

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	Chapter 11
PITT PENN HOLDING CO., INC., <i>et al.</i> ¹ ,	Case No. 09-11475 (BLS)
Debtors,	Jointly Administered
Industrial Enterprises of America, Inc. on behalf of itself and as assignee of its shareholders,	Adv. Proc. No. 11-ap-51872 (BLS)
Plaintiff,	
v.	
Bruce Badeau, Doris Blau, Hunter M.A. Carr, Bernard J. Clinton, Roger W. Creery, Kenneth Crimmins, Merilee Parker Crimmins, Michael Patrick Crimmins, Johnny Deshotels, Lee Elwan, Mark Glatz, Marla Goodman, Graham Jones, Timothy J. Lawler, John Linstrom III, Richard Loggie, Richard Martini, Merchant Bancorp of America, Nexcore, Northpoint Partners LLC, James O'Callaghan, Charles Pedrani, John C. Pelegrino, William Peterson, Quest Capital Markets, Inc., Myrna Robbins, Ruden McCloskey Smith Schuster And Russell, Donald Sapaugh, Michael Joseph Seidelhuber, Neville West,	Objection Deadline: June 15, 2015 at 4:00 p.m. (ET)
Defendants.	

**NOTICE OF SETTLEMENT PURSUANT TO ORDER SETTING FORTH
PROCEDURE FOR APPROVAL OF SETTLEMENT**

Pursuant to the Order Granting Motion of Debtors to Approve Settlement Procedures, § 2. B (the “Procedures Order”, D.I. 884), Norman L. Pernick, the Chapter 11 Trustee (“Trustee”) appointed for Plaintiff Industrial Enterprises of America, Inc. (“IEAM” or “Plaintiff”) on behalf


¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Pitt Penn Holding Company, Inc. (3681), Pitt Penn Oil Company, LLC (8893), Industrial Enterprises of America, Inc. (3499), EMC Packaging, Inc. (3619), Today’s Way Manufacturing LLC (0259), and Unifide Industries LLC (8701).

of itself, its estate and as assignee of its shareholders, hereby gives notice of the settlement (the "Settlement") with defendant Johnny Deshotels, a copy of which is attached to this notice. Objections to the Settlement must be served upon counsel to the Trustee within eleven (11) days of receipt of this notice. In the absence of any such objections, the Settlement shall be submitted to the Court for approval pursuant to the terms of the Procedures Order upon certification of counsel.

DATED: June 1, 2015

COLE SCHOTZ P.C.

By:


Patrick J. Reilley (No. 4451)
500 Delaware Avenue, Suite 1410
Wilmington, DE 19801
Tel: (302) 652-3131

-and-

BRAGAR EAGEL & SQUIRE, P.C.
Raymond A. Bragar, Esq.
885 Third Ave., Suite 3040
New York, NY 10022
Tel: (212) 308-5858
bragar@bespc.com

KIRBY MCINERNEY, LLP
Peter Linden, Esq.
825 Third Avenue, 16th Floor
New York, NY 10022
Tel: (212) 371-6600
p.linden@kmlp.com

Counsel for the Chapter 11 Trustee

Settlement Agreement and Mutual Release

Dated: as of May 29, 2015

This SETTLEMENT AGREEMENT AND MUTUAL RELEASE (the "Agreement") is made between Norman L. Pernick, Chapter 11 trustee ("Trustee") for Industrial Enterprises of America, Inc. ("IEAM")¹, and Johnny Deshotels ("Deshotels"). Trustee and Deshotels are referred to collectively as the "Parties".

WHEREAS, IEAM has filed for Chapter 11 bankruptcy protection in the United State Bankruptcy Court for the District of Delaware (the "IEAM Case");

WHEREAS, the IEAM Case is jointly administered within the case entitled In re Pitt Penn Holding Co., Inc., et. al. Case No. 09-11475 (BLS) ("Bankruptcy Proceeding"); and

WHEREAS, a dispute has arisen between the Parties relating to Deshotels' receipt of certain securities in IEAM in 2005 and 2006 ("the IEAM Shares"), and IEAM's alleged entitlement to the proceeds from the sale of some of those securities and to the value of the balance, which dispute has been lodged in an adversary proceeding entitled IEAM v. Badeau et. al., Adv. Proc. No. 11-51872 in the Bankruptcy Proceeding ("Adversary Proceeding"); and

WHEREAS, it is now the intention of the Parties to settle all pending disputes between the Parties, including, without limitation, those relating to the IEAM Shares;

NOW, THEREFORE, in consideration of the mutual promises and releases contained in this Agreement, the receipt and sufficiency of which are conclusively acknowledged, the Parties agree as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: Pitt Penn Holding Company, Inc. (3681), Pitt Penn Oil Company, LLC (8893), Industrial Enterprises of America, Inc. (3499), EMC Packaging, Inc. (3619), Today's Way Manufacturing LLC (0259), and Unifide Industries LLC (8701). IEAM refers to all debtors collectively.

1. CONSIDERATION AND EFFECTIVE DATE OF AGREEMENT

Deshotels agrees to pay to IEAM the sum of REDACTED , within three (3) business day of full execution of this Agreement by wire transfer to the escrow account of Bragar Eagel & Squire, P.C., as attorneys, ("Escrow Agent"), which payment shall be held in escrow by the Escrow Agent until the Court's entry of orders approving: (a) this Agreement pursuant to the Court's October 6, 2011 Order Granting Motion of Debtors to Approve Settlement Procedures; and (ii) sealing the financial terms of this Agreement (collectively, the "Approvals"). In the event either or both of those Approvals is granted over objection, the payment shall be held in escrow until the Approval has been sustained on appeal or the time for any appeal has expired and no appeal is pending. In those events, the Approvals will be deemed met. This Agreement shall be fully effective upon Trustee's counsel delivering by email the notice of the Approvals to Deshotels's counsel. If the Approvals are not obtained by Trustee, and Deshotels does not consent to an extension in writing, this Agreement shall be void, Escrow Agent shall immediately return all such funds received from Deshotels, and the parties shall proceed in the current Adversary Proceeding. In the event the Parties proceed with the current Adversary Proceeding, nothing in this Settlement, or any of the communications leading to it, or any motion in connection with it, shall be admissible or used in any manner in the Adversary Proceeding.

2. DISMISSAL OF ACTION

The Parties are executing simultaneously with this Agreement, a stipulation of dismissal of the Adversary Proceeding ("Stipulation of Dismissal"). The Escrow Agent shall hold the Stipulation of Dismissal in escrow. If this Agreement is declared effective,

then the Escrow Agent and Trustee shall cause the Stipulation of Dismissal to be promptly filed in the Adversary Proceeding. If this Agreement is not declared effective or is otherwise terminated, then the Escrow Agent shall destroy the Stipulation of Dismissal.

3. **RELEASES**

3.1 Effective upon the payment and release of funds described in Paragraph 1 above, the Trustee, on behalf of himself and all of the Debtors' estates, including without limitation, IEAM, hereby release and forever discharge Deshotels, together with all of his heirs, estates, present and former employees, agents, attorneys, accountants, representatives, insurers, predecessors, successors and assigns, from any and all liability, in connection with all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty, or equity, asserted or that could have been asserted against Deshotels in the Adversary Proceeding, of every character and kind, whether accrued or unaccrued, whether known or unknown, suspected or unsuspected, concealed or revealed, patent or latent, fixed or contingent, without limitation from the beginning of time to the date of final execution of this Agreement.

3.2. Effective upon the payment and release of funds described in Paragraph 1 above, Deshotels hereby releases and forever discharges the Trustee and IEAM together with all of their present partners, officers, directors, principals, managers, members, shareholders, employees, agents, attorneys, accountants, representatives, insurers, related and subsidiary entities, affiliated entities, parent entities, divisions, administrators, predecessors, and successors and assigns, from any and all liability, in connection with all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings,

bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty, or equity, asserted or that could have been asserted against them in the Adversary Proceeding of every character and kind, whether accrued or unaccrued, known or unknown, suspected or unsuspected, concealed or revealed, patent or latent, fixed or contingent, without limitation from the beginning of time to the date of final execution of this Agreement.

3.3. Each of the Parties represents and warrants that it is the sole and lawful owner of all right, title and interest in and to all of the respective matters released in this Agreement and that it has not heretofore voluntarily, by operation of law or otherwise, assigned or transferred (or purported to assign or transfer) to any person whomsoever any matter released in this Agreement or any part or portion thereof of any claim, demand or right against the other.

4. ATTORNEYS' FEES, COSTS AND OTHER EXPENSES

The Parties shall bear their own legal fees, costs and any other expenses and expressly waive all rights they otherwise might possess to seek such fees, costs or expenses.

5. CONFIDENTIALITY

Each of the Parties agrees to cooperate to preserve the confidentiality of the financial terms of this Agreement to the fullest extent allowable under law. Each of the Parties agrees that the Parties' commitment to confidentiality is an essential component of the consideration received under this Agreement. Each of the Parties agrees that the financial terms of this Agreement shall not be disclosed to any third parties except (i) as necessary to comply with obligations to the Bankruptcy Court; (ii) as necessary for the

operation of its business (such as tax advisors, auditors or re-insurers); (iii) at the request of a state or federal regulator or of a self-regulatory organization such as FINRA or otherwise ordered by a Court of competent jurisdiction; and (iv) as may be otherwise required by law, provided, however, that any Party served with a subpoena, discovery request or other legal instrument, which could lead to the disclosure of the financial terms of this Agreement shall as soon as practicable after but at least within seven (7) days of the receipt thereof, notify the other Party hereto, unless otherwise prohibited by law. Notwithstanding, the Parties agree that the Office of the United States Trustee for the District of Delaware and Omtammot LLC may receive a copy of the unredacted Settlement Agreement. Notice shall be given to Deshotels as follows:

Womble Carlyle Sandridge & Rice, LLP
Ericka F. Johnson, Esq.
222 Delaware Ave., Suite 1501
Wilmington, DE
(302) 252-4337
erjohnson@wcsr.com
Counsel for Deshotels

Notice shall be given to the Plaintiff as follows:

Norman L. Pernick, Esq. as Chapter 11 Trustee of Industrial Enterprises of America, Inc.
Cole Schotz P.C.
Patrick Reilley, Esq.
500 Delaware Avenue, Suite 1410
Wilmington, DE 19801
(302) 652-3131
preilley@coleschotz.com

Bragar Egel & Squire P.C.
Raymond A. Bragar
885 Third Avenue, Suite 3040
New York, NY 10022
(212) 308-5858
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Kirby McInerney, LLP
Peter Linden, Esq.
825 Third Avenue, 16th Floor
New York, NY 10022
Tel: (212) 371-6600
plinden@kmlp.com
Counsel for the Chapter 11 Trustee

6. NO ADMISSION OF LIABILITY

This Agreement and the releases herein effect the settlement of claims that are denied and contested. Nothing contained herein shall be construed as an admission by any Party of any liability of any kind to the other Party. Each Party expressly denies that it is in any way liable or indebted to the other Party.

7. REPRESENTATION BY EXPERIENCED LEGAL COUNSEL

Each Party acknowledges to the other Party that it has been represented by experienced legal counsel of its own choice throughout all of the proceedings and negotiations that preceded the execution of this Agreement, and that it has executed this Agreement with the advice of such legal counsel. Each Party further acknowledges that it and its counsel have had adequate opportunity to make whatever investigation or inquiry they may deem necessary or desirable in connection with the subject matter of this Agreement prior to the execution hereof and the delivery and acceptance of the consideration specified herein.

8. COUNTERPARTS

This Agreement may be executed in counterparts and electronically which, taken together, shall constitute one and the same agreement.

9. MERGER CLAUSE

This Agreement constitutes the entire Agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations, representations and

agreement, whether written or oral. This Agreement may not be altered or amended except by an instrument in writing executed by an authorized representative of each of the Parties hereto.

10. BINDING EFFECT


The Parties agree that this Agreement shall extend to and be binding upon the Parties and their respective successors-in-interest, assigns, subsidiaries, parent companies, associated and affiliated entities, joint venturers, partners, directors, officers, shareholders, agent, employees and attorneys when it is approved by the Bankruptcy Court.

11. AUTHORIZATION

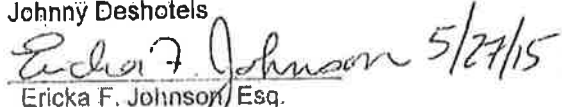
Each Party represents and warrants to the other Party as follows: (i) it has the authority to enter into this Agreement, and no further approval or consent is required except the approvals required pursuant to the Bankruptcy Code; (ii) the individual executing this Agreement on its behalf is authorized to do so; (iii) this is a binding agreement, enforceable in accordance with the Agreement's terms; and (iv) it has not transferred or conveyed any of the rights that are the subject of the releases contained in this Agreement.

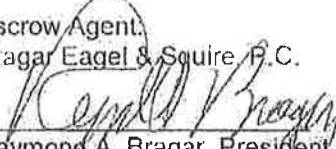
IN WITNESS WHEREOF, the Parties hereto have executed this Settlement Agreement and Mutual Release as of May 25, 2015

Trustee


Norman L. Pernick

Johnny Deshotels

 5/27/15
Ericka F. Johnson Esq.
Counsel for Johnny Deshotels

Escrow Agent.
Bragar, Eagel & Squire, P.C.

Raymond A. Bragar, President