

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
-----

Amendment No. 1 to

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  
Allied Capital Lock Acquisition Corporation  
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(Names of Person(s) Filing Statement)

Common Stock  
-----

(Title of Class of Securities)  
867948101  
-----

(CUSIP Number of Class of Securities)

Maurice P. Andrien, Jr.  
SunSource Inc.  
3000 One Logan Square  
Philadelphia, PA 19103  
(215) 282-1290

William L. Walton  
Allied Capital Corporation  
1919 Pennsylvania Ave., N.W.  
Washington, D.C. 20006  
(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  
Andrew Hamilton  
Morgan Lewis & Bockius LLP  
1701 Market St.  
Philadelphia, PA 19103  
(215) 963-5000

Steven B. Boehm  
Cynthia M. Krus  
Sutherland Asbill & Brennan LLP  
1275 Pennsylvania Ave., N.W.  
Washington, D.C. 20004  
(202) 383-0100

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

a.  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:

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"), (3) Allied Capital Lock Acquisition Corporation, a Delaware corporation and wholly owned subsidiary of Allied Capital ("Merger Sub") and (4) 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 Yeary, 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 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 (together with any amendments filed thereto, 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, Amendment No. 1 to the Proxy Statement on Schedule 14A was filed via EDGAR on August 16, 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 Term Sheet" 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 Term Sheet - 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 Term Sheet," "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), (d) (4) and (d) (5) to this Schedule 13E-3 also are incorporated herein by reference in their entirety.

(b) DIFFERENT TERMS. The information set forth under "Summary Term Sheet - The Merger Proposal," "Summary Term Sheet - Interests of SunSource's Officers and Directors in the Merger," "Summary Term Sheet - 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) (5), (d) (8), (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), (d) (7), (e) (1) and (e) (2) to this Schedule 13E-3 also are incorporated herein by reference in their respective entirety.

(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), (d) (7), (e) (1) and (e) (2) to this Schedule 13E-3 also are incorporated herein by reference in their respective entirety.

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), (d) (7) 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 Term Sheet," "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 - Reasons for the Recommendation of the SunSource Board of Directors 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 - Reasons for the Recommendation of the SunSource Board of Directors," "The Merger Proposal - 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. Appendix B to the Proxy Statement and Exhibits (c) (1), (c) (2), (c) (3), (c) (4), and (c) (5) to this Schedule 13E-3 also are incorporated herein by reference in their respective entirety.

(d) EFFECTS. The information set forth under "The Merger Proposal - The Exchange," "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," "The Merger Agreement - Material Federal Income Tax Consequences" and "Security Ownership of Certain Beneficial Owners and Management of SunSource" in the Proxy Statement is incorporated herein by reference. Appendix A to the Proxy Statement and Exhibits (a) (1) (4) (d) (5), (d) (6), (d) (7), (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), (c) (3), (c) (4) and (c) (5) 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), (c) (3), (c) (4) and (c) (5) 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) (5) and (f) to this Schedule 13E-3 are incorporated herein by reference in their respective entirety.

(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 entirety. Exhibits (c)(1) and (c)(5) to this Schedule 13E-3 is incorporated herein by reference in their respective entireties.

(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), (c)(3), (c)(4) and (c)(5) are incorporated herein by reference in their respective entireties.

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 entireties.

(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 entireties.

Item 16. EXHIBITS.

(a) (1) \* Amendment No. 1 to the Preliminary Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on August 16, 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 Amendment No. 1 to the Preliminary Proxy Statement on Schedule 14A as filed with the Securities and Exchange Commission August 16, 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) \* Second Amended and Restated Credit Agreement dated as of August 3, 2001, 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.g to Allied Capital's registration statement on Form N-2 filed on Allied Capital's behalf with the Securities and Exchange Commission on August 10, 2001 (File No. 333-67336).

(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.

- (c) (4) Presentation to the Board of Directors of SunSource by Janney Montgomery Scott LLC dated August 15, 2001.
  
- (c) (5) \* Fairness opinion of Janney Montgomery Scott LLC, filed as Appendix B to Amendment No. 1 to the Preliminary Proxy Statement on Schedule 14A as filed with the Securities and Exchange Commission on August 16, 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) Joinder Agreement dated as of July 16, 2001, by and among Terry Rowe, Jim Waters, John Marshall, Ken Foskey, Rick Buller and Gary Seeds, Max Hillman as representative of the Purchasers, Allied Capital and Citibank, N.A.
  
- (d) (5) Form of Stockholders Agreement.
  
- (d) (6) \* 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) (7) \* Amendment of Rights Agreement dated as of June 18, 2001 by and between SunSource and Registrar and Transfer Company.
  
- (d) (8) Form of 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 Amendment No. 1 to the Preliminary Proxy Statement on Schedule 14A as filed with the Securities and Exchange Commission August 16, 2001.

\* Previously Filed.

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

++ 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	\$350,000	4 years	No minimum on severance payments pursuant to Section 7(a). Mr Hillman may not compete with SunSource for the longer of (1) one year after termination, (2) two years after termination if receiving payments under Section 7(a) or

determination that

</TABLE>

(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: August 15, 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

ALLIED CAPITAL LOCK ACQUISITION  
CORPORATION

By: /s/ G. CABELL WILLIAMS III  
-----  
Name: G. Cabell Williams III  
Title: President

/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) \* Amendment No. 1 to the Preliminary Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on August 16, 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 Amendment No. 1 to the Preliminary Proxy Statement on Schedule 14A as filed with the Securities and Exchange Commission August 16, 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) \* Second Amended and Restated Credit Agreement dated as of August 3, 2001, 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.g to Allied Capital's registration statement on Form N-2 filed on Allied Capital's behalf with the Securities and Exchange Commission on August 10, 2001 (File No. 333-67336).
  
- (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.
- (c) (4) Presentation to the Board of Directors of SunSource by Janney Montgomery Scott LLC dated August 15, 2001.
- (c) (5) \* Fairness opinion of Janney Montgomery Scott LLC, filed as Appendix B to Amendment No. 1 to the Preliminary Proxy Statement on Schedule 14A as filed with the Securities and Exchange Commission August 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) Joinder Agreement dated as of July 16, 2001, by and among Terry Rowe, Jim Waters, John Marshall, Ken Foskey, Rick Buller and Gary Seeds, Max Hillman as representative of the Purchasers, Allied Capital and Citibank, N.A.
- (d) (5) Form of Stockholders Agreement.
- (d) (6) \* 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) (7) \* Amendment of Rights Agreement dated as of June 18, 2001 by and between SunSource and Registrar and Transfer Company.

(d) (8) Form of 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 Amendment No. 1 to the Preliminary Proxy Statement on Schedule 14A as filed with the Securities and Exchange Commission August 16, 2001.

\* Previously Filed.

+ 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	Name	Shares of SunSource stock to be purchased from Allied Capital	Purchase Price	Additional Shares of SunSource stock to be contributed to SunSource	Number 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 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>	Joseph M. Corvino to Section 7(a).	\$250,000	<C>	<C>
				4 years	No minimum on severance payments pursuant
		Max W. Hillman to Section 7(a).  for the longer years after Section 7(a) or determination that	\$350,000	4 years	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]

August 15, 2001

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2	KAR PRODUCTS
3	SUNSOURCE TECHNOLOGY SERVICES
4	THE HILLMAN GROUP
5	VALUATION SUMMARY
6	HISTORICAL STOCK PRICE PERFORMANCE
7	STOCK PREMIUM ANALYSIS

EXHIBITS

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.

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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]

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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	1997	1998	1999	2000	LTM
(2)	2001					
(in thousands, except per share data)						
<C>	<S>	<C>	<C>	<C>	<C>	<C>
\$	Net Revenues	\$ 139,794	\$ 139,746	\$ 142,479	\$ 149,048	\$ 147,297
\$ 149,971	Growth (Decline) in Revenues	N/A	0.0%	2.0%	4.6%	N/A
0.6%	Cost of Sales	42,623	42,744	45,641	48,647	
48,105						
	Gross Profit	97,171	97,002	96,838	100,401	
99,192						

67.3%	Gross Margin	69.5%	69.4%	68.0%	67.4%
	67.4%				
77,667	Operating Expenses	71,350	71,100	71,967	75,174
					75,087
	Operating Cash Flow (EBITDA)	\$ 25,821	\$ 25,902	\$ 24,871	\$ 25,227
\$ 23,463					\$ 24,105
16.4%	EBITDA Margin	18.5%	18.5%	17.5%	16.9%
	15.6%				
7,376	Depreciation & Amortization				6,515
	6,450				
16,729	Operating Income (EBIT)				18,712
	17,013				
10,665	Interest (Income)/Expense				11,032
	11,423				
6,064	Profit (Loss) Before Taxes				7,680
	5,590				
2,426	Proforma Income Taxes (3)				3,072
	2,236				
3,638	Proforma Net Income				\$ 4,608
	\$ 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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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>	<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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Kar Products - Comparable Companies Summary

	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-----  
JANNEY MONTGOMERY SCOTT  
=====-----  
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  
-----<TABLE>  
<CAPTION>

For the Year Ended December 31,

		Actual			Projected		
2004	2005	1999	2000	LTM (1)	2001	2002	2003
		(in thousands, except per share data)					
<S>	<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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STS - Discounted Cash Flow Analysis

<TABLE>  
<CAPTION>

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



<S>	<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>

<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>
	15.0%	\$13,453	\$15,033	\$16,613	\$18,194	\$19,774
DISCOUNT	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.

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THE HILLMAN GROUP

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- 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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The Hillman Group - Key Income Statement Items

<TABLE>  
 <CAPTION>

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

</TABLE>

- (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

The Hillman Group - Comparable Companies Summary

<TABLE>

<CAPTION>

	LTM (1) EBITDA	LTM (1) EBIT	LTM (1) NET INCOME	2001 (P) (2) EPS
SERVICE MERCHANDISERS				
<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>

<CAPTION>

	ENTERPRISE VALUE /		EQUITY VALUE /	
	LTM EBITDA	LTM EBIT	LTM NET INCOME	2001 (P) NET INCOME
SERVICE MERCHANDISERS				
<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

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

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

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>  
<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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The Hillman Group - Comparable Transactions Summary

<TABLE>  
<CAPTION>

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.	262,545	37,611	35,556
04/20/99	The Fairchild Corporation / Kaynar Technologies	364,921	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	32,697	4,018	3,835

<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.	7.0 x	7.4 x
04/20/99	The Fairchild Corporation / Kaynar Technologies	10.2 x	12.6 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	8.1 x	8.5 x

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The Hillman Group - Comparable Transactions Analysis

<TABLE>  
<CAPTION>

	ENTERPRISE VALUE /	
	LTM EBITDA	LTM EBIT
	<C>	<C>
<S>	<C>	<C>
High	10.2 x	19.4 x
Low	6.3 x	7.4 x
Median	7.7 x	8.3 x
Adjusted Average (1)	7.6 x	9.3 x

<TABLE>  
<CAPTION>

HILLMAN - ENTERPRISE VALUE

	LTM EBITDA	LTM EBIT
<S> HILLMAN	<C> \$ 39,891	<C> \$ 27,295
High	\$ 408,639	\$ 528,821
Low	252,045	201,548
Median	307,508	225,824
Adjusted Average (1)	304,522	253,774

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

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The Hillman Group - Discounted Cash Flow Analysis

<TABLE>  
<CAPTION>

TERMINAL VALUE	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
(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>  
<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>  
<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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The Hillman Group - Valuation Summary

[BAR CHART]

<TABLE>  
<CAPTION>

		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)	252,045	408,639	307,508	304,522
	LTM EBIT (\$27,295)	201,548	528,821	225,824	253,774
DISCOUNTED CASH FLOW				Mid-point	Mid-point
	DCF - EBITDA (\$39,891)	241,766	345,202	290,090	290,090

</TABLE>

<TABLE>  
<CAPTION>

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

</TABLE>

<TABLE>  
<CAPTION>

	Comparable Public Companies		Comparable Acquisition Activity		DCF
<S>	<C>	<C>	<C>	<C>	<C>
Median	\$263,831	\$228,227	\$307,508	\$225,824	\$290,090
Adj. Average	\$268,583	\$245,810	\$304,522	\$253,774	\$290,090

</TABLE>

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White circles represent median values.

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VALUATION SUMMARY

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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

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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>

DATE                      PRICE                      VOLUME

<S>

<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  
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Daily from June 7, 2000 - June 7, 2001

[INDEXED PRICES LINE GRAPH]

## RELATIVE HISTORICAL STOCK PERFORMANCE

&lt;TABLE&gt;

&lt;CAPTION&gt;

<S>	<C>	DATE	SDP	S&P500	PEER GROUP
<C>	<C>	<C>	<C>	<C>	<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

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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

\* 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 PREMIUM ANALYSIS

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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.
- 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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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> <10%	<C> 2
10 to 25%	1
25 to 50%	4
50 to 75%	1
75 to 100%	1

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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>

COMPLETION DATE	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	TARGET PRICE PRIOR TO ANNOUNCEMENT		
				1 MONTH	1 WEEK	1
<S> 31 May 2001 9.03	<C> Hallwood Energy Corp.	<C> Explores, acquires and develops oil and gas properties.	<C> Pure Resources, Inc.	<C> \$ 9.34	<C> \$ 9.50	<C> \$
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>

COMPLETION DATE	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	PREMIUM (%) PRICE TO ANNOUNCEMENT		
				1 DAY	1 WEEK	1
<S> 31 May 2001 33.8	<C> Hallwood Energy Corp.	<C> Explores, acquires and develops oil	<C> Pure Resources, Inc.	<C> 38.4	<C> 31.6	<C>

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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OVERVIEW OF ALLIED CAPITAL CORPORATION

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Allied Capital Corporation Overview  
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- - 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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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>

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 JANNEY MONTGOMERY SCOTT  
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ALD - Comparable Group Summary Data

<TABLE>

<CAPTION>

MARKET

LTM

LTM

LTM

LTM

CY2001 (P)

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

<TABLE>  
<CAPTION>

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

<TABLE>  
<CAPTION>

	ENTERPRISE VALUE /			EQUITY VALUE /		
	LTM REVENUE	LTM EBITDA	LTM EBIT	LTM NET INCOME	CY2001 (P) NET INCOME	CY2002 (P) NET INCOME
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

<TABLE>  
<CAPTION>

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

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>  
1997 \$ 97,405

YEAR NET INCOME  
<C> <C>  
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>
<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

3/31/01		9/30/00		12/31/00		
<S>		<C>	<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>

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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

</TABLE>

	12/31/98	12/31/99	12/31/00	3/31/01
<b>Portfolio at value:</b>				
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	-	-
<b>Total Portfolio Value</b>	<b>800,274</b>	<b>1,228,497</b>	<b>1,788,001</b>	<b>1,886,753</b>
Cash and Equivalents	25,075	18,155	2,449	9,392
Other Assets	30,730	43,386	63,367	77,353
<b>Total Assets</b>	<b>\$ 856,079</b>	<b>\$1,290,038</b>	<b>\$1,853,817</b>	<b>\$1,973,498</b>
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
<b>Total Liabilities</b>	<b>363,962</b>	<b>615,525</b>	<b>817,125</b>	<b>912,253</b>
Preferred Stock	7,000	7,000	7,000	7,000
Shareholders' Equity	485,117	667,513	1,029,692	1,054,245
<b>Total Liabilities and Equity</b>	<b>\$ 856,079</b>	<b>\$1,290,038</b>	<b>\$1,853,817</b>	<b>\$1,973,498</b>
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%

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JANNEY MONTGOMERY SCOTT

## ALD - Shareholder Profile

INSTITUTIONAL INVESTORS (1)	SHARES HELD (000s)	BENEFICIAL OWNERSHIP
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%
	<b>32,031</b>	<b>35.0%</b>

DIRECTORS AND OFFICERS (2)	SHARES HELD (000s)	BENEFICIAL OWNERSHIP
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>	
<CAPTION>	
	BENEFICIAL OWNERSHIP
<S>	<C>
Institutional Investors	35.0%
Management	5.7%
Estimated Retail Float	59.3%

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JANNEY MONTGOMERY SCOTT  
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END OF PRESENTATION

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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.
- 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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=====

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

PRIOR TO

COMPLETION DATE 1 WEEK	TARGET PRICE	TICKER SYMBOL	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 MONTH
07 Jun 2001 \$ 3.25	<C>	SMOP	Southern Mineral Corp.	Explores oil and gas properties.	PetroCorp, Inc.	\$ 3.38
07 Jun 2001 9.40	<C>	OSH	Oshman's Sporting Goods Inc.	Operates sporting goods specialty stores.	Gart Sports Company	8.88
31 May 2001 4.06	<C>	CMSS	Credit Management Solutions, Inc.	Provides transactional software.	First American Financial Corp.	1.25
31 May 2001 9.50	<C>	HECO	Hallwood Energy Corp.	Explores, acquires	Pure Resources, Inc	9.34

			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.	Solectron 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>  
<CAPTION>

PREMIUM

PRICE (%) PRIOR

TARGET

TO

PRIOR

ANNOUNCEMENT ANOUNCEMENT

TO

COMPLETION DATE	TARGET TICKER SYMBOL	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 DAY
07 Jun 2001 50.7	SMOP	Southern Mineral Corp.	Explores oil and gas properties.	PetroCorp, Inc.	\$ 3.13
07 Jun 2001 79.3	OSH	Oshman's Sporting Goods Inc.	Operates sporting goods specialty stores.	Gart Sports Company	9.35
31 May 2001 72.4	CMSS	Credit Management Solutions, Inc.	Provides transactional software.	First American Financial Corp.	3.38
31 May 2001 38.4	HECO	Hallwood Energy Corp.	Explores, acquires and develops oil and gas properties.	Pure Resources, Inc	9.03
31 May 2001 74.2	EWB	E.W. Blanch Holdings, Inc.	Provides integrated risk management and distribution services.	Benfield Greig Group Plc	7.75
21 May 2001 20.4	USAD	USA Detergents, Inc.	Manufactures laundry and household cleaning products.	Church & Dwight Co., Inc.	5.81
18 May 2001 72.9	ILCO	InterContinental Life Corp.	Administers existing portfolios of individual and group life and health insurance.	Financial Industries Corp.	10.75
16 May 2001 (26.7)	BARG	Bargo Energy Co.	Develops oil, natural gas properties.	Bellwether Exploration Co.	1.72
15 May 2001 35.9	VRES	VICORP Restaurants, Inc.	Operates, franchises family-type restaurants.	Investor Group	18.88
14 May 2001 20.2	FLIB	First Liberty Bank Corp.	Bank holding company.	Community Bank System, Inc.	13.25
11 May 2001 10.5	BARR	Barringer Technologies Inc.	Develops analytical instruments.	Smiths Group Plc	10.00
10 May 2001 25.4	ASIS	ASI Solutions Inc.	Provides human resources outsourcing.	Aon Corp.	11.50
01 May 2001 8.8	PBOC	PBOC Holdings, Inc.	Holding company for People's Bank of California.	FBOP Corp.	9.19
01 May 2001 (23.5)	CENL	Centennial Technologies, Inc.	Manufactures PC card-based solutions.	Solectron Corp.	18.38
01 May 2001	SQSW	Sequoia Software Corp.	XML-based Internet	Citrix Systems, Inc.	5.00

12.8

			infrastructure software for creating interactive e-business portals.		
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

&lt;/TABLE&gt;

<TABLE>  
<CAPTION>

(%) PRIOR  
ANNOUNCEMENT

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		VRES	VICORP	Operates, franchises	Investor Group	34.6

52.0			Restaurants, Inc.	family-type restaurants.		
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.	Solectron 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

SUNSOURCE, INC.

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	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	VALUE
20 Apr 2001 71.0	ASTI	Allergan Specialty Therapeutics, Inc.	Researches, develops human pharmaceuticals products.	Allergan, Inc.	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

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TARGET

PRICE PRIOR TO  
ANNOUNCEMENT

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

MONTH 1 WEEK

<S>	<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 6.91	CAIR	Corsair	Provides software solutions	Lightbridge. Inc.	9.00

Communications, Inc. for the wireless industry.

02 Feb 2001 APLN @plan.Inc. Provides market research, DoubleClick Inc. 6.50  
 6.38  
 decision support and planning systems specifically designed for internet advertisers, advertising agencies and web publishers.

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 COMPLETION TARGET TICKER  
 DATE SYMBOL TARGET FULL NAME TARGET BUSINESS DESCRIPTION ACQUIROR FULL NAME 1 DAY 1  
 DAY  
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COMPLETION DATE	TARGET SYMBOL	TICKER	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	1 DAY	1
<S> <C> 20 Apr 2001 (1.4)	<C> 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	SHWC		ShowCase	Provides fully integrated,	SPSS Inc.	5.56	



22.1		Corporation	business intelligence solutions for IBM AS/400 customers.		
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

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PREMIUM

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ANNOUNCEMENT

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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56  
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.  
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<TABLE>  
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COMPLETION ENTERPRISE DATE VALUE (MM)	TARGET TICKER SYMBOL	TARGET FULL NAME	TARGET BUSINESS DESCRIPTION	ACQUIROR FULL NAME	TRANSACTION VALUE (MM)
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	LIND	Lindberg Corp.	Provides metal heat	Bodycote	159.4

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

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PRICE PRIOR TO	TARGET	TARGET	TARGET	TARGET	TARGET
ANNOUNCEMENT	TICKER	TARGET	BUSINESS	ACQUIROR	-----
COMPLETION	SYMBOL	FULL NAME	DESCRIPTION	FULL NAME	1 MONTH
-----	-----	-----	-----	-----	-----
DATE	DATE	DATE	DATE	DATE	DATE
1 WEEK	1 WEEK	1 DAY	1 WEEK	1 WEEK	1 DAY
-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
<C>	<C>	<C>	<C>	<C>	<C>
01 Feb 2001	LOIS	Loislaw.com	Provides legal	Wolters	1.50
1.03			information to	Kluwer NV	
1.50			law firms.		
25 Jan 2001	GPM	Getty Petroleum Marketing	Markets petroleum	Lukoil-Holding	3.81
3.38			products.		
3.44					

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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		TARGET		TARGET		PREMIUM	
(&) PRIOR TO		TICKER	TARGET	BUSINESS	ACQUIROR	-----	
ANNOUNCEMENT		SYMBOL	FULL NAME	DESCRIPTION	FULL NAME	1 DAY	1
COMPLETION							
-----							
DATE	WEEK						
1 MONTH							
-----	-----						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
01 Feb 2001	322.2	LOIS	Loislaw.com	Provides legal information to law firms.	Wolters Kluwer NV	190.3	
25 Jan 2001	48.1	GPM	Getty Petroleum Marketing	Markets petroleum products.	Lukoil-Holding	45.5	
25 Jan 2001	54.7	RAMP	Ramp Networks, Inc.	Provides shared Internet access solutions.	Nokia OYJ	16.7	
24 Jan 2001	44.7	DETC	Detection Systems, Inc.	Manufactures equipment for electronic protection industry.	Robert Bosch GmbH	38.5	
23 Jan 2001	39.0	WHI	Washington Homes, Inc.	Designs, builds and markets single-family detached houses, townhouses and condominiums for first-time homebuyers.	Hovnanian Enterprises Inc.	41.5	
18 Jan 2001	113.2	LIND	Lindberg Corp.	Provides metal heat treating processes.	Bodycote Investments VI, Inc.	102.8	
05 Jan 2001	35.6	SNB	Sunburst Hospitality Corporation	Owns and operates extended-stay, traditional all suites, full service, and limited-service hotels.	Management Group	31.1	
03 Jan 2001	39.3	EQNX	Equinox Systems, Inc.	Designs and markets server-based communications hardware and software for Internet access and commercial applications.	Avocent Corporation	39.3	
02 Jan 2001	(70.7)	LINE	onlinetradinginc.com	Provides financial brokerage services through a variety of media, including the Internet.	Omega Research, Inc.	(73.6)	
02 Jan 2001	1.6	JWG	JWGenesis Financial Corp.	Provides a wide range of financial services to individuals, businesses and other brokerage firms.	First Union Corp.	(19.3)	
31 Dec 2000	49.5	HPBC	Home Port Bancorp Inc.	Attracts deposits and offers residential and commercial real estate mortgage.	Seacoast Financial Services Corp.	46.2	
31 Dec 2000		BCL	BLC Financial Services, Inc.	Originates, sells, and	Allied Capital Corp.	71.8	

76.8 100.4

services loans to small businesses.

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

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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>

## JOINDER AGREEMENT

This Joinder Agreement ("Joinder Agreement" or "Agreement") is made and entered into as of the 16th day of July, 2001, by and among Terry Rowe, Jim Waters, John Marshall, Ken Foskey, Rick Buller and Gary Seeds (collectively, the "Additional Purchasers"), Max W. Hillman, Jr. as representative of the Purchasers (as defined below) (the "Representative"), 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"). All capitalized terms used and not otherwise defined herein shall have the same respective meanings assigned to them in the Escrow Agreement.

WHEREAS, an Escrow Agreement was entered into on June 18, 2001 by and among Allied Capital, the Escrow Agent and Max W. Hillman Jr. (individually and acknowledging the appointment as a representative thereunder), Richard P. Hillman, Gary Seeds, Dennis Blake and John McDonnell (referred to therein as the "Purchasers" and "Original Purchasers") (the "Escrow Agreement" and "Original Escrow Agreement"); and

WHEREAS, the Additional Purchasers desire to join as parties to the Escrow Agreement and by virtue of such Joinder Agreement become Purchasers thereunder and subject to all of the terms and provisions of the Escrow Agreement; and

WHEREAS, the Representative, Allied Capital and Escrow Agent agree to allow the Additional Purchasers to join as parties to the Escrow Agreement and by virtue of such Joinder Agreement become Purchasers thereunder and subject to all of the terms and provisions of the Escrow Agreement.

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. The Additional Purchasers hereby join as parties to the Escrow Agreement, effective as of the date hereof (the "Effective Date"), and shall as of the Effective Date for all purposes be considered Purchasers thereunder, subject to all of the terms and provisions of the Escrow Agreement. From and after the Effective Date, any reference to the "Escrow Agreement" shall mean the Escrow Agreement as supplemented by this Joinder Agreement. Except as specifically set forth in this Joinder Agreement, the terms of the Escrow Agreement (as supplemented by this Joinder Agreement) shall, as of the Effective Date, govern the rights and obligations of the parties with respect to the subject matter of the Escrow Agreement (as supplemented by this Joinder Agreement) and all references to "Purchasers" from and after the Effective Date shall include "Purchasers" (as defined in the Escrow Agreement) and the Additional Purchasers. The Representative and the Additional Purchasers hereby acknowledge receipt of this Joinder Agreement. The Additional Purchasers hereby acknowledge receipt of the Escrow Agreement and agree, from and after the Effective Date, to be bound by the terms of the Escrow Agreement (as supplemented by this Joinder Agreement).

1

2. The Additional Purchasers herewith deposit with the Escrow Agent, and the Escrow Agent hereby acknowledges receipt from the Additional Purchasers of cash funds in the aggregate amount of \$150,000 (the "Additional Deposit") in the proportions set forth on Exhibit D-1 hereto. From and after the Effective Date, the term "Deposit" as used in the Escrow Agreement shall, unless otherwise specifically contemplated, include the Additional Deposit.

3. All cash earnings, interest and income from the Additional Deposit which may, from time to time, be held by the Escrow Agent pursuant to the terms of the Escrow Agreement are the property of the Additional Purchasers and shall be distributed on a quarterly basis commencing on September 30, 2001, to the Additional Purchasers in accordance with the terms and conditions set forth in the Escrow Agreement and applying the proportion of the Deposit (as such term is defined to read after this Joinder Agreement has been executed) shown on Exhibit D-2 hereto from and after the Effective Date. From and after the Effective Date, Exhibit D to the Escrow Agreement is supplemented by and combined with Exhibit D-1 hereto to read as Exhibit D-2 hereto and any reference in the Escrow Agreement to Exhibit D from and after the Effective Date shall, unless otherwise specifically provided to the contrary, refer to Exhibit D as supplemented and combined with Exhibit D-1 hereto to read as Exhibit D-2 hereto.

4. The Additional Deposit and all cash earnings, interest and income resulting from the investment and re-investment of such funds in accordance with the terms and conditions set forth in Section 3 of the Escrow Agreement shall

from and after the Effective Date become part of the Escrow Fund (as defined in the Escrow Agreement) to be held by the Escrow Agent in accordance with the terms and conditions set forth in the Escrow Agreement. From and after the Effective Date, the term Escrow Fund as used in the Escrow Agreement shall, unless otherwise specifically contemplated, include the Additional Deposit.

5. Each of the Additional Purchasers hereby confirms the authority of each of the Representatives, each acting solely or both acting together, to act on behalf of the Additional Purchasers upon the terms contemplated in the Escrow Agreement from and after the Effective Date. From and after the Effective Date, any reference in Section 4 of the Escrow Agreement to written instructions from Purchasers shall require the inclusion of written instructions from the Additional Purchasers, in the form attached hereto as Exhibit A and in each case, upon the terms set forth in the Escrow Agreement. Notwithstanding the terms of the Escrow Agreement (as supplemented hereby), the Escrow Agent shall as soon as practicable after receipt of the applicable instructions under Section 4(a) release to Allied Capital (i) in the case of the Additional Deposit, upon receipt of instructions signed by each of the Additional Purchasers identified in Exhibit D-1 attached hereto, (ii) in the case of the Deposit made under the terms of the Original Escrow Agreement, upon receipt of instructions signed by each of the Original Purchasers identified in Exhibit D of the Original Agreement, and (iii) in the case of the Deposit (as such term is defined to read after this Joinder Agreement has been executed), upon receipt of instructions signed by each of the Purchasers identified in Exhibit D-2, attached hereto.

6. All deliveries of funds by the Escrow Agent to the Additional Purchasers as provided in the Escrow Agreement shall be by wire transfer in immediately available funds to the accounts specified in Exhibit D-2 as applicable to this Joinder Agreement or otherwise designated by Allied Capital or one of the Additional Purchasers in accordance with the terms and conditions set forth in the Escrow

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Agreement. In the event funds transfer instructions are given (other than in writing at the time of execution of this Joinder Agreement), whether in writing, by 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 callbacks. 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.

7. All notices, requests, demands and other communications required or permitted under the Escrow Agreement 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 Representative:

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

If to the Additional Purchasers:

Terry Rowe  
91895 South Farmer Avenue  
Tempe, AZ 85284



ATTN: Liz Keating - RE: Terry Rowe  
FAX: 480/731-7472

And to:

Jim Waters  
10590 Hamilton Avenue  
Cincinnati, OH 45231

ATTN: Debbie Haidet - RE: Jim Waters  
FAX: 513/595-8292

And to:

John Marshall  
2107 Glencorse Court  
Plainfield, IL 60544

ATTN: John Marshall  
FAX: 815/436-0343

And to:

Ken Foskey  
10590 Hamilton Avenue  
Cincinnati, OH 45321

ATTN: Debbie Haidet - RE: Ken Foskey  
FAX: 513/595-8292

And to:

Rick Buller  
10590 Hamilton Avenue  
Cincinnati, OH 45321

ATTN: Debbie Haidet - RE: Rick Buller  
FAX: 513/595-8292

And to:

Gary Seeds  
10590 Hamilton Avenue  
Cincinnati, OH 45321

ATTN: Debbie Haidet - RE: Gary Seeds  
FAX: 513/595-8292

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.

8. This Joinder Agreement supplements the terms of the Original Escrow Agreement and, as such, is not intended to modify or waive any rights of the parties to the Original Escrow Agreement. Any modification or waiver of the rights of the Original Purchasers shall require the written consent only of the parties to the Original Escrow Agreement, including the Original Purchasers. Any modifications or waiver of the rights of the Additional Purchasers shall require the written consent only of the parties hereto, including the Additional Purchasers.

9. This Joinder 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 Joinder 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.

10. Each of Allied Capital, the Representative and the Additional Purchasers hereby represents and warrants (i) that this Joinder 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 Joinder 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.

11. Any payments of income from the Escrow Fund 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 funds which are a part of the Escrow Fund

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and is not responsible for any other reporting. Any income taxes generated from the Escrow Funds after Effective Date shall be paid by the Purchasers (as such term is defined to read after this Joinder Agreement has been executed) in the same proportion as shown on Exhibit D-2 attached hereto, and the Escrow Agent shall deliver Form 1099 to each Purchaser evidencing each such Purchaser's respective amount of income, as apportioned pursuant to Exhibit D-2 attached hereto with the respective amounts to and in the name of each Purchaser (as such term is defined to read after this Joinder Agreement has been executed).

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

ALLIED CAPITAL CORPORATION

BY: /s/ JOAN M. SWEENEY  
-----

NAME: Joan M. Sweeney  
-----

TITLE: Managing Director and  
Chief Operating Officer  
-----

/s/ TERRY ROWE  
-----

Terry Rowe  
-----

Tax ID Number

/s/ JIM WATERS  
-----

Jim Waters  
-----

Tax ID Number

/s/ JOHN MARSHALL  
-----

John Marshall  
-----

Tax ID Number

6

/s/ KEN FOSKEY  
-----

Ken Foskey  
-----

Tax ID Number

/s/ RICK BULLER  
-----  
Rick Buller

-----  
Tax ID Number

/s/ GARY SEEDS  
-----  
Gary Seeds

-----  
Tax ID Number

/s/ MAX W. HILLMAN, JR.  
-----  
Max W. Hillman, Jr., as representative  
under the Escrow Agreement

CITIBANK, N.A.

BY: /s/ JOHN P. HOWARD  
-----

NAME: John P. Howard  
-----

TITLE: Vice President  
-----

7

STATE OF Ohio :  
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COUNTY OF Hamilton :  
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I, Sandra R. Harrod, a Notary Public in and for said County, in the 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 13 day of July, 2001.

/s/ SANDRA R. HARROD  
-----  
Notary Public

My commission expires: 12-12-04  
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8

STATE OF Arizona :  
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COUNTY OF Maricopa :  
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I, M. Ann Baker nee M. Ann Ross, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Terry Rowe, 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 16 day of July, 2001.

/s/ M. Ann Baker nee M. Ann Ross  
-----  
Notary Public

My commission expires: 3-29-2003  
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9

STATE OF Ohio :  
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COUNTY OF Hamilton :  
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I, Sandra R. Harrod, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Jim Waters, 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 13 day of July, 2001.

/s/ SANDRA R. HARROD  
-----  
Notary Public

My commission expires: 12-12-04  
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10

STATE OF Ohio :  
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COUNTY OF Hamilton :  
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I, Sandra R. Harrod, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Ken Foskey, 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 13 day of July, 2001.

/s/ SANDRA R. HARROD  
-----  
Notary Public

My commission expires: 12-12-04  
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11

STATE OF Ohio :  
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COUNTY OF Hamilton :  
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I, Sandra R. Harrod, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that John Marshall, 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 13 day of July, 2001.

/s/ SANDRA R. HARROD  
-----  
Notary Public

My commission expires: 12-12-04  
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12

STATE OF Ohio :  
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COUNTY OF Hamilton :  
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I, Sandra R. Harrod, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Rick Buller, 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 13 day of July, 2001.

/s/ SANDRA R. HARROD  
-----  
Notary Public

My commission expires: 12-12-04  
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13

STATE OF Ohio :  
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COUNTY OF Hamilton :  
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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 13 day of July, 2001.

/s/ SANDRA R. HARROD  
-----  
Notary Public

My commission expires: 12-12-04  
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14

## 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 18, 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:

- (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 Allied or 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 Allied or 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 Allied or 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 applicable provision in an 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 applicable provision in 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.

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

"Person" means an individual, partnership, corporation, limited liability company, 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 7 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 the 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 that 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 and 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 Holder's 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 (as modified in the following sentence) 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 calculation shall only take into account vested options 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 fees, costs and expenses of any appraiser selected hereunder. In any appraisal

conducted hereunder, the Established Value shall be determined on a going concern basis for a private company and as otherwise provided in Section 7(b), 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 (i) the 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,

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 seven (7); (ii) four (4) of the seats on the Board to be nominees of the Major Holder and (iii) three (3) of the seats on the Board to comprise the following person (the "Minority Directors"), subject to the restrictions set forth below:

(a) Upon consummation of the Merger, the Minority Directors as provided for in this Section 8 shall be Maurice P. Andrien, Max W. Hillman and Stephen W. Miller. Each Minority Director shall continue as a director until he ceases to be employed by the Corporation for any reason, provided that Mr. Miller shall serve on the Board for a period of two (2) years from the date hereof regardless of whether he is employed by the Corporation.

(b) At such time as any one or more of Mr. Andrien, Mr. Max W. Hillman or Mr. Miller ceases to be employed by the Corporation, or otherwise resigns from the Board, the vacancy created thereby shall be filled by Joseph M. Corvino and Richard P. Hillman (together with Mr. Andrien, Mr. Max W. Hillman and Mr. Miller collectively, the "Eligible Directors"), in that order, so long as such Person is still employed by the Corporation. At such time as fewer than three (3) Eligible Directors are employed by the Corporation, the number of Minority Directors on the Board shall be reduced to equal the number of Eligible Directors and the number of members of the Board shall be reduced by an equal amount.

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 and the number of shares of Common Stock 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 the Major Holder or an Affiliate of the Major Holder such sale shall also 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 any 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

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 Section 14.3(a)(iv) hereof.

(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 only 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 on the records of the Corporation 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, or (d) in any case, to such address as may have been provided to the parties by notice as set forth in this Section 19:

If to the Corporation to:

SunSource, Inc.  
One Logan Square  
Philadelphia, PA 19103  
Facsimile: (215) 282-1309

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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:

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Name: G. Cabell Williams  
Title: Managing Director

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Maurice P. Andrien, Jr.



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Joseph M. Corvino

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Max W. Hillman, Jr.

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Stephen W. Miller

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Richard P. Hillman

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George Heredia

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Gary Seeds

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Terry Rowe

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James Waters

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Dennis Blake

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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:

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Name:  
Title:

CERTIFICATE OF DESIGNATION, RIGHTS AND PREFERENCES  
 OF SERIES B PREFERRED STOCK OF  
 SUNSOURCE INC.

Pursuant to Section 151 of the Delaware General Corporate Law ("DGCL"), SunSource Inc. (the "Corporation" or the "Company") certifies as follows:

FIRST. The resolutions set forth below have not been modified, altered or amended and are presently in full force and effect.

SECOND. That pursuant to the authority contained in Section 4.2 of the Corporation's Amended and Restated Certificate of Incorporation and in accordance with the provisions of Section 151 of the DGCL, the Corporation's Board of Directors (the "Board") duly adopted the following resolutions on August \_\_, 2001 designating the rights and preferences of a series of shares of the Corporation's Preferred Stock designated "Series B Preferred Stock:"

RESOLVED, that pursuant to the authority expressly vested in the Board of Directors of the Corporation (the "Board") by Section 4.2 of the Amended and Restated Certificate of Incorporation, the Board hereby designates and authorizes for issuance and fixes and determines the powers, preferences, rights and limitations of a series of Preferred Stock, which shall consist of \_\_\_\_\_ shares and shall be designated as Series B Preferred Stock (the "Series B Preferred Stock"), and shall have the powers, preferences, rights and limitations as set forth in the Certificate of Designations, Preferences and Rights of the Series B Preferred Stock as follows:

1. DESIGNATION OF SERIES B PREFERRED STOCK. A total of \_\_\_\_\_ shares of the Corporation's Preferred Stock shall be designated as "Series B Preferred Stock (the "Series B Preferred Stock")." The par value of the Series B Preferred Stock shall be \$.01 per share. The number of shares that may be issued may be decreased, at any time and from time to time, by resolution of the Board; provided that no decrease shall reduce the number of shares of Series B Preferred Stock to a number less than the number of such shares then outstanding. The Series B Preferred Stock shall rank pari passu to the Common Stock and shall rank senior to the Series A Junior Participating Preferred Shares as to dividends and upon liquidation, dissolution or winding up. As used herein, the term "Preferred Stock" used without reference to the Series B Preferred Stock means the shares of Preferred Stock, without distinction as to series. Unless otherwise set forth herein, it is intended that the Series B Preferred Stock shall powers and rights identical to the Common Stock.

2. DIVIDENDS. The holders of the Series B Preferred Stock shall receive per share, when and as declared in the discretion of the Board of Directors, and to the same extent as the holders of the Common Stock, such dividends as the Board of Directors may from time to time determine, out of any funds that are legally available therefor. In the case of a declaration of a dividend described in the preceding sentence, the holders of shares of Series B Preferred Stock shall participate with holders of shares of the Common Stock based on the number of shares of

Common Stock held by each class of holders assuming conversion into Common Stock of all the Series B Preferred Stock.

3. LIQUIDATION, DISSOLUTION OR WINDING UP. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or in the event of its insolvency, the assets of the Corporation available for distribution to holders of the Corporation's capital stock of all classes, whether such assets are capital, surplus or earnings, if any, shall be distributed among the holders of the Series B Preferred Stock and the Common Stock, on a pari passu basis, in proportion to the shares of Common Stock then held by them assuming conversion into Common Stock of all the Series B Preferred Stock. Whenever the distribution provided for in this Section 3 shall be payable in whole or in part in property other than cash, the value of any property distributed shall be the fair market value of such property as reasonably determined in good faith by the Board of Directors of the Corporation.

4. VOTING POWER. Except as otherwise required by law, (i) each holder of Series B Preferred Stock shall be entitled to vote on all matters submitted to a vote of the stockholders of the Corporation (including election of directors to the extent not otherwise expressly provided for) and shall be entitled to that number of votes equal to the number of shares of Common Stock into which such holder's shares of Series B Preferred Stock would be converted into pursuant to the provisions of Section 5 hereof, and (ii) the holders of shares of Series B Preferred Stock and Common Stock shall vote together (or

render written consents in lieu of a vote) as a single class on all matters submitted to the stockholders of the Corporation.

5. AUTOMATIC CONVERSION.

5.1 EVENTS CAUSING CONVERSION. Immediately following the consummation of the merger of the Corporation and Allied Capital Lock Acquisition Corporation pursuant to the Agreement and Plan of Merger dated as of June 18, 2001 by and among Allied Capital Corporation, Allied Capital Lock Acquisition Corporation and the Corporation, as it may be amended from time to time, (the "Merger"), each outstanding share of Series B Preferred Stock shall be converted automatically into one fully paid, non-assessable share of Common Stock, without any further action by the holders of such share. As soon as practicable following the consummation of the Merger, the Corporation shall issue to each holder of shares of Series B Preferred Stock outstanding immediately prior to the Merger certificates evidencing that number of shares of Common Stock that such holder is entitled to pursuant to the preceding sentence, subject to the certificates formerly evidencing such Series B Preferred Stock.

5.2 CONSOLIDATION, MERGER, ETC. In case the Corporation shall at any time (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding shares of Common Stock, or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, then in each such case the number of shares of Common Stock that each share of Series B Preferred Stock is convertible into, as set forth in Section 5.1, shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

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5.3 RESERVATION OF COMMON STOCK. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Series B Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series B Preferred Stock, and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series B Preferred Stock, the Corporation shall take such action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

6. STATUS OF CONVERTED OR REPURCHASED SERIES B PREFERRED STOCK. Any share or shares of Series B Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be returned to the status of authorized but unissued shares of undesignated Preferred Stock. Upon the cancellation of all outstanding shares of Series B Preferred Stock, the provisions of this Certificate of Designation, Rights and Preferences of the Series B Preferred Stock shall terminate and have no further force and effect.

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IN WITNESS WHEREOF, the Corporation has executed this Certificate of Designation, Rights and Preferences of the Series B Preferred Stock as of August \_\_, 2001.

SUNSOURCE INC.

By: \_\_\_\_\_