Issuer Securities" has the meaning given to it in Section 14 hereof.

"Lien" has the meaning given to it in Section 7 hereof.

"Major Holder" means Allied, so long as no other Stockholder holds more Common Stock than Allied.

"Merger" has the meaning given to it in the recitals.

"Merger Agreement" has the meaning given to it in the recitals.

"Minority Director" has the meaning given to it in Section 8 hereof.

"Notice" has the meaning given to it in Section 19 hereof.

"Offer" has the meaning given to it in Section 3(b) hereof.

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"Offer Notice" has the meaning given to it in Section 9 hereof.

"Options" means options granted by the Corporation for the purchase of

shares of Common Stock.

"Other Stockholder" has the meaning given to it in the preamble.

"Participating Stockholder" has the meaning given to it in Section 9 hereof.

"Permitted Transferees" has the meaning given to it in Section 5 hereof.

"Person" means an individual, partnership, corporation, limited liability Corporation, association, joint stock corporation, trust, joint venture, unincorporated organization or other entity, or a governmental entity or any department, agency or political subdivision thereof.

"Post-Merger Stockholder" or "Post-Merger Stockholders" has the meaning given to it in the preamble.

"Post-Merger Stockholders' Pro Rata Share" has the meaning given to it in Section 9.

"Purchase Interest" means, as to any Initial Minority Holder other than McDonnell, the shares of Common Stock and Options (including shares of Common Stock issued upon the exercise of such Options) specified with respect to such Initial Minority Holder on Schedule A hereto. [NOTE TO DRAFT: Schedule A will include only purchased Common Stock, rollover options and Common Stock issued upon exercise of rollover Options. Schedule A will not include new Options or Common Stock issued upon exercise of new Options.]

"Purchaser" has the meaning given to it in Section 3(b) hereof.

"Put Exercise Notice" has the meaning given to it in Section 7 hereof.

"Qualified Public Offering" means an underwritten public offering by the Corporation of Common Stock.

"Registrable Securities" has the meaning given to it in Section 14 hereof.

"Repurchase Event" has the meaning given to it in Section 7 hereof.

"Securities Act" means the Securities Act of 1933, as amended.

"Selling Stockholder" has the meaning given to it in Section 8 hereof.

"Stockholder" has the meaning given to it in the preamble.

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"Transfer," and variations of it, means and includes: (i) any sale, assignment, conveyance, exchange, pledge, hypothecation, gift, disposition or other parting with any indicia or aspect of title, ownership or possession (including voting rights), whether for consideration or gratuitously, voluntarily or involuntarily or otherwise, of, in or to any or all shares of Common Stock or any interest in them and (ii) any granting, whether for consideration or gratuitously, voluntarily or involuntarily or otherwise, of a security interest in any or all of the shares of Common Stock or any interest in them.

"Underwritten Offering" has the meaning given to it in Section 14 hereof.

2. General Restriction on Transfers by Minority Holders. No Minority Holder shall make or commit to make any Transfer of all or any part of the shares of Common Stock, or of any beneficial interest therein, now or hereafter owned by him, except as expressly permitted and in accordance with the provisions of this Agreement. The Corporation shall not recognize as valid or give effect to any Transfer of any shares of Common Stock or interests therein upon the books of the Corporation unless and until the Stockholder desiring to make such Transfer shall have complied with each provision of this Agreement. Notwithstanding the foregoing, if a court of competent jurisdiction orders the Transfer of any shares of Common Stock, such Common Stock shall be subject to the provision of Sections 2 and 4 hereof but shall have no voting rights nor any rights under this Agreement except as required by applicable law.

3. Tag Along.

(a) Prior to a Qualified Public Offering, if the Major Holder proposes to Transfer to an unaffiliated third party (in one or a series of related transactions) shares of Common Stock constituting in the aggregate 30% or more of the Common Stock owned by the Major Holder, then the Major Holder shall refrain from effecting such transaction unless, prior to the consummation

thereof, each Minority Holder shall have been afforded the opportunity to join in such Transfer on a pro rata basis as provided in this Section 3.

(b) Prior to the consummation of any proposed Transfer of shares of Common Stock by the Major Holder that is subject to this Section 3, the Major Holder shall cause the person or group that proposes to acquire such shares of Common Stock (the "Purchaser") to offer (the "Offer") in writing to each Minority Holder to purchase from each Minority Holder, up to the number of whole shares of Common Stock owned by each such Minority Holder equal to the product obtained by multiplying the total number of shares of Common Stock then owned by such Minority Holder by a fraction, the numerator of which is the aggregate number of shares of Common Stock proposed to be purchased by the Purchaser from all the Stockholders (including the Major Holder) and the denominator of which is the aggregate number of shares of Common Stock then outstanding and subject to the provisions of this Agreement. Such purchase shall be made at the price per share and on such other terms and conditions as the Purchaser has offered to purchase the shares of Common Stock to be sold by the Major Holder, including any consulting or other fees payable to the Major Holder to the extent such fees exceed the fair market value of the services to be provided. Each Minority Holder shall have 15 days from the date of receipt of the Offer in which to accept such Offer, and

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the closing of such purchase shall occur within 60 calendar days after such acceptance or at such other time as such Minority Holder and the Purchaser may agree. The number of shares of Common Stock to be sold to the Purchaser by the Major Holder shall be reduced by the aggregate number of shares of Common Stock purchased by the Purchaser from the other Minority Holders pursuant to the acceptance by them of Offer in accordance with the provisions of this Section 3(b).

(c) Any provision herein to the contrary notwithstanding, the exercise of the rights under this Section 3 shall be conditioned upon the agreement by each participating Minority Holder to become a party to any proposed agreement for the sale of shares of Common Stock by the Major Holder and to execute any agreement, certificate or other document required to be executed in connection with such sale; provided, however, that no participating Minority Investor shall be required to give representations or warranties more extensive than those given by the Major Holder or to provide indemnities disproportionate (based upon the percentage of sales proceeds to be received) to those provided by the Major Holder. Failure of any participating Minority Investor to comply with the provisions of this Section 3(c) shall constitute a waiver of his or its rights under this Section 3.

4. Take Along.

(a) If, prior to a Qualified Public Offering, the Major Holder elects to sell all of its shares of Common Stock to a third party or causes the Corporation to enter into a merger agreement for a merger which will result in the Stockholders immediately prior to such merger owning less than 50% of the outstanding common stock of the surviving entity immediately following such merger, in each case in a bona fide, arm's length transaction, the Minority Holders will be required, upon written notice from the Major Holder, to (i) sell all of their shares of Common Stock pursuant to such proposed sale, (ii) vote in favor of any such transaction proposed by the Major Holders, and (iii) agree to become a party to any proposed agreement for the sale of such shares of Common Stock and to execute any agreement, certificate or other documents required to be executed in connection with such sale, including making such representations and warranties as, but not more extensive than, those made by the Major Holder and providing indemnities proportionate (based on the percentage of proceeds to be received) to those provided by the Major Holder. The sale by the other Stockholders pursuant to this Section 4 shall be made at the price per share on such other terms and conditions as the sale by the Major Holder, including any consulting or other fees payable to the Major Holder to the extent such fees exceed the fair market value of the services to be provided. Each Minority Holder hereby appoints the Corporation attorney-in-fact to execute and deliver any such proposed agreement and related certificates and documents and to endorse and deliver to the purchaser each such Minority Holder's shares of Common Stock. If any Stockholder fails to comply with the provisions of this Section 4, the Major Holder shall be entitled to treat such failure as breach of this Agreement for which the Major Holder shall be entitled to specific performance and/or damages.

(b) Notwithstanding anything herein to the contrary, if the proposed consideration for a transaction described in Section 4(a) is either (i) Equity Securities of an entity

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not having its Common Stock listed or admitted to trading on any national securities exchange or quoted on any NASDAQ market, or (ii) Equity Securities of an entity having its Common Stock listed or admitted to trading on any national securities exchange or quoted on any NASDAQ market, but such Equity Securities to be issued in the transaction will be subject to lock-up restrictions for a period in excess of 180 days, then, in either such event, each Minority Holder shall have the option, to be exercised within thirty (30) days of the date of notice of the transaction, to require the Corporation to purchase, all, but not less than all of each such Minority Holder's shares of Common Stock and Options in accordance with the procedures set forth in Section 7.

5. Permitted Transfers. Notwithstanding anything herein to the contrary, any Minority Holder may Transfer shares of Common Stock to Permitted Transferees of such Minority Holder who consent in a writing delivered to the Corporation to be bound by the terms of this Agreement without complying with the requirements of Section 3, provided that, except in the case of clauses (a) and (e) below, the transferring Minority Holder retains all voting rights with respect to such transferred shares of Common Stock. With respect to any Minority Holder, "Permitted Transferees" means: (a) any other Minority Holders, the Major Holder, the Corporation or any purchaser under Section 3 or Section 4 hereof (b) the spouse or lineal descendants (including adopted children) of such Minority Holder, (c) any trust for the benefit of such Minority Holder or the benefit of the spouse or lineal descendants (including adopted children) of such Minority Holder, (d) any corporation or partnership in which such Minority Holder, the spouse and the lineal descendants (including adopted children) of such Minority Holder are the direct and beneficial owners of substantially all of the equity interests; provided, that such Minority Holder, spouse and lineal descendants (including adopted children) agree in writing, for the benefit of the Corporation, to remain the direct and beneficial owners of all such equity interests, (e) the personal representative of such Minority Holder upon such Minority Holder's death for purposes of administration of such Minority Holder's estate or upon such Minority Holder's incompetency for purposes of the protection and management of the assets of such holder and (f) any transferee which Allied (or, if Allied is no longer the Major Holder, the Corporation) shall, in its sole discretion, approve in writing.

6. Termination of Employment. (a) In the event that the employment with the Corporation of any Initial Minority Holder other than McDonnell is terminated for any reason, such Initial Minority Holder shall have the ability to require the Corporation to purchase all, but not less than all, of such Initial Minority Holders' Purchase Interest in accordance with Section 7; provided that if such termination is a termination for Cause or a resignation without Good Reason, the Corporation shall not be obligated to close on such purchase until the date that is the two (2) year anniversary of the date of the applicable Put Exercise Notice.

(b) In the event that the employment with the Corporation of (i) any Initial Minority Holder other than McDonnell is terminated by the Corporation for Cause or such Initial Minority Holder resigns without Good Reason (excluding, for the avoidance of doubt and without limitation, termination of employment due to the non-renewal of an employment agreement at the end of its stated term), or (ii) any Minority Holder that is not an Initial Minority Holder is terminated for any reason, the Corporation will have a call option to purchase all, but

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not less than all, of the shares of Common Stock and Options owned by such Initial Minority Holder or such Minority Holder, as applicable, in accordance with the procedures set forth in Section 7.

7. Valuation and Exercise Procedures. For purposes of the purchase of any shares of Common Stock of the Corporation under Section 4(b) and Section 6 the following provisions shall apply:

(a) Each Minority Holder or the Corporation shall exercise the sale or purchase right provided in Section 4(b), Section 6(a) or Section 6(b), as applicable, by giving written notice within forty-five (45)

days of the notice required by Section 4(a) or within 180 days after a termination of employment, as applicable (each a "Repurchase Event"), to the Corporation (the "Put Exercise Notice" in the case of notice provided by a Minority Holder (in such capacity, a "Selling Stockholder") or the "Call Exercise Notice" in the case of a notice provided by the Corporation). Such Put Exercise Notice or Call Exercise Notice, as applicable, shall specify (i) the proposed Established Value Per Share and (ii) any other information reasonably requested by the Corporation or the Selling Stockholders.

(b) For purposes hereof, the "Established Value Per Share" means an amount equal to (A) the "Established Value" (as defined in subsection (c) below), without giving regard to restrictions on Transfer under this Agreement or other illiquidity of the Common Stock, or the Stockholder's position as a Minority Holder, divided by (B) the fully diluted number of shares of Common Stock of the Corporation. In the case of Options, only Options that have vested as of the purchase date shall be subject to repurchase hereunder and the Established Value Per Share shall be reduced by the exercise price thereof.

(c) For purposes hereof, the "Established Value" shall be the value as agreed upon by the Selling Stockholder and Corporation within thirty (30) days from the date of the Put Exercise Notice or Call Exercise Notice, as the case may be. If the Selling Stockholder and the Corporation are unable to so agree on the Established Value within such thirty (30) day period, then the Selling Stockholder and the Corporation shall, within thirty (30) days after the expiration of such sixty (60) day period, jointly retain a third-party appraiser. Such appraiser shall submit an Established Value to the Corporation and the Selling Stockholder within thirty (30) days of being retained, which value shall be binding on the Corporation and the Selling Stockholder for all purposes. If the parties are unable to agree on a mutually acceptable third-party appraiser, the Corporation shall promptly instruct its independent auditors to provide to the Corporation and the Selling Stockholder a list of five (5) independent appraisal firms of recognized national standing. An appraisal firm will be deemed "independent" if it has no existing relationship or engagement with the Corporation, its parent or the independent auditors providing the list (other than ordinary course arms' length engagements by such auditors). Each of the Corporation and the Selling Stockholder shall alternately, starting with the Selling Stockholder, strike one name from the list until one appraisal firm remains and such remaining appraisal firm shall be promptly retained by the Corporation and shall submit an Established Value to the Corporation and the Selling Stockholder within thirty (30) days of being appointed. The Corporation shall bear the expense of any appraiser selected hereunder. In any appraisal

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conducted hereunder, the Established Value shall be determined on a going concern basis for a private company and the Established Value Per Share shall give effect to the payment of the applicable exercise prices for Options included in the calculation of the fully diluted outstanding Common Stock of the Corporation.

(d) At the closing, the Selling Stockholder or such Selling Stockholder's estate, beneficiaries or personal representatives shall deliver to the Corporation, against payment of the aggregate purchase price by the Corporation, by certified or bank check or wire transfer of immediately available federal funds to such account as the Selling Stockholder may designate, stock certificates, together with stock powers duly endorsed in blank, evidencing the shares of Common Stock being purchased by the Corporation.

(e) All shares of Common Stock to be sold by a Selling Stockholder hereunder shall be delivered to the Corporation at the closing free and clear of all liens, claims, charges and encumbrances whatsoever ("Liens"). The Corporation will be entitled to receive customary representations as to Selling Stockholder's title, authority and capacity to sell such shares of Common Stock. The Selling Stockholder agrees to take all such actions as the Corporation shall request as necessary to vest in the Corporation at such closing good title to such common stock, free and clear of all Liens.

(f) The closing of a transaction pursuant to this Section 7, including settlement on the purchase of shares of Common Stock, shall occur within thirty (30) days after the (i) completion of the valuation provided for in this Section 7, and (ii) the obtaining of any necessary third party or governmental consents or approvals.

(g) Notwithstanding anything to the contrary contained herein, in the event a purchase of Common Stock (or the payment of the purchase price) by the Corporation would (i) violate or conflict with any statute, rule,

injunction, regulation, order, judgment or decree applicable to the Corporation or any of its direct or indirect subsidiaries or by which its properties is bound or affected, or (ii) result in any breach of, or constitute a default (or an event which with notice or lapse of time, or both, would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any of the property or assets of the Corporation or any of its direct or indirect subsidiaries pursuant to any note, bond, mortgage, indenture, contract, agreement, lease, license, franchise or other instrument or obligation to which the Corporation or any of its direct or indirect subsidiaries is a party or by which any of its properties is bound or affected, then any and all rights and obligations of the Corporation to purchase shares of Common Stock hereunder shall be suspended until the date which falls thirty (30) days following such time as such prohibition first lapses or is waived and no such default would be caused. The Corporation shall use its best efforts to obtain waiver of any such prohibition, or cure any such violation, breach or default with respect to it, but shall not be obligated to incur any additional interest or other costs or charges or make any prepayment with respect to any indebtedness in connection with such efforts. The Corporation shall use its best efforts to obtain from its lenders, and to maintain, the right to redeem up to \$2,000,000 of Common Stock and Options from the Minority Holders during each fiscal year. The Corporation agrees that such redemption basket shall be used first,

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to satisfy any put obligation of the Corporation under Section 4(b) or Section 6(a) and second, to satisfy any obligation of the Corporation upon the exercise its call right under Section 6(b). In the event that the Corporation is unable to pay cash for the purchase of Common Stock hereunder, it shall use its best efforts to obtain from its lenders the right to issue in lieu of cash an unsecured, subordinated, 50% current-pay promissory note that shall be in form and substance satisfactory to the Corporation's lenders.

8. Board Membership. Each of the parties hereto agrees to take all action necessary, including, but not limited to, the voting of their shares of Common Stock, the execution of written consents, the calling of special meetings, the removal of directors, the filling of vacancies on the Board, the waiving of notice and the attending of meetings so as to cause (i) the number of members of the Board to be five (5); (ii) four (4) of the seats on the Board to be nominees of the Major Holder and (iii) one (1) of the seats on the Board to comprise the following person (the "Minority Director"), subject to the restrictions set forth below:

(a) Upon consummation of the Merger, the Minority Director as provided for in this Section 8 shall be Maurice P. Andrien. Mr. Andrien shall continue as a director until he ceases to be employed by the Corporation for any reason or resigns from the Board.

(b) At such time as Mr. Andrien ceases to be employed by the Corporation, or otherwise resigns from the Board, the vacancy created thereby shall be filled by Max W. Hillman, Jr., Stephen W. Miller, Joseph M. Corvino and Richard P. Hillman (together with Mr. Andrien, collectively, the "Eligible Directors"), in that order, so long as such Person is still employed by the Corporation. At such time as no Eligible Directors are employed by the Corporation, there shall be no Minority Director on the Board and the number of members of the Board shall be reduced to four (4).

(c) In addition to the Minority Director, the Initial Minority Holders shall be entitled to have two (2) Initial Minority Holders attend meetings of the Board as non-voting observers. The initial two (2) observers shall be Max W. Hillman, Jr. and Stephen W. Miller. At such time as Mr. Max Hillman or Mr. Miller cease to be employed by the Corporation or otherwise resign as Board observers, the vacancy created thereby shall be filled by Mr. Corvino and Mr. Richard P. Hillman, in that order. At such time as no Eligible Directors are employed by the Corporation, there shall be no Board observers permitted on behalf of the Initial Minority Holders.

9. Pre-emptive Rights.

(a) General. In the event that the Corporation intends to consummate an Equity Issuance, the Corporation shall provide the Post-Merger Stockholders with a right of first refusal to purchase all or a portion of his or its pro rata portion of such Equity Securities, on the terms and conditions offered by the Corporation. The Post-Merger Stockholders' pro rata portion is equal to the ratio of (x) the number of shares of Common Stock issued or issuable upon the exercise of outstanding Options to all of the Post-Merger

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Stockholders immediately prior to such issuance to (y) the total number of shares of Common Stock outstanding immediately prior to such issuance (the "Post-Merger Stockholders' Pro Rata Share").

(b) Procedure. The Corporation shall provide the Post-Merger Stockholders not less than thirty (30) days prior written notice (the "Offer Notice") of such Equity Issuance, together with the details and terms of such intended transaction, including the identity of the proposed investor or investors. Each Post-Merger Stockholder shall respond to the Corporation within fifteen (15) days of receiving the Offer Notice notifying the Corporation whether or not it desires to purchase Equity Securities in such Equity Issuance and stating the number of such securities the Post-Merger Stockholder desires to purchase.

(c) Unsubscribed Shares. In the event that the Post-Merger Stockholders fail to exercise in full the right of first refusal within the applicable time period, then, with respect to the issuance of such unsubscribed shares of Common Stock, the rights of such Post-Merger Stockholders under this Section 9 shall expire and the Corporation shall have 120 days thereafter to contract to sell such Equity Securities to the identified investor or investors at a price and upon general terms not more favorable to such investor or investors than specified in the Offer Notice; provided, that if the investor is an Affiliate of the Major Holder such sale shall be subject to the provisions of Section 10. In the event that the Corporation has not contracted to sell such Equity Securities within such 120 day period, then the Corporation shall not thereafter issue or sell any such securities without again first offering them to the Post-Merger Stockholders pursuant to this Section 10.

10. Transaction with the Corporation. (a) All transactions between the Corporation and any Stockholder shall be conducted on an arms' length basis and on terms that are no less favorable to the Corporation as would be obtained in a prevailing market arms' length transaction for a similarly situated entity with a person not a Stockholder.

(b) The Minority Stockholders hereby approve the following transactions between the Corporation and Allied, if consummated substantially under the terms attached hereto as Schedules B-1 through B-4;

(i) The sale of SunSource Technical Services, Inc., ("STS"), the application of the proceeds of such sale and the related financing of STS (Schedule B-1);

(ii) The distribution of the Corporation's limited partnership interest in GC-Sun Holdings L.P. (Schedule B-2);

(iii) The provision by Allied of up to a \$40 million mezzanine facility to the Corporation (Schedule B-3); and

(iv) the Management Agreement between Allied and the Corporation (Schedule B-4).

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11. Subsequent Minority Holders. The Corporation shall not issue or sell any shares of Common Stock or issue any Options to any other Person not party to this Agreement, including any officers or employees of the Corporation, unless such Person agrees by a written consent to be bound by the terms of this Agreement in the capacity of a Minority Holder as though he or she were an original signatory hereto. Upon the delivery to the Corporation of such consent, such Person shall be bound by and entitled to the benefits of this Agreement in such capacity.

12. Stock Ownership. Each Stockholder severally represents and warrants that he or it is the record and beneficial owner of the shares of Common Stock of the Corporation, after giving effect to the consummation of the

transactions contemplated by the Merger Agreement, set forth opposite such Stockholder's name on the signature page hereto.

13. Legend. The Corporation shall stamp or imprint each certificate or other instrument representing shares of Common Stock, throughout the term of this Agreement, with a legend in substantially the following form:

"The shares of capital stock represented by this Certificate may not be sold, transferred, encumbered or otherwise dealt with except in compliance with the terms and conditions of a Stockholders Agreement by and among the Corporation and its Stockholders. A copy of the Stockholders Agreement, including any amendments thereto, is on file at the principal office of the Corporation. Any person intending to deal in or with this Certificate is hereby put on notice that the Corporation may refuse to recognize any sale, transfer or encumbrance of the shares represented by the Certificate if the terms and conditions of such Stockholders Agreement are not first properly complied with. The securities represented hereby may not be sold, pledged, hypothecated or otherwise disposed of unless registered under the Securities Act of 1933, as amended, and any applicable state securities law, or unless an exemption from applicable registration requirements is available."

14. Registration Rights.

14.1 Demand Registrations. (a) At any time after the initial Qualified Public Offering pursuant to a registration statement under the Securities Act, the Major Holder may request in writing that the Corporation effect the registration under the Securities Act of all or part of the Registrable Securities (as hereinafter defined) held by the Major Holder, specifying in the request the number and type of Registrable Securities to be registered by and the intended method of disposition thereof (such notice is hereinafter referred to as a "Holder Request"). Upon receipt of such Holder Request, the Corporation will promptly give written notice of such requested registration to all other holders of Registrable Securities, which other holders shall have the right to include the Registrable Securities held by them in such registration and thereupon the Corporation will, as expeditiously as possible, use its best efforts to effect the registration under the Securities Act of:

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(i) the Registrable Securities which the Corporation has been so requested to register by the Major Holder; and

(ii) all other Registrable Securities which the Corporation has been requested to register by any other holder thereof having rights thereto by written request given to the Corporation within thirty (30) days after the giving of such written notice by the Corporation (which request shall specify the intended method of disposition of such Registrable Securities), all to the extent necessary to permit the disposition (in accordance with the intended methods thereof as aforesaid) of the Registrable Securities so to be registered;

provided, however, that notwithstanding the provisions of Section 14.1(a), the Corporation shall not be obligated to file a registration statement pursuant to this Section 14.1:

(1) unless the Corporation shall have received request for such registration with respect to at least 10% of the outstanding Common Stock on a fully diluted basis; or

(2) within the six month period immediately following the effective date of any registration previously effected by the Corporation pursuant to this Section 14.1.

For purposes hereof, "Registrable Securities" shall mean

(A) all shares of Common Stock and now or hereafter owned of record or beneficially by any of the Stockholders, and (B) any shares of Common Stock issued or issuable by the Corporation in respect of any shares of Common Stock referred to in the foregoing clause (A) by way of a stock dividend or stock split or in connection with a combination or subdivision of shares, reclassification, recapitalization, merger, consolidation or other reorganization of the Corporation. As to any particular Registrable Securities that have been issued, such securities shall cease to be Registrable Securities when (i) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of under such registration statement, (ii) they shall have been distributed to the public pursuant to Rule 144 under the Securities Act,

(iii) they shall have been otherwise Transferred, and new certificates therefor not bearing a legend restricting further Transfer shall have been delivered by the Corporation, and subsequent Transfer of them shall not require their registration or qualification under the Securities Act or any similar state law then in force, or (iv) they shall have ceased to be outstanding.

(b) The Corporation shall not be obligated to file more than an aggregate of two registration statements pursuant to Section 14.1(a) hereof.

(c) If the Corporation proposes to effect a registration requested pursuant to this Section 14.1 by the filing of a registration statement on Form S-3 (or any similar short-form registration statement) and the intended method of distribution is through a firm commitment underwriting (an "Underwritten Offering"), the Corporation will comply with any request by the managing underwriter to effect such registration on another permitted form if such

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managing underwriter advises the Corporation that, in its opinion, the use of another form of registration statement is of material importance to the success of such proposed offering.

(d) A registration requested pursuant to Section 14.1 (a) hereof will not be deemed to have been effected unless it has become effective under the Securities Act; provided, however, that if after it has become so effective, the offering of Registrable Securities pursuant to such registration is interfered with by any stop order, injunction or other order or requirement of the Securities and Exchange Commission (the "Commission") or other governmental agency or court, such registration will be deemed not to have been effected.

(e) The Corporation will pay all Registration Expenses (as defined in subsection (f) in Section 14.2) in connection with each of the registrations of Registrable Securities effected by it pursuant to this Section 14.1.

(f) Whenever a requested registration pursuant to this Section 14.1 involves an Underwritten Offering, the only shares of Common Stock that may be included in such Offering are (i) Registrable Securities, and (ii) securities of the Corporation being offered and sold for the Corporation's behalf in such Offering ("Issuer Securities").

(g) If a registration pursuant to this Section 14.1 involves an Underwritten Offering and the managing underwriter shall advise the Corporation that, in its judgment, the number of shares of Common Stock proposed to be included in such Underwritten Offering should be limited due to market conditions, then the Corporation will promptly so advise each holder of Registrable Securities that has requested registration, and the Issuer Securities, if any, shall first be excluded from such Underwritten Offering to the extent necessary to meet such limitation. If further exclusions are necessary to meet such limitation, the number of Registrable Securities of each such holder shall be excluded pro rata (until such limitation has been met), based on the respective number of shares of Registrable Securities as to which registration has been requested by such holder.

(h) By making a Holder Request, a Requesting Holder shall be deemed to have (i) a present intention to sell the Registrable Securities covered thereby, (ii) agreed to execute all consents, powers of attorney and other documents required in order to cause the registration statement to become effective, (iii) agreed, if the offering is at the market, to give the Corporation written notice of the first bona fide offering of the Registrable Securities covered thereby and to use the prospectus forming a part of the registration statement for only the period permitted by the Securities Act and the rules and regulations promulgated by the Commission thereunder, (iv) agreed, subject to adverse events regarding the selling price of the Registrable Securities covered thereby, to utilize the method of distribution of such Registrable Securities proposed in the Holder Request, and (v) agreed, in connection with the disposition of the Registrable Securities covered thereby, to comply with Rules 10b-2, 10b-6, 10b-7 and any other applicable rules and regulations promulgated by the Commission under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

14.2 Piggyback Registrations. (a) If, at any time after the initial Qualified Public Offering, the Corporation proposes to register any of its Equity Securities under the

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Securities Act (other than a registration on Form S-4 or S-8 or any successor or similar forms thereto and other than pursuant to a registration under Section 14.1), whether or not for sale for its own account, on a form and in a manner that would permit registration of Registrable Securities for sale to the public under the Securities Act, it will give written notice to all the holders of Registrable Securities promptly of its intention to do so, describing such securities and specifying the form and manner and the other relevant facts involved in such proposed registration (including, without limitation (i) whether or not such registration will be in connection with an underwritten offering of Registrable Securities and, if so, the identity of the managing underwriter and whether such offering will be pursuant to a "best efforts" or "firm commitment" underwriting, and (ii) the price, net of any underwriting commissions, discounts and the like, at which the Registrable Securities are reasonably expected to be sold) if such disclosure is acceptable to the managing underwriter. Upon the written request of any such holder delivered to the Corporation within thirty (30) days after the receipt of any such notice (which request shall specify the Registrable Securities intended to be disposed of by such holder and the intended method of disposition thereof), the Corporation will use best efforts to effect the registration under the Securities Act of all of the Registrable Securities that the Corporation has been so requested to register; provided, however, that:

(i) If, at any time after giving such written notice of its intention to register its securities and prior to the effective date of the registration statement filed in connection with such registration, the Corporation shall determine for any reason not to register such securities, the Corporation may, at its election, give written notice of such determination to each holder of Registrable Securities who made a request as hereinabove provided and thereupon the Corporation shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of the Major Holder to request that a registration subsequently be effected under Section 14.1 hereof.

(ii) If such registration involves an Underwritten Offering, all holders of Registrable Securities requesting to be included in the Corporation's registration must sell their Registrable Securities to the underwriters selected by the Corporation on the same terms and conditions as apply to the Corporation or the other selling Stockholders participating therein. No registration effected under this Section 14.2 shall relieve the Corporation of its obligation to effect registration upon request under Section 14.1.

(b) The Corporation shall not be obligated to effect any registration of Registrable Securities under this Section 14.2 incidental to the registration of any of its securities in connection with mergers, acquisitions, exchange offers, dividend reinvestment plans or stock option or other employee benefit plans.

(c) The Registration Expenses incurred in connection with each registration of Registrable Securities requested pursuant to this Section 14.2 shall be paid by the Corporation.

(d) If a registration pursuant to this Section 14.2 involves an Underwritten Offering and the managing underwriter advises the Corporation that, in its opinion,

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the number of securities proposed to be included in such registration should be limited due to market conditions, then the Corporation will promptly notify each holder of Registrable Securities that has requested registration, and the Registrable Securities of each such holder shall be excluded pro rata (until such limitation has been met), based on the respective number of shares of Registrable Securities as to which registration has been requested by all such holders.

(e) In connection with any Underwritten Offering with respect to which holders of Registrable Securities shall have requested registration pursuant to this Section 14.2, the Corporation shall have the right to select the managing underwriter with respect to the offering.

(f) For purposes hereof, "Registration Expenses" means any and all out-of-pocket expenses incident to the Corporation's performance or compliance with Section 14 hereof, including, without limitation, all

Commission, stock exchange or registration and filing fees, all fees and expenses of complying with securities and blue sky laws (including reasonable fees and disbursements of underwriters' counsel in connection with blue sky qualification and stock exchange filings), all fees and expenses of the transfer agent and registrar, if any, for the Registrable Securities, all printing expenses, the fees and disbursements of counsel for the Corporation and of its independent auditors, public accountants, including the expenses of any special audits and/or "cold comfort" letters required by or incident to such performance and compliance, and the reasonable fees and disbursements of one counsel reasonably acceptable to the Corporation and retained by the Requesting Holders, but excluding underwriting discounts and commissions and applicable transfer and documentary stamp taxes, if any, which shall be borne by the seller of the securities in all cases.

14.3 Registration Procedures. (a) If and whenever the Corporation is required to use its best efforts to effect or cause the registration of any Registrable Securities under the Securities Act as provided in Section 14.1 or 14.2 hereof, the Corporation will, as expeditiously as possible:

(i) Prepare and, in any event within 60 calendar days after the end of the period within which requests for registration may be given to the Corporation (or within 90 days after the end of such period if such period ends during the first month or the last month of the Corporation's fiscal year), file with the Commission a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become and remain effective; provided that, in the case of a registration provided for in Section 14.1 or 14.2 hereof, before filing a registration statement or prospectus or any amendments or supplements thereto, the Corporation will furnish to the counsel selected by the Requesting Holders copies of all such documents proposed to be filed, which documents will be subject to the timely and reasonable review of such counsel; and provided, further, that the Corporation may discontinue any registration of its securities that is being effected pursuant to Section 14.2 at any time prior to the effective date of the registration statement relating thereto.

(ii) Prepare and file with the Commission such amendments (including post-effective amendments) and supplements to such registration statement and the

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prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period as may be requested by the Requesting Holders not exceeding nine months and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement.

(iii) Furnish to each holder of Registrable Securities covered by the registration statement and to each underwriter, if any, of such Registrable Securities such number of copies of a prospectus and preliminary prospectus for delivery in conformity with the requirements of the Securities Act, and such other documents as such Person may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities.

(iv) Use its best efforts to register or qualify such Registrable Securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as each seller shall reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition of the Registrable Securities owned by such seller in such jurisdictions, except that the Corporation shall not for any such purpose be required (A) to qualify to do business as a foreign corporation in any jurisdiction where, but for the requirements of this Section 14.3.(a)(iv), it is not then so qualified, or (B) to subject itself to taxation in any such jurisdiction, or (C) to take any action which would subject it to general or unlimited service of process in any such jurisdiction where it is not then so subject.

(v) Use its best efforts to cause such Registrable Securities covered by such registration statement to be registered or qualified with or approved by such other governmental agencies or authorities (including, without limitation, state securities commissions) as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities, subject, however, to the limitations set forth in clauses (A), (B) and (C) of

(vi) Immediately notify each seller of Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act within the appropriate period mentioned in Section 14.3(a)(ii), if the Corporation becomes aware that the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing; use its best efforts to prepare and file an appropriate amendment or supplement to such prospectus and to cause such amendment or supplement to become effective; and, at the request of any such seller, deliver a reasonable number of copies of an amended or supplemental prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material

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fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(vii) Otherwise use its best efforts to comply with all applicable rules and regulations of the Commission and make generally available to its security holders, in each case as soon as practicable, but not later than 90 calendar days after the close of the period covered thereby (180 calendar days in case the period covered corresponds to a fiscal year of the Corporation), an earnings statement of the Corporation which will satisfy the provisions of Section 11(a) of the Securities Act.

(viii) Use its best efforts in cooperation with the underwriters, if any, to list such Registrable Securities on each securities exchange as they may reasonably designate, which securities exchanges shall be acceptable to the Corporation.

(ix) In the event the offering is an Underwritten Offering, use its best efforts to obtain a "cold comfort" letter from the independent public accountants for the Corporation in customary form and covering such matters of the type customarily covered by such letters as the Requesting Holders reasonably request in order to effect an Underwritten Offering of such Registrable Securities.

(x) Execute and deliver all instruments and documents (including in an Underwritten Offering an underwriting agreement in customary form) and take such other actions and obtain such certificates and opinions as the Requesting Holders reasonably request in order to effect an underwritten public offering of such Registrable Securities.

(b) Each holder of Registrable Securities will, upon receipt of any notice from the Corporation of the happening of any event of the kind described in Section 14.3(a) (vi), forthwith discontinue disposition of the Registrable Securities pursuant to the registration statement covering such Registrable Securities until such holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 14.3(a) (vi).

(c) If the Corporation proposes to effect a registration for any Underwritten Offering, including without limitation for its initial Qualified Public Offering, each holder of Registrable Securities agrees, whether or not such holder's Registrable Securities are included in such registration, not to effect any public sale or distribution, including any sale pursuant to Rule 144 under the Securities Act, of any Registrable Securities or of any security convertible into or exchangeable or exercisable for any Registrable Securities (other than as part of such Underwritten Offering), without the consent of the managing underwriter, during a period commencing seven days before and ending 180 days (or such lesser number as the managing underwriter shall designate) after the effective date of such registration.

(d) If a registration pursuant to Section 14.1 or 14.2 involves an Underwritten Offering, the Corporation agrees, if so required by the managing underwriter, not to effect any public sale or distribution of any of its equity or debt securities, as the case may be, or securities convertible into or exchangeable or exercisable for any of such equity or debt

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securities, as the case may be, during a period commencing seven days before and ending 180 (or such lesser number as the managing underwriter shall designate) days after the effective date of such registration, except for such Underwritten Offering or except in connection with a stock option plan, stock purchase plan, savings or similar plan, or an acquisition, merger or exchange offer.

(e) If a registration pursuant to Section 14.1 or 14.2 involves an Underwritten Offering, any holder of Registrable Securities requesting to be included in such registration may elect, in writing, prior to the effective date of the registration statement filed in connection with such registration, not to register such securities in connection with such registration, unless such holder has agreed with the Corporation or the managing underwriter to limit its right under this Section 14.3.

(f) In any registration pursuant to Section 14.1 or 14.2, each holder of Registrable Securities requesting to be included in such registration shall furnish to the Corporation all such information as the Corporation may reasonably request from such holder concerning such holder and its intended method of distribution of Registrable Securities to enable the Corporation to include such information in the registration statement.

(g) It is understood that in any Underwritten Offering in addition to any shares of Common Stock (the "initial shares") the underwriters have committed to purchase, the underwriting agreement may grant the underwriters an option to purchase up to a number of additional shares of Common Stock (the "option shares") equal to 15% of the initial shares (or such other maximum amount as the National Association of Securities Dealers, Inc. may then permit), solely to cover over-allotments. Shares of Common Stock proposed to be sold by the Corporation and the other sellers shall be allocated between initial shares and option shares as agreed or, in the absence of agreement, on a pro rata basis among all such holders on the basis of the relative number of shares of Registrable Securities each such holder has requested to be included in such registration.

(h) Notwithstanding anything to the contrary herein, the Corporation shall not be required to include any Registrable Securities of any holder in the event that the Corporation shall obtain an opinion of its counsel that all such requested Registrable Securities may then be sold without registration under Rule 144 or other provision of the Securities Act.

14.4 Indemnification. (a) In the event of any registration of any securities under the Securities Act pursuant to Section 14.1 or 14.2, the Corporation will, and it hereby agrees to, indemnify and hold harmless, to the extent permitted by law, each seller of any Registrable Securities covered by such registration statement, such seller's directors, officers and employees or general and limited partners (and directors, officers and employees thereof and, if such seller is a portfolio or investment fund, its investment advisors or agents), each other person who participates as an underwriter in the offering or sale of such securities and each other person, if any, who controls such seller or any such underwriter within the meaning of the Securities Act, as follows:

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(i) against any and all loss, liability, claim, damage or expense whatsoever arising out of or based upon an untrue statement or alleged untrue statement of a material fact contained in any registration statement (or any amendment or supplement thereto), including all documents incorporated therein by reference, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading, or arising out of an untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein not misleading;

(ii) against any and all loss, liability, claim or damage and expense whatsoever to the extent of the aggregate amount paid in settlement of any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the

Corporation; and

(iii) against any and all expenses reasonably incurred by them in connection with investigating, preparing or defending against any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under subparagraph (i) or (ii) above;

provided, however, that this indemnity does not apply to any loss, liability, claim, damage or expense to the extent arising out of an untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Corporation by or on behalf of any underwriter or any seller expressly for use in the preparation of any registration statement (or any amendment thereto) or any preliminary prospectus or prospectus (or any amendment or supplement thereto); and provided, further, that the Corporation will not be liable to any person who participates as an underwriter in the offering or sale of Registrable Securities or any other person, if any, who controls such underwriter within the meaning of the Securities Act, under the indemnity agreement in this Section 14.4(a) with respect to any preliminary prospectus or final prospectus or final prospectus as amended or supplemented, as the case may be, to the extent that any such loss, claim, damage or liability of such underwriter or controlling Person resulted from the fact that such underwriter sold Registrable Securities to a Person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the final prospectus or of the final prospectus as then amended or supplemented, which is most recent, if the Corporation has previously furnished copies thereof to such underwriter. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such seller or any such director, officer, general or limited partner, investment advisor or agent, underwriter or controlling Person and shall survive the transfer of such securities by such seller.

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(b) The Corporation may require, as a condition to including any Registrable Securities in any registration statement filed in accordance with Section 14.1 and 14.2, that the Corporation shall have received an undertaking reasonably satisfactory to it from the prospective seller of such Registrable Securities or any underwriter to indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 14.4(a)) the Corporation and its directors, officers or controlling Persons or any other prospective seller with respect to any statement or alleged statement in or omission or alleged omission from such registration statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Corporation by or on behalf of such seller or underwriter specifically stating that it is for use in the preparation of such registration statement, preliminary, final or summary prospectus or amendment or supplement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Corporation or any such director, officer or controlling Person or any other prospective seller and shall survive the transfer of such securities by such seller. In that event, the obligations of the underwriter and such sellers pursuant to this Section 14.4 are to be several and not joint; provided, however, that each such seller's liability under this Section 14.4 shall be limited to an amount equal to the net proceeds (after deducting the underwriting discount and expenses) received by such seller from the sale of Registrable Securities held by such seller pursuant to this Agreement.

(c) Promptly after receipt by an indemnified party hereunder of written notice of the commencement of any action or proceeding involving a claim referred to in this Section 14.4, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party, give written notice to such indemnifying party of the commencement of such action; provided, however, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under this Section 14.4, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such indemnified party's reasonable judgement a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim (in which case the indemnifying party shall not be liable for the fees and expenses of more than one counsel for a majority of the sellers of Registrable Securities, or more than one counsel for the underwriters in connection with any one action or separate but similar or related actions), the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that it may wish with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume

the defense thereof, the indemnifying party will not be liable to such indemnified party for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof.

(d) The Corporation and each seller of Registrable Securities shall provide for the foregoing indemnity (with appropriate modifications) in any underwriting agreement with respect to any required registration or other qualification of securities under any federal or state law or regulation of any governmental authority.

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14.5 Contribution. In order to provide for just and equitable contribution in circumstances under which the indemnity contemplated by Section 14.4 is for any reason not available, the parties required to indemnify by the terms thereof shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by such indemnity agreement incurred by the Corporation, any seller of Registrable Securities and one or more of the underwriters, except to the extent that contribution is not permitted under Section 11(f) of the Securities Act. In determining the amounts which the respective parties shall contribute, there shall be considered the relative benefits received by each party from the offering of the Registrable Securities (taking into account the portion of the proceeds of the offering realized by each), the parties' relative knowledge and access to information concerning the matter with respect to which the claim was asserted, the opportunity to correct and prevent any statement or omission and any other equitable considerations appropriate under the circumstances. The Corporation and each person selling securities agree with each other that no seller of Registrable Securities shall be required to contribute any amount in excess of the amount such seller would have been required to pay to an indemnified party if the indemnity under Section 14.4(b) were available. The Corporation and each such seller will agree with each other and the underwriters of the Registrable Securities, if requested by such underwriters, that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation (even if the underwriters were treated as one entity for such purpose) or for the underwriters' portion of such contribution to exceed the percentage that the underwriting discount bears to the initial public offering price of the Registrable Securities. For purposes of this Section 14.4, each Person, if any, who controls an underwriter within the meaning of Section 15 of the Securities Act, shall have the same rights to contribution as such underwriter, and each director and each officer of the Corporation who signed the registration statement, and each Person, if any, who controls the Corporation or a seller of Registrable Securities within the meaning of Section 15 of the Securities Act shall have the same rights to contribution as the Corporation or a seller of Registrable Securities, as the case may be.

14.6 Rule 144. If the Corporation shall have filed a registration statement pursuant to the requirements of Section 12 of the Exchange Act or a registration statement pursuant to the requirements of the Securities Act, the Corporation covenants that it will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder (or, if the Corporation is not required to file such reports, it will, upon the request of any holder of Registrable Securities, make publicly available other information contemplated by Rule 144 under the Securities Act). From and after such time as the Corporation is required to file reports and other documents with the Commission pursuant to the Exchange Act, so long as any holder owns Registrable Securities that have not been registered under the Securities Act, the Corporation shall furnish to such holder upon request a written statement by the Corporation as to its compliance with the reporting requirements of Rule 144 and of the Securities Act and the Exchange Act, a copy of the most recent annual or quarterly report of the Corporation, and such other reports and documents so filed as such holder may reasonably request in availing himself of any rule or regulation of the Commission allowing him to sell any such Registrable Securities without registration.

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15. Effectiveness of this Agreement. This Agreement will become effective upon the consummation of the Merger. This Agreement shall be null and void and of no force or effect if the Merger Agreement is terminated prior to the consummation of the Merger. Upon the consummation of the Merger, the parties hereto shall cause the Corporation to execute a copy of this Agreement and become a party to this Agreement.

16. Amendments and Waivers. The provisions of this Agreement may be amended upon the written agreement of the Corporation, the Stockholder or

Stockholders holding a majority of the Common Stock, and by Minority Holders holding a majority of the Common Stock held by all Minority Holders; provided that the provisions of Section 14 of this Agreement may be amended upon the written agreement of the Corporation and the Stockholder or Stockholders holding a majority of the Common Stock; provided further that such proposed amendment is not disproportionately adverse to the Minority Stockholders. Any waiver, permit, consent or approval of any kind or character on the part of any holders of any provisions or conditions of this Agreement must be made in writing and shall be effective only to the extent specifically set forth in such writing.

17. Successors and Assigns. Except as limited by Section 2 hereof, all covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective permitted successors and assigns of the parties hereto, and each transferee of all or any portion of the Common Stock held by the parties hereto, whether so expressed or not.

18. Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience of reference only and do not constitute a part of and shall not be utilized in interpreting this Agreement.

19. Notices. Each notice, demand, request, request for approval, consent, approval, disapproval, designation or other communication (each of the foregoing being referred to herein as a "Notice") required or desired to be given or made under this Agreement shall be in writing (except as otherwise provided in this Agreement), and shall be effective and deemed to have been received (i) when delivered in person, (ii) when sent by fax with receipt acknowledged, (iii) five days after having been mailed by certified or registered United States mail, postage prepaid, return receipt requested, or (iv) the next business day after having been sent by a nationally recognized overnight mail or courier service, receipt requested. Notices shall be addressed as follows (a) If to any Stockholder, at the address or fax number set forth below such party's signature hereon or at such other address or fax number as such party shall have furnished to the Corporation in writing, or (b) if to any assignee or transferee of a Post-Merger Stockholder, at such address or fax number as such assignee or transferee shall have furnished the Corporation in writing, or (c) if to the Corporation, at the address set forth below:

SunSource, Inc.
One Logan Square
Philadelphia, PA _____
Facsimile: (____) _____

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Attn: Chief Executive Officer

20. Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HERETO SHALL BE GOVERNED BY THE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF.

21. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute one instrument.

22. Consent to Jurisdiction. The Corporation and each of the Stockholders hereby irrevocably agree that any suit, action, proceeding or claim against it arising out of or in any way relating to this Agreement, or any judgment entered by any court in respect thereof, may be brought or enforced in the state or federal courts located in the state of Delaware, and the Corporation and each of the Stockholders hereby irrevocably waive, to the fullest extent permitted by law, any objection which they may now or hereafter have to the venue of any proceeding brought in Delaware and further irrevocably waive any claims that any such proceeding has been brought in an inconvenient forum.

23. Waiver of Jury Trial. The Corporation and each of the Stockholders hereby expressly waive any right to a trial by jury in any action or proceeding to enforce or defend any right, power or remedy under or in connection with this Agreement or under or in connection with any amendment, instrument, document or agreement delivered or which may in the future be delivered in connection herewith or arising from any relationship existing in connection with this Agreement, and agree that any such action shall be tried before a court and not before a jury. The terms and provisions of this Section 23 constitute a material inducement for the parties entering into this Agreement.

24. Remedies. Each of the parties to this Agreement shall be entitled to enforce its rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party shall be entitled to immediate injunctive relief or specific performance without bond or the necessity of showing actual monetary damages in order to enforce or prevent any violations of the provisions of this Agreement.

25. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

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26. Final Agreement. This Agreement entered into by the parties hereto constitutes the complete and final agreement of the parties concerning the matters referred to herein, and supersedes all prior agreements and understandings.

27. Joint Participating in Drafting. The language used herein shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party to this Agreement.

28. Termination. Except as otherwise provided herein and except for the provision of Section 14 hereof, this Agreement shall terminate upon: (a) the closing of the initial Qualified Public Offering; (b) the dissolution of the Corporation; or (c) upon the execution of a written instrument in accordance with Section 16 hereof.

[Signatures on next page.]

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This Stockholders Agreement was executed as of the date first set forth above.

POST-MERGER STOCKHOLDERS:

ALLIED CAPITAL CORPORATION
1919 Pennsylvania Ave., 3rd Floor
Washington, D.C. 20006
Fax: (202) 973-6351

By:

Name: G. Cabell Williams
Title: Managing Director

Maurice P. Andrien, Jr.

Joseph M. Corvino

Max W. Hillman, Jr.

Stephen W. Miller

Richard P. Hillman

George Heredia

Gary Seeds

Terry Rowe

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James Waters

Dennis Blake

Richard Buller

Kenneth Foskey

Michael Mueller

John McDonnell

Mark Yeary

John Marshall

To be executed upon the consummation of the Merger:

SUNSOURCE, INC.
One Logan Square
Philadelphia, PA _____

By: _____

Name:
Title:

TERMINATION AGREEMENT

This Termination Agreement is made as of June 18, 2001 among and between SunSource Inc., a Delaware corporation ("SunSource"), Lehman Brothers (as that term is defined in the Stockholders Agreement (as defined below)), Donald T. Marshall ("Marshall"), John P. McDonnell ("McDonnell"), Norman V. Edmonson ("Edmonson"), Harold J. Cornelius ("Cornelius"), Max W. Hillman ("Hillman"), Joseph M. Corvino ("Corvino") and the respective S-corporations of Marshall, McDonnell, Edmonson, Cornelius, Hillman and Corvino listed on the signature page hereto (Marshall, McDonnell, Edmonson, Cornelius, Hillman and Corvino and their respective S-corporations, collectively with SunSource and Lehman Brothers, the "Parties" and each a "Party").

WHEREAS, the Parties are all of the parties to that certain Stockholders Agreement (the "Stockholders Agreement") by and among the Parties dated as of July 31, 1997, which Stockholders Agreement has not been amended, and desire to terminate the Stockholders Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the Parties, intending to be legally bound, hereby covenant and agree as follows:

1. Termination; Effective Time. The Stockholders Agreement is hereby terminated in its entirety and has no further force and effect whatsoever. This Termination Agreement shall be effective upon approval by a majority of the independent directors (as defined in annex 1 to the Stockholders Agreement).
2. Release. Each of the Parties hereby releases, remises and forever discharges each of the other Parties from and against any and all liabilities, obligations, losses, demands or claims which any of them have or ever have had, of every kind and nature, at law or in equity, whether known or unknown, relating to or arising out of the Stockholders Agreement.
3. Entire Agreement. This Termination Agreement contains the sole and entire agreement among the Parties with respect to the subject matter hereof, and supercedes any and all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter.
4. Governing Law. This agreement and all matters relating to the interpretation, construction, validity and enforcement of this agreement shall be governed by and construed in accordance with the domestic laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of laws of any jurisdiction other than the State of Delaware.
5. Counterparts. This Termination Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Termination Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.
6. Lehman Entities. Each of Lehman/SDI, Inc., Lehman Brothers Capital Partners I, L.P. and LBI Group, Inc. represent that Lehman LTD. I, Inc. has been dissolved in accordance with applicable law, and no longer exists as a separate entity.

IN WITNESS WHEREOF, the Parties have duly executed and delivered this agreement on the date first above written.

SUNSOURCE INC.

By: /s/ MAURICE P. ANDRIEN, JR.

Name: Maurice P. Andrien, Jr.
Title: President & CEO

LEHMAN/SDI, INC.

By: /s/ EDWARD S. GRIEB

Name: Edward S. Grieb
Title: VP

LEHMAN BROTHERS CAPITAL
PARTNERS I, L.P.

By: /s/ STEVEN BERKENFELD

Name: Steven Berkenfeld
Title: SVP of LB I Group Inc.
as G.P.

LB I GROUP, INC.

By: /s/ STEVEN BERKENFELD

Name: Steven Berkenfeld
Title: SVP

DOTMAR CORP.

/s/ DONALD T. MARSHALL

Donald T. Marshall

By: /s/ DONALD T. MARSHALL

JPM CORP.

/s/ JOHN P. McDONNELL

John P. McDonnell

By: /s/ JOHN P. McDONNELL

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NORVED CORP.

/s/ NORMAN V. EDMONSON

Norman V. Edmonson

By: /s/ NORMAN V. EDMONSON

HJC CORP.

/s/ HAROLD J. CORNELIUS

Harold J. Cornelius

By: /s/ HAROLD J. CORNELIUS

MWH CORP.

/s/ MAX W. HILLMAN, JR.

Max W. Hillman

By: /s/ MAX W. HILLMAN, JR.

DIACOR CORP.

/s/ JOSEPH M. CORVINO

Joseph M. Corvino

By: /s/ JOSEPH M. CORVINO

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AMENDMENT OF RIGHTS AGREEMENT

This Amendment of Rights Agreement dated as of June 18, 2001 (the "Amendment"), between SunSource Inc., a Delaware company ("SunSource") and Registrar and Transfer Company, a New Jersey corporation (the Rights Agent).

WITNESSETH:

WHEREAS, SunSource and the Rights Agent constitute all of the parties to that certain Rights Agreement dated as of July 31, 1997 by and among SunSource and the Rights Agent (the "Rights Agreement") and desire to amend the Rights Agreement as set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto do hereby agree as follows (capitalized terms used but not defined herein have the meanings ascribed to such terms in the Rights Agreement):

1. AMENDMENTS TO THE RIGHTS AGREEMENT. The Rights Agreement shall be amended as follows:

(a) Section 1(a) of the Rights Agreement is hereby amended to add the following sentence at the end thereof:

"Notwithstanding the foregoing, Allied Capital Corporation and its Affiliates and Associates shall not be or become an "Acquiring Person" as the result of: the execution and delivery of, or the consummation of the transactions set forth in, the Agreement and Plan of Merger substantially in the form attached hereto as Exhibit D (the "Transaction"), or any action taken by the Board of Directors of the Company or the Special Committee thereof relating to the Transaction or any public announcement relating to the Transaction."

(b) A new Exhibit D is hereby added to the Rights Agreement in the form set forth as Exhibit A hereto.

2. MISCELLANEOUS.

- (a) The laws of the Commonwealth of Pennsylvania shall govern the validity, interpretation, construction, performance, and enforcement of this Agreement, excluding the choice of laws provisions of the Commonwealth of Pennsylvania.
- (b) Except as modified herein, all other terms and provisions of the Rights Agreement (including the Exhibits thereto) are unchanged and remain in full force and effect.
- (c) This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. This Amendment shall become effective when each party to this Amendment shall have received a counterpart hereof signed by the other party to this Amendment.
- (d) This Amendment shall be binding upon any permitted assignee, transferee, successor or assign to any of the parties hereto.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed by their duly authorized representatives as of the date first written above.

SUNSOURCE INC.

By: /s/ JOSEPH M. CORVINO

Name: Joseph M. Corvino
Title: Chief Financial Officer

REGISTRAR AND TRANSFER COMPANY

By: /s/ WILLIAM P. TATLER

Name: William P. Tatler
Title: Vice President

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "AGREEMENT") is entered into by and between Maurice P. Andrien, Jr. ("YOU") and SunSource, Inc., a Delaware corporation (the "COMPANY") and will be effective as of the "EFFECTIVE DATE" as stated in Section 13(c) of this Agreement.

WHEREAS, you will be employed as the Chairman of the Board of the Company; and

WHEREAS, the Company has hired you and is willing to continue your employment based on your particular qualifications, on the condition that you shall enter into this Agreement and shall fully perform all the responsibilities and duties and strictly observe all of your obligations hereunder;

NOW, THEREFORE, in consideration of your employment by the Company and the compensation to be paid by the Company to you in connection therewith and for other good and valuable consideration, you and the Company hereby agree as follows:

1. Position and Responsibilities.

(a) Position. The Company agrees to employ you as the Chairman of the Board throughout the Term (defined below). You shall report to the Board of Directors. Your duties shall include providing strategic direction for the Company, including mergers and acquisitions, maximizing Allied Capital Corporation's return on its investment and performing other duties as may from time to time be assigned by the Board.

(b) Responsibilities. You shall devote three days per week to the Company and perform the responsibilities assigned to you in accordance with the standards and policies that the Company may from time to time establish. The Company shall not preclude you from engaging in appropriate civic, charitable or religious activities or from devoting a reasonable amount of time to private investments or board or other activities that do not interfere or conflict with your responsibilities and are not injurious to the Company. You and the Company agree that your position is essential to the Company's success and that the highest level of performance is required from you.

2. Term of Employment.

(a) Basic Rule. The Company agrees to employ you, and you agree to remain in employment with the Company, from the Effective Date until the fourth anniversary of such date (the "TERM"), unless your employment terminates earlier pursuant to Section 5 below.

(b) Renewal of Term. On the fourth (4th) anniversary and on each subsequent anniversary of the Effective Date, the Term shall be renewable for additional one-year periods upon the mutual written agreement of both parties.

3. Compensation.

(a) Base Compensation. You will be entitled to receive base compensation during the Term ("BASE COMPENSATION"). Your Base Compensation for the first year of the Term shall be at the annual rate of \$343,000 per year and your annual Base Compensation for the remainder of the Term shall not be less than that amount. Base Compensation shall be paid in equal biweekly installments, less deductions required by law. The Board will review and may adjust your Base Compensation periodically, usually annually on or about February 1st. Such review shall be in accordance with performance criteria to be determined by the Company in its sole discretion.

(b) Bonus Compensation. You shall receive bonus compensation for 2001 in accordance with the performance targets established in January, 2001 by the Company for 2001, payable during the first quarter of 2002. During the remainder of the the Term, usually on an annual basis, you shall be eligible to receive an additional cash payment of up to 100% of Base Compensation (less deductions required by law) ("BONUS Compensation"), which shall be determined with reference to your performance in accordance with performance criteria to be determined by the Board in its sole discretion for each calendar year.

(c) Stock Options and Deferred Compensation. During the Term, you will be eligible to participate in the Company's Stock Option Plan and Deferred Compensation Plan.

(d) Business Expenses. During the Term, the Company shall pay or

reimburse you for all ordinary and reasonable business-related expenses you incur in the performance of your duties under this Agreement. The Company will reimburse you for all such expenses upon the presentation by you of an itemized account of such expenditures, together with supporting receipts and other appropriate documentation.

4. Employee Benefits.

(a) In General. During the Term, you shall be eligible to participate in the employee benefit plans and executive compensation and perquisite programs that the Company may provide, including but not limited to health, and insurance plans and 401k, subject in each case to the generally applicable terms and conditions of the plan or program in question and to the determinations of any person or committee administering such plan or program. The Company reserves the right to modify or terminate these plans at any time. The Company will provide you during the Term with benefits and perquisites that are reasonably comparable to those in effect immediately prior to the Effective Date.

(b) Paid Holidays. You shall be entitled to take ten (10) paid holidays per year as specified by Company policy from time to time for all of the Company's employees.

(c) Vacation. You shall be entitled to take four (4) weeks of vacation per year.

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5. Termination of Employment. Upon the effective date of termination of your employment with the Company (the "TERMINATION DATE"), you will not be eligible for further compensation, benefits or perquisites under Sections 3 and 4 of this Agreement, other than those that have already accrued and, with regard to Bonus Compensation, a pro rata share of your Bonus Compensation for that year. Termination of your employment may occur under any of the following circumstances:

(a) Company's Termination of Employment. The Company has the right to terminate your employment at any time, with or without Cause. For all purposes under this Agreement, "CAUSE" shall mean:

- (i) A willful failure to substantially perform your duties under this Agreement, other than failure resulting from complete or partial incapacity due to physical or mental illness or impairment;
- (ii) A willful act which constitutes gross misconduct or fraud and which is injurious to the Company;
- (iii) Conviction of, or plea of "guilty" or "no contest" to a felony; or
- (iv) A material breach of any duty owed to the Company, including the duty of loyalty and the confidentiality agreement.

No act, or failure to act, by you shall be considered "willful" unless committed without good faith and without a reasonable belief that the act or omission was lawful and in the Company's best interest.

(b) Your Resignation from Employment. You have the right to resign your employment with the Company at any time, with or without Cause or Good Reason. You agree to provide the Company thirty (30) days prior written notice of resignation. The Company may in its sole discretion place you on administrative leave as of any date prior to the end of such thirty (30) day notice period and request that you no longer be present on Company premises. During any period of paid administrative leave, you will not be authorized to act as a representative, or make any statements on behalf of, the Company.

(c) Death or Disability.

- (i) Your employment shall be deemed to have been terminated by you upon your (A) death or (B) inability to perform your duties under this Agreement, even with reasonable accommodation, for more than twenty-six (26) weeks, whether or not consecutive, in any twelve-month period ("DISABILITY"). Termination will be effective upon the occurrence of such event.
- (ii) If your employment ends as a result of death or Disability, you or your estate will receive:

- (A) A payment for your accrued base salary and vacation and pro rata share of your bonus for that year; and
- (B) In accordance with the Stock Option Plan, your vested stock options and the acceleration of vesting of any options that would have vested during the one-year period after the date of death or disability.

6. Defined Conditions:

(a) Change in Control. Change in Control shall mean the occurrence of any of the following events after the Effective Date of this Agreement:

- (i) the sale of substantially all of the assets of the Company;
- (ii) the acquisition by any person or group of persons acting in concert (other than the Company or an affiliate or an employee pension benefit plan of the Company or a trust established under such plan) of securities of the Company representing 50% or more of the aggregate voting power of the Company's then-outstanding common stock; or
- (iii) a merger or acquisition of the Company in which the voting equity securities of the Company (together with all options to acquire such securities whether vested or unvested) beneficially owned by Allied Capital Corporation and the Minority Holders (as defined in the Stockholders Agreement with respect to the Company) is reduced below 51%.

Notwithstanding the foregoing, a transaction involving an acquisition or sale of the Company or its assets solely between or among its affiliates would not constitute a Change In Control.

(b) Good Reason. For purposes of this Agreement, Good Reason shall mean that the Company:

- (i) has adversely changed your position from the position specified in Section 1 of this Agreement;
- (ii) has materially changed your duties or authority such that they are no longer consistent with the duties specified in Section 1 of the Agreement;
- (iii) has reassigned you to a work location that is more than 75 miles from your present work location;
- (iv) has materially breached this Agreement, or has removed you from the Board for any reason other than for Cause, while you remain an employee of the Company.

7. Severance Payments.

(a) Termination Without Cause or Resignation for Good Reason.

(1) Amount of Severance Compensation. If during the Term the Company terminates your employment without Cause, except as provided for in Section 7(b), or you resign with Good Reason, the Company will pay you two times your annual Base and Bonus Compensation and benefits as provided below ("Severance Compensation"). To receive such payments you must within forty-five (45) days of your Termination Date sign a release of any and all claims in the form provided by the Company. Such payments shall begin at the later of (a) the first pay period following your Termination Date or (b) ten (10) days after you deliver the signed release to the Company.

(2) Payment of Severance Compensation. The Company shall pay the Severance Compensation as follows:

- (A) continue to pay on a biweekly basis your Base Compensation in accordance with the rate in effect on the Termination Date;
- (B) pay you Bonus Compensation on the same annual

schedule as if you continued to be employed and payments of such Bonus Compensation shall be calculated based on a pro rata basis using the rate for a full calendar year that is equal to the greater of either:

- i) the average of your annual bonuses for the preceding three years or,
 - ii) the amount of the last annual bonus you received prior to the Termination Date.
- (C) pay your monthly COBRA payments for any period of time that you have applied and qualify for COBRA coverage, and continue your life insurance and disability insurance coverage to the extent permitted under the applicable benefit plans.

The combined total of the payments under Sections 7(a)(1) A and B will not be less than One Million Dollars (\$1,000,000.00).

This Severance Compensation shall be subject to usual and required withholding. In the event that your death occurs prior to the completion of payment of Severance Compensation, the remainder of your Severance Compensation will be paid in a single lump sum to your estate.

(b) Termination After Change in Control Or After the Term. If 1) during the Term the Company terminates your employment without cause after a Change In Control that occurs

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on or after the third anniversary of the Effective Date or 2) after the Term expires the Company terminates your employment without Cause or you resign your employment for Good Reason, or because of a reduction in your Base Compensation, you will not be eligible for Severance Compensation under Section 7(a), but, provided that you sign a release of any and all claims in the form provided by the Company within forty-five (45) days your Termination Date, you shall be entitled to:

- (1) Compensation. A lump sum paid within 30 days after your Termination Date that is equal to the total of:
 - (A) an amount equal to your Base Compensation for one (1) year which shall not be less than the greater of 1) the rate in effect on the Termination Date or 2) the rate in effect at the end of the Term, less deductions required by law; and
 - (B) an amount equal to the greater of either:
 - 1) the annual average of your last three annual bonuses prior to the Termination Date, or
 - 2) the amount of the last annual bonus you received prior to the Termination Date.
- (2) COBRA Payments. The Company will pay your monthly COBRA payments for any period of time that you have applied and qualify for COBRA coverage and continue your life insurance and disability income insurance to the extent permitted under the applicable plans.

(c) No Mitigation. You shall not be required to mitigate the amount of any payment contemplated by this Section 7, nor shall any such payment be reduced by any earnings that you may receive from any other source.

8. Other Obligations.

You warrant that you are not subject to any other obligations that would conflict with or inhibit your ability to perform your duties under this Agreement. You further warrant that you have not and will not bring to the Company or use in the performance of your responsibilities at the Company any equipment, supplies, facility or trade secret information (that is not generally available to the public) of any current or former employer or organization other than the Company to which you provided services, unless you have obtained written authorization for their possession and use.

9. Confidential Information.

You shall not disclose or use at any time, either during or after the Termination Date, any confidential information ("CONFIDENTIAL INFORMATION")

(defined below) of the Company,

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whether patentable or not, which you learn as a result of your employment with the Company, whether or not you developed such information. Confidential Information shall include, without limitation, information regarding the Company's, its customers' or its business partners' trade secrets and:

- any information about existing and prospective investments;
- financing information and sources;
- patent applications, developmental or experimental work, formulas, test data, prototypes, models, and product specifications;
- financial information;
- financial projections and pro forma financial information;
- sales and marketing strategies, plans and programs and product development information;
- employees' and consultants' benefits, perquisites, salaries, stock options, compensation, formulas or bonuses, and their non-business addresses and telephone numbers;
- organizational structure and reporting relationships; and
- business plans.

Information that is or later becomes publicly available in a manner wholly unrelated to any breach of this Agreement by you will not be considered Confidential Information as of the date it enters the public domain. If you are uncertain whether something is Confidential Information you should treat it as Confidential Information until you receive clarification from the Company that it is not Confidential Information. Confidential Information shall remain at all times the property of the Company. You may use or disclose Confidential Information only:

- (a) as authorized and necessary in performing your responsibilities under this Agreement during your employment with the Company; or
- (b) with the Board's prior written consent; or
- (c) in a legal proceeding between you and the Company to establish the rights of either party under this Agreement, provided that you stipulate to a protective order to prevent any unnecessary use or disclosure;
- (d) with respect to employees whose home addresses or telephone numbers are personally known to you, you may disclose on an occasional and infrequent basis such information about a single employee to a person who is known to and has a pre-existing relationship with such

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employee; you agree that you will indemnify the Company for the defense of and any liability resulting from any objection or claim based on such disclosure by such employee against you or the Company; or

- (e) subject to a compulsory legal process that requires disclosure of such information, provided that you have complied with the following procedures to ensure that the Company has an adequate opportunity to protect its legal interests in preventing disclosure.

Upon receipt of a subpoena that could possibly require disclosure of Confidential Information, you shall provide a copy of the compulsory process and complete information regarding the circumstances under which you received it to the Company by hand delivery within a reasonable period of time, and generally within twenty-four (24) hours. You will not make any disclosure until the latest possible date for making such disclosure in accordance with the compulsory process ("LATEST POSSIBLE DATE"). If the Company seeks to prevent disclosure in accordance with the applicable legal procedures, and provides you with notice before the Latest Possible Date that it has initiated such procedures, you will not make disclosures of any Confidential Information that is the subject of such procedures, until such objections are withdrawn or ruled on.

You hereby acknowledge that any breach of this Section 9 would cause the

Company irreparable harm.

10. Non-Solicitation.

For two (2) years from the Termination Date, you will not, directly or indirectly, individually or as part of or on behalf of any other person, company, employer or other entity, hire or attempt to solicit for hire, any persons who are employed by the Company in any capacity as a part of the sales force or selling organization/division(s) of the Company, or employed in any capacity in the Company in which their compensation exceeds \$60,000 per year (indexed by an inflationary factor tied to the consumer price index annually) within six months of the Termination Date until at least six (6) months after the person's employment with the Company ends ("COVERED EMPLOYEE"). If any Covered Employee accepts employment with any person, company, employer or other entity of which you are an officer, director, employee, partner, shareholder (other than of less than 5% of the stock or equity of a publicly traded company) or joint venture, it will be presumed that the Covered Employee was hired in violation of this provision ("PRESUMPTION"). This Presumption may only be overcome by your showing by a preponderance of the evidence that you were not directly or indirectly involved in soliciting or encouraging the Covered Employee to leave employment with the Company. You agree to notify any person or entity to which you provide services within one year of the Termination Date of the terms of your obligations under this Section 10. The parties agree that any breach of this Section 10 will entitle the Company to injunctive relief enforcing this Section 10 and to damages equal to the greater of the actual damages proven or liquidated damages of three times the amount of the annual total compensation of any person solicited or hired in breach of this Section 10. The parties are agreeing to liquidated damages as an option to actual damages in recognition that the Company's employees are its most valuable asset, but it is often difficult to prove the actual damages resulting from such a breach.

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11. Indemnification.

During the Term and at all times thereafter, you shall be indemnified by the Company to the fullest extent permitted by the laws of the State of Delaware from any claims or actions based upon any acts or omissions, or alleged acts or omissions, by you which arise out of or are related to your employment with the Company. You shall be a beneficiary of any directors' and officers' liability insurance policy maintained by the Company as long as you remain an officer or director.

12. Return of Property.

Upon termination of your employment with the Company for any reason, you agree to immediately return to the Company all property belonging to the Company. This includes all documents and other information prepared by you or on your behalf or provided to you in connection with your duties under this Agreement, regardless of the form in which such documents or information are maintained or stored, including computer, typed, written, imaged, audio, video, micro-fiche, electronic or any other means of recording or storing documents or other information. You hereby warrant that you will not retain in any form any such document or other information or copies thereof, except as provided in the following sentence. You may retain a copy of this Agreement and information describing any rights you may have after the Termination Date under any employee benefit plan or other agreements.

13. Miscellaneous Provisions.

(a) Notices. Unless otherwise provided herein, any notice or other information to be provided to the Company will be sent by overnight delivery with acknowledgement of receipt requested, to:

Chairman, Board of Directors
SunSource, Inc.
One Logan Square
Philadelphia, PA

cc: Sally D. Garr, Esq.
Patton Boggs, LLP
2550 M Street, N.W.
Washington, D.C. 20037

Any notice or other information to be provided to you will be sent by overnight delivery with acknowledgement of receipt requested, to:

Maurice P. Andrien, Jr.
36 Harrison Drive
Newton Square, PA 19073

(b) Dispute Resolution. You and the Company agree that any dispute between you and the Company will be finally resolved by binding arbitration in accordance with the Federal Arbitration Act ("FAA"). You and the Company agree to follow the Dispute Resolution Procedures set forth in Attachment A to this Agreement.

(c) Nature of Agreement. This Agreement and the attachments hereto constitute the entire agreement between you and the Company and supercede all prior agreements and understandings and any rights or obligations thereto between you and the Company with respect to the subject matter hereof. In making this Agreement, the parties warrant that they did not rely on any representations or statements other than those contained in this Agreement. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by you and by the Chairman of the Board for Allied Capital Corporation. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time. Regardless of the choice of law provisions of Delaware or any other jurisdiction, the parties agree that this Agreement shall be otherwise interpreted, enforced and governed by the laws of the State of Delaware. This Agreement shall be binding on the Company's successors and assigns and on you, your heirs and personal representatives. This Agreement will continue in effect until all obligations under it are fulfilled. You may not assign this Agreement, either voluntarily or involuntarily. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect and this Agreement shall be interpreted as if the unenforceable provision had not been included in it. This Agreement may be executed in any number of counterparts each of which shall be an original, but all of which together shall constitute one instrument. This Agreement will be effective as of the Effective Time stated in Section 1.3 of The Agreement and Plan of Merger dated 18 June 01 between Allied Capital Corporation, Allied Capital Lock Acquisition Corporation and SunSource, Inc. ("EFFECTIVE DATE"). The headings in this Agreement are for convenience only and shall not effect the interpretation of this Agreement. You further certify that you fully understand the terms of this Agreement and have entered into it knowingly and voluntarily.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its authorized officer, as of the day and year set forth under their signatures below.

SUNSOURCE, INC.

/s/ MAURICE P. ANDRIEN, JR.

EMPLOYEE

By: -----

Date: 18 JUNE 01

Date: -----

ATTACHMENT A

DISPUTE RESOLUTION PROCEDURES

The parties agree to make a good faith effort to informally resolve any dispute before submitting the dispute to arbitration in accordance with the following procedures:

- (i) The party claiming to be aggrieved shall furnish to the other a written statement of the grievance, all persons whose testimony would support the grievance, and the relief requested or proposed. The written statements must be delivered to the other party within the time limits for bringing an administrative or court action based on that claim.
- (ii) If the other party does not agree to furnish the relief requested or proposed, or otherwise does not satisfy the demand of the party claiming to be aggrieved within 30 days and the aggrieved party wishes to pursue the issue, the aggrieved party shall by written notice demand that

the dispute be submitted to non-binding mediation before a mediator jointly selected by the parties.

- (iii) If mediation does not produce a resolution of the dispute and either party wishes to pursue the issue, that party shall request arbitration of the dispute by giving written notice to the other party within 30 days after mediation. The parties will attempt to agree on a mutually acceptable arbitrator and, if no agreement is reached, the parties will request a list of nine arbitrators from the American Arbitration Association and select by alternately striking names. Regardless of whether the American Arbitration Association administers the arbitration, the arbitration will be conducted consistent with the American Arbitration Association's National Rules for Resolution of Employment Disputes ("RULES") that are in effect at the time of the arbitration. If there is any conflict between those Rules and the terms of the Employment Agreement ("AGREEMENT"), including all attachments thereto, the Agreement will govern. The arbitrator shall have authority to decide whether the conduct complained of under Subsection (a) above violates the legal rights of the parties. In any such arbitration proceeding, any hearing must be transcribed by a certified court reporter and any decision must be supported by written findings of fact and conclusions of law. The arbitrator's findings of fact must be supported by substantial evidence on the record as a whole and the conclusions of law and any remedy must be provided for by and consistent with the laws of the Delaware and federal law. The arbitrator

shall have no authority to add to, modify, change or disregard any lawful term of the Agreement. The Company will pay the arbitrator's fee.

- (iv) Arbitration shall be the exclusive means for final resolution of any dispute between the parties, except that injunctive relief may be sought from any court of competent jurisdiction located in the Delaware when injunctive relief is necessary to preserve the status quo or to prevent irreparable injury, including, without limitation, any claims concerning an alleged breach of Sections 9, 10, or 12 of the Agreement or other misuse of Confidential Information.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "AGREEMENT") is entered into by and between Stephen W. Miller ("YOU") and SunSource, Inc., a Delaware corporation (the "COMPANY") and will be effective as of the "EFFECTIVE DATE" as stated in Section 15(c) of this Agreement.

WHEREAS, you will be employed as Vice Chairman of the Hillman Group of the Company;; and

WHEREAS, the Company has hired you and is willing to continue your employment based on your particular qualifications, on the condition that you shall enter into this Agreement and shall fully perform all the responsibilities and duties and strictly observe all of your obligations hereunder;

NOW, THEREFORE, in consideration of your employment by the Company and the compensation to be paid by the Company to you in connection therewith and for other good and valuable consideration, you and the Company hereby agree as follows:

1. Position and Responsibilities.

(a) Position. The Company agrees to employ you as Vice Chairman of the Hillman Group of the Company. You shall report to the Chairman of the Board of Directors. Your duties shall include organizational planning and assisting the Chief Executive Officer in the management of manufacturing, research and development and national account functions of the Company, the development of the Epus program and performing other duties as assigned from time to time by the Board.

(b) Responsibilities. You shall devote your full business efforts and time to the Company and perform the responsibilities assigned to you in accordance with the standards and policies that the Company may from time to time establish. You shall not render services to any other person or entity or serve on the board of directors of any other entity without the written consent of the Chairman of the Board, and such consent will not be unreasonably withheld. Such consent may be revoked in accordance with Section 10(b). The foregoing, however, shall not preclude you from engaging in appropriate civic, charitable or religious activities or from devoting a reasonable amount of time to private investments that do not interfere or conflict with your responsibilities and are not injurious to the Company. You and the Company agree that your position is essential to the Company's success and that the highest level of performance is required from you.

2. Term of Employment.

(a) Basic Rule. The Company agrees to employ you, and you agree to remain in employment with the Company, from the Effective Date until the first anniversary of such date unless your employment terminates earlier pursuant to Section 5 below (the "TERM").

(b) Renewal of Term. On the first (1st) anniversary and on each subsequent anniversary of the Effective Date, the Term shall be renewable for additional one-year periods upon the mutual written agreement of both parties.

3. Compensation.

(a) Base Compensation. You will be entitled to receive base compensation during the Term ("BASE COMPENSATION"). Your Base Compensation for the first year of the Term shall be at the annual rate of \$350,000 per year and your annual Base Compensation for the remainder of the Term shall not be less than that amount. Base Compensation shall be paid in equal biweekly installments, less deductions required by law. The Board will review and may adjust your Base Compensation periodically, usually annually on or about February 1st. Such review shall be in accordance with performance criteria to be determined by the Company in its sole discretion.

(b) Bonus Compensation. You shall receive bonus compensation for 2001 in accordance with the performance targets established in January, 2001 by the Company for 2001, payable during the first quarter of 2002. During the remainder of the Term, usually on an annual basis, you shall be eligible to receive an additional cash payment of up to 124% of Base Compensation (less deductions required by law) ("BONUS COMPENSATION"), which shall be determined with reference to your performance in accordance with performance criteria to be determined by the Board in its sole discretion for each calendar year.

(c) Stock Options and Deferred Compensation. During the Term, you will be eligible to participate in the Company's Stock Option Plan and Deferred Compensation Plan.

(d) Business Expenses. During the Term, the Company shall pay or reimburse you for all ordinary and reasonable business-related expenses you incur in the performance your duties under this Agreement. The Company will reimburse you for all such expenses upon the presentation by you of an itemized account of such expenditures, together with supporting receipts and other appropriate documentation.

4. Employee Benefits.

(a) In General. During the Term, you shall be eligible to participate in the employee benefit plans and executive compensation and perquisite programs that the Company may provide, including but not limited to health, and insurance plans and 401k, subject in each case to the generally applicable terms and conditions of the plan or program in question and to the determinations of any person or committee administering such plan or program. The Company reserves the right to modify or terminate these plans at any time. The Company will provide you during the Term with benefits and perquisites that are reasonably comparable to those in effect immediately prior to the Effective Date.

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(b) Paid Holidays. You shall be entitled to take ten (10) paid holidays per year as specified by Company policy from time to time for all of the Company's employees.

(c) Vacation. You shall be entitled to take four (4) weeks of vacation per year.

5. Termination of Employment. Upon the effective date of termination of your employment with the Company (the "TERMINATION DATE"), you will not be eligible for further compensation, benefits or perquisites under Sections 3 and 4 of this Agreement, other than those that have already accrued and with regard to Bonus Compensation, a pro rata share of your Bonus Compensation for that year. Termination of your employment may occur under any of the following circumstances:

(a) Company's Termination of Employment. The Company has the right to terminate your employment at any time, with or without Cause. For all purposes under this Agreement, "CAUSE" shall mean:

- (i) A willful failure to substantially perform your duties under this Agreement, other than failure resulting from complete or partial incapacity due to physical or mental illness or impairment;
- (ii) A willful act which constitutes gross misconduct or fraud and which is injurious to the Company;
- (iii) Conviction of, or plea of "guilty" or "no contest" to a felony; or
- (iv) A material breach of any duty owed to the Company, including the duty of loyalty and Sections 9, 10, 11 and 12.

No act, or failure to act, by you shall be considered "willful" unless committed without good faith and without a reasonable belief that the act or omission was lawful and in the Company's best interest.

(b) Your Resignation from Employment. You have the right to resign your employment with the Company at any time, with or without Cause or Good Reason. You agree to provide the Company thirty (30) days prior written notice of resignation. The Company may in its sole discretion place you on administrative leave as of any date prior to the end of such thirty (30) day notice period and request that you no longer be present on Company premises. During any period of paid administrative leave, you will not be authorized to act as a representative or make any statements on behalf of the Company.

(c) Death or Disability.

- (i) Your employment shall be deemed to have been terminated by you upon your (A) death or (B) inability to perform your duties under this Agreement, even with reasonable accommodation, for more than twenty-six (26) weeks,

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whether or not consecutive, in any twelve-month period ("DISABILITY"). Termination will be effective upon the occurrence of such event.

- (ii) If your employment ends as a result of death or Disability, you or your estate will receive

- (A) A payment for your accrued base salary and vacation and pro rata share of your bonus for that year;
- (B) In accordance with the Stock Option Plan, your vested stock options and the acceleration of vesting of any options that would have vested during the one-year period after the date of death or disability; and
- (C) The Transition Success Bonus.

(d) Expiration of Term. Your employment shall terminate upon the first anniversary of the Effective Date, unless the parties have entered into an agreement to renew in accordance with Section 2(b).

6. Good Reason. For purposes of this Agreement, Good Reason shall mean that the Company:

- (a) has adversely changed your position from the position specified in Section 1 of this Agreement;
- (b) has adversely changed your duties or authority such that they are no longer consistent with the duties specified in Section 1 of the Agreement;
- (c) has reassigned you to a work location that is more than 75 miles from your present work location;
- (d) has removed you from the Board of Directors of the Company for any reason other than for Cause, if at any time during the Term you have become a member of the Board; or
- (e) has materially breached this Agreement.

7. Severance Payments. If during the Term the Company terminates your employment without Cause or you resign with Good Reason, or your employment terminates based on the expiration of the Term, the Company will continue to pay you an amount equal to the amount of Base and Bonus Compensation that would have been payable during the Term until the second anniversary of the Effective Date and benefits as provided below ("Severance Compensation"). To receive such payments you must within forty-five (45) days of your Termination Date sign a release of any and all claims in the form provided by the Company. Such payments shall begin

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at the later of (a) the first pay period following your Termination Date or (b) ten (10) days after you deliver the signed release to the Company.

- (a) Severance Compensation. The Company shall pay the Severance Compensation as follows:

- (i) continue to pay on a biweekly basis your Base Compensation in accordance with the rate in effect on the Termination Date;
- (ii) pay you Bonus Compensation on the same annual schedule as if you continued to be employed, and payments of such Bonus Compensation shall be calculated based on a rate for any full calendar year that is equal to the greater of either:
 - (A) the bonus paid in 2002 for your performance in 2001; or
 - (B) the average of the bonus actually paid in the following year for your performance in 1999, 2000 and 2001; and
- (iii) pay your monthly COBRA payments for any period of time that you have applied and qualify for COBRA coverage, continue your life insurance and disability insurance coverage to the extent permitted under the applicable benefit plans, or if not so permitted, provide you with a payment equal to an amount that would enable you to

purchase similar coverage, and provide you with the continuation of your auto allowance. Any payments under this Section 7(a)(iii) shall cease on the date you begin employment on a basis that provides you with eligibility for substantially similar benefits for any other entity, whether as an employee, owner or otherwise, and will be offset by any similar benefits you receive as a Director if you are on the Board of Directors of the Company at any time for which Severance Compensation is being paid. If the Company terminates your employment for any reason other than for Cause or you resign without Good Reason prior to the end of the Term, the Company will pay you an additional \$1,000 for each month (or pro rata amount for each partial month) between your Termination Date and the end of the Term.

(b) Transition Success Bonus. On the second anniversary of the Effective Date, the Company shall pay you a Transition Success Bonus of \$188,500, provided that during the Term (or until your Termination Date if earlier than the end of the Term if the Company terminates your employment for any reason other than for Cause or you resign with Good Reason), you performed your duties in a dedicated manner at the level expected under this Agreement.

This Severance Compensation shall be subject to usual and required withholding. In the event that your death occurs prior to the completion of payments of Severance Compensation and the Transition Success Bonus, the remainder of your Severance Compensation and the Transition

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Success Bonus will be paid in a single lump sum to your estate. In the event that you have a Disability that occurs prior to the payment of the Transition Success Bonus, you will receive the Transition Success Bonus on the second anniversary of the Effective Date. You shall not be required to mitigate the amount of any payment contemplated by this Section 7, nor shall any such payment be reduced by any earnings that you may receive from any other source. If you breach your obligations under Section 10, the Company has no obligation to make any further payments to you under this Section 7.

8. Other Obligations.

You warrant that you are not subject to any other obligations that would conflict with or inhibit your ability to perform your duties under this Agreement. You further warrant that you have not and will not bring to the Company or use in the performance of your responsibilities at the Company any equipment, supplies, facility or trade secret information (that is not generally available to the public) of any current or former employer or organization other than the Company to which you provided services, unless you have obtained written authorization for their possession and use.

9. Confidential Information.

You shall not disclose or use at any time, either during or after the Termination Date, any confidential information ("CONFIDENTIAL INFORMATION") (defined below) of the Company, whether patentable or not, which you learn as a result of your employment with the Company, whether or not you developed such information. Confidential Information shall include, without limitation, information regarding the Company's, its customers' or its business partners' trade secrets and:

- any information about existing and prospective investments;
- financing information and sources;
- patent applications, developmental or experimental work, formulas, test data, prototypes, models, and product specifications;
- financial information;
- financial projections and pro forma financial information;
- sales and marketing strategies, plans and programs and product development information;
- employees' and consultants' benefits, perquisites, salaries, stock options, compensation, formulas or bonuses, and their non-business addresses and telephone numbers;

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- organizational structure and reporting relationships; and
- business plans.

Information that is or later becomes publicly available in a manner wholly unrelated to any breach of this Agreement by you will not be considered Confidential Information as of the date it enters the public domain. If you are uncertain whether something is Confidential Information you should treat it as Confidential Information until you receive clarification from the Company that it is not Confidential Information. Confidential Information shall remain at all times the property of the Company. You may use or disclose Confidential Information only:

- (a) as authorized and necessary in performing your responsibilities under this Agreement during your employment with the Company; or
- (b) with the Board's prior written consent; or
- (c) in a legal proceeding between you and the Company to establish the rights of either party under this Agreement, provided that you stipulate to a protective order to prevent any unnecessary use or disclosure;
- (d) with respect to employees whose home addresses or telephone numbers are personally known to you, you may disclose on an occasional and infrequent basis such information about a single employee to a person who is known to and has a pre-existing relationship with such employee; you agree that you will indemnify the Company for the defense of and any liability resulting from any objection or claim based on such disclosure by such employee against you or the Company; or
- (e) subject to a compulsory legal process that requires disclosure of such information, provided that you have complied with the following procedures to ensure that the Company has an adequate opportunity to protect its legal interests in preventing disclosure.

Upon receipt of a subpoena that could possibly require disclosure of Confidential Information, you shall provide a copy of the compulsory process and complete information regarding the circumstances under which you received it to the Company by hand delivery within a reasonable period of time, and generally within twenty-four (24) hours. You will not make any disclosure until the latest possible date for making such disclosure in accordance with the compulsory process ("LATEST POSSIBLE DATE"). If the Company seeks to prevent disclosure in accordance with the applicable legal procedures, and provides you with notice before the Latest Possible Date that it has initiated such procedures, you will not make disclosures of any Confidential Information that is the subject of such procedures, until such objections are withdrawn or ruled on.

You hereby acknowledge that any breach of this Section 9 would cause the Company irreparable harm.

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10. Agreement Not to Compete.

(a) Terms. As used in this Agreement, the following terms relating to Section 10 shall be defined as follows:

- (1) The "Restricted Period" means the period of the Term and continuing for the longer of either a) one year after the Termination Date; b) the end of the twenty four (24) month period following the Effective Date during which the Company is making payments under Section 7(a); or c) one year after a final judicial or arbitral determination that you have violated your obligations under this Section.
- (2) The "Territory" means any part of North America in which the Company engages in the Restricted Business during the Restricted Period.
- (3) The "Restricted Business" means any person, firm, corporation or business that within the Territory provides products or services that are similar to those provided by the Company (i) at any time during the one year prior to the Termination Date and/or (ii) on the Termination Date is actively preparing to provide within six months following the Termination Date.

(b) Limitation on Competition. During the Restricted Period, you shall not, at any time within the Territory, directly or indirectly, engage in, or have any interest on behalf of yourself (whether as an employee, officer, director, agent, security holder, creditor, partner, joint venturer, beneficiary under a trust, investor, consultant or otherwise) or others in, a Restricted Business, except with the Chairman's written consent in compliance with Section 1(b) and subject to the Chairman's right to revoke such consent if the Chairman reasonably determines that such revocation is necessary to protect the Company's legitimate business interests; provided, however, that nothing contained herein

shall prevent or prohibit you or from owning or being a beneficial owner of up to 5% of the stock or equity of any corporation or other business entity engaged in the Restricted Business. If and when the Chairman revokes consent under this Section 10(b), you shall have a reasonable period of time in which to withdraw from the activity or investment for which consent has been revoked. If a court determines that the foregoing restrictions are too broad or otherwise unreasonable under applicable law, including with respect to time, or space, the court is hereby requested and authorized by the parties hereto to revise the foregoing restriction to include the maximum restrictions allowable under applicable law. You acknowledge, however, that this Section 10 has been negotiated by the parties hereto and that the geographical and time limitations, as well as the limitation on activities, are reasonable in light of the circumstances pertaining to the business of the Company. You agree to notify any person or entity to which you provide services during the Restricted Period of the terms of your obligations under this Section 10.

11. Non-Solicitation.

For one year from the Termination Date, you will not, directly or indirectly, individually or as part of or on behalf of any other person, company, employer or other entity, hire or attempt to solicit for hire a Covered Employee until at least six (6) months after the person's employment with the Company ends. "COVERED EMPLOYEE" shall mean any person who at any time during the six months prior to the Termination Date is an employee of the Company and (a) who is

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employed in any capacity as a part of the sales force or selling organization/division(s) of the Company, or (b) whose compensation exceeds \$60,000 per year (indexed by an inflationary factor tied to the consumer price index annually). If any Covered Employee accepts employment with any person, company, employer or other entity of which you are an officer, director, employee, partner, shareholder, (other than of less than 5% of the stock or equity of any corporation or other business entity), consultant or joint venturer, it will be presumed that the Covered Employee was hired in violation of this provision ("PRESUMPTION"). This Presumption may only be overcome by your showing by a preponderance of the evidence that you were not directly or indirectly involved in soliciting or encouraging the Covered Employee to leave employment with the Company. You agree to notify any person or entity to which you provide services within one year of the Termination Date of the terms of your obligations under this Section 11.

12. Return of Property.

Upon termination of your employment with the Company for any reason, you agree to immediately return to the Company all property belonging to the Company. This includes all documents and other information prepared by you or on your behalf or provided to you in connection with your duties under this Agreement, regardless of the form in which such documents or information are maintained or stored, including computer, typed, written, imaged, audio, video, micro-fiche, electronic or any other means of recording or storing documents or other information. You hereby warrant that you will not retain in any form any such document or other information or copies thereof, except as provided in the following sentence. You may retain a copy of this Agreement and information describing any rights you may have after the Termination Date under any employee benefit plan or other agreements.

13. Remedies.

The Employee expressly acknowledges that the remedy at law for any breach of Sections 9, 10, 11 and 12 will be inadequate and that upon any such breach or threatened breach, the Company shall be entitled as a matter of right to injunctive relief in any court of competent jurisdiction, in equity or otherwise, and to enforce the specific performance of the Employee's obligations under these provisions without the necessity of proving the actual damage to the Company or the inadequacy of a legal remedy. The rights conferred upon the Company by the preceding sentence shall not be exclusive of, but shall be in addition to, any other rights or remedies that the Company may have at law, in equity or otherwise. The parties agree that any breach of Section 11 will entitle the Company to injunctive relief enforcing Section 11 and to damages equal to the greater of the actual damages proven or liquidated damages of three times the amount of the annual total compensation of any person solicited or hired in breach of Section 11. The parties are agreeing to liquidated damages as an option to actual damages in recognition that the Company's employees are its most valuable assets, but it is often difficult to prove the actual damages resulting from such a breach.

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14. Indemnification.

During the Term and at all times thereafter, you shall be indemnified by the Company to the fullest extent permitted by the laws of the State of Delaware from any claims or actions based upon any acts or omissions, or alleged acts or omissions, by you which arise out of or are related to your employment with the Company. You shall be a beneficiary of any directors' and officers' liability insurance policy maintained by the Company as long as you remain an officer or director.

15. Miscellaneous Provisions.

(a) Notices. Unless otherwise provided herein, any notice or other information to be provided to the Company will be sent by overnight delivery with acknowledgement of receipt requested, to:

Chairman, Board of Directors
SunSource, Inc.
One Logan Square
Philadelphia, PA

cc: Sally D. Garr, Esq.
Patton Boggs, LLP
2550 M Street, N.W.
Washington, D.C. 20037

Any notice or other information to be provided to you will be sent by overnight delivery with acknowledgement of receipt requested, to:

Stephen W. Miller
8601 N. 61st Place
Phoenix, AZ 85048

(b) Dispute Resolution. You and the Company agree that any dispute between you and the Company will be finally resolved by binding arbitration in accordance with the Federal Arbitration Act ("FAA"). You and the Company agree to follow the Dispute Resolution Procedures set forth in Attachment A to this Agreement.

(c) Nature of Agreement. This Agreement and the attachments hereto and the letter from Maurice Andrien to you dated June 18, 2001 constitute the entire agreement between you and the Company and supercede all prior agreements between you and the Company. In making this Agreement, the parties warrant that they did not rely on any representations or statements other than those contained in this Agreement. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by you and by the Chairman of the Board for the Company. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time. Regardless of the choice of law provisions of Delaware or any other

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jurisdiction, the parties agree that this Agreement shall be otherwise interpreted, enforced and governed by the laws of the State of Delaware. This Agreement shall be binding on the Company's successors and assigns and on you, your heirs and personal representatives. This Agreement will continue in effect until all obligations under it are fulfilled. You may not assign this Agreement, either voluntarily or involuntarily. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect and this Agreement shall be interpreted as if the unenforceable provision had not been included in it. This Agreement may be executed in any number of counterparts each of which shall be an original, but all of which together shall constitute one instrument. This Agreement will be effective as of the Effective Time stated in Section 1.3 of The Agreement and Plan of Merger dated _____ between Allied Capital Corporation, Allied Capital Lock Acquisition Corporation and SunSource, Inc. ("EFFECTIVE DATE"). The headings in this Agreement are for convenience only and shall not effect the interpretation of this Agreement. You further certify that you fully understand the terms of this Agreement and have entered into it knowingly and voluntarily.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its authorized officer, as of the day and year set forth under their signatures below.

SUNSOURCE, INC.

/s/ SW MILLER

By: /s/ MAURICE P. ANDRIEN, JR.

EMPLOYEE

Date: 6/18/01

Date: 18 June 01

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ATTACHMENT A

DISPUTE RESOLUTION PROCEDURES

The parties agree to make a good faith effort to informally resolve any dispute before submitting the dispute to arbitration in accordance with the following procedures:

- (i) The party claiming to be aggrieved shall furnish to the other a written statement of the grievance, all persons whose testimony would support the grievance, and the relief requested or proposed. The written statements must be delivered to the other party within the time limits for bringing an administrative or court action based on that claim.
- (ii) If the other party does not agree to furnish the relief requested or proposed, or otherwise does not satisfy the demand of the party claiming to be aggrieved within 30 days and the aggrieved party wishes to pursue the issue, the aggrieved party shall by written notice demand that the dispute be submitted to non-binding mediation before a mediator jointly selected by the parties.
- (iii) If mediation does not produce a resolution of the dispute and either party wishes to pursue the issue, that party shall request arbitration of the dispute by giving written notice to the other party within 30 days after mediation. The parties will attempt to agree on a mutually acceptable arbitrator and, if no agreement is reached, the parties will request a list of nine arbitrators from the American Arbitration Association and select by alternately striking names. Regardless of whether the American Arbitration Association administers the arbitration, the arbitration will be conducted consistent with the American Arbitration Association's National Rules for Resolution of Employment Disputes ("RULES") that are in effect at the time of the arbitration. If there is any conflict between those Rules and the terms of the Employment Agreement ("AGREEMENT"), including all attachments thereto, the Agreement will govern. The arbitrator shall have authority to decide whether the conduct complained of under Subsection (a) above violates the legal rights of the parties. In any such arbitration proceeding, any hearing must be transcribed by a certified court reporter and any decision must be supported by written findings of fact and conclusions of law. The arbitrator's findings of fact must be supported by substantial evidence on the record as a whole and the conclusions of law and any remedy must be provided for by and consistent with the laws of the Delaware and federal law. The arbitrator

shall have no authority to add to, modify, change or disregard any lawful term of the Agreement. The Company will pay the arbitrator's fee.

- (iv) Arbitration shall be the exclusive means for final resolution of any dispute between the parties, except that injunctive relief may be sought from any court of competent jurisdiction located in the Delaware when injunctive relief is necessary to preserve the status quo or to prevent irreparable injury, including, without limitation, any claims concerning an alleged breach of Sections 9, 10, 11 or 12 of the Agreement or other misuse of Confidential Information.

