

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

-----X	X	
In re	:	Chapter 11
	:	
WP Steel Venture LLC, <u>et al.</u> , ¹	:	Case No. 12-11661 (KJC)
	:	
Debtors.	:	(Jointly Administered)
	:	Hearing Date: Dec. 19, 2012 at 10:00 a.m. (ET)
-----X	X	Objections Due: Dec. 12, 2012 at 4:00 p.m. (ET)

**DEBTORS' MOTION FOR AN ORDER, PURSUANT TO 11 U.S.C.
§ 105(A) AND BANKRUPTCY RULE 9019, AUTHORIZING THE DEBTORS
TO ENTER INTO THE SETTLEMENT AGREEMENT BY AND AMONG RCC
FABRICATORS, INC., RG STEEL WHEELING, LLC AND FALPEG CAPITAL, LLC**

The debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) hereby move (the “**Motion**”) for entry of an order, pursuant rule 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and section 105(a) of title 11 of chapter 11 of the United States Code (the “**Bankruptcy Code**”), authorizing the Debtors to enter into the Settlement Agreement (the “**Settlement Agreement**”)² by and among RCC Fabricators, Inc. (“**RCC**”), RG Steel Wheeling, LLC, a/k/a Wheeling Corrugating Company (“**WC**”), and Falpeg Capital, LLC, d/b/a Gooder-Henrichsen Company (“**GH**”) annexed as Exhibit 1 to the proposed form of order attached hereto as Exhibit A. In support of this Motion, the Debtors, by and through their undersigned co-counsel, respectfully represent as follows:

¹ If applicable, the last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) WP Steel Venture LLC (7095); (ii) Metal Centers LLC; (iii) RG Steel, LLC (1806); (iv) RG Steel Railroad Holding, LLC (4154); (v) RG Steel Sparrows Point, LLC (3633); (vi) RG Steel Warren, LLC (0253); (vii) RG Steel Wheeling, LLC (3273); and (viii) RG Steel Wheeling Steel Group, LLC (9927). The Debtors’ executive headquarters are located at 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Settlement Agreement.



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JURISDICTION

1. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicate for the relief requested herein is section 105(a) of the Bankruptcy Code, as supplemented by Bankruptcy Rule 9019.

GENERAL BACKGROUND

A. General

2. On May 31, 2012 (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

3. The Debtors are continuing in the possession of their respective properties and the management of their respective businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. By order dated June 1, 2012, these chapter 11 cases were consolidated for procedural purposes.

4. On June 12, 2012, the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Committee**”).

B. Matters Resolved by the Settlement Agreement

5. RCC is a steel fabricator currently engaged in the construction of a parking garage for the Township of Toms River located at 33 Washington Street, Toms River, NJ 08753 (the “**Toms River Project**”). Prior to the Petition Date, RCC purchased steel joists and steel decking from WC for use in the Toms River Project. WC sourced the steel joists from GH. These transactions, as of the Petition Date, resulted in two outstanding invoices. RCC owed a total of \$153,470.27 to WC for the steel joists and steel decking (the “**WC Receivable**”),

and Wheeling owed \$115,230.00 to GH for the steel joists (the “**GH Receivable**,” and together with the WC Receivable, the “**Receivables**”).

6. Following the Petition Date, RCC became concerned about GH’s potential ability to assert a lien on the Toms River Project for non-payment for the steel joists, and refused to pay the full amount of the WC Receivable to WC, because WC indicated that it might need Court authority to satisfy the prepetition GH Receivable. Instead, RCC proposed to pay WC the difference between the Receivables, and pay the GH Receivable directly to GH. However, WC expressed concerns over the propriety of RCC’s proposal given applicable provisions of the Bankruptcy Code.

7. On June 22, 2012, in an effort to collect the GH Receivable, GH served notice on the Township of Toms River and Hall Building, Corp. (“**Hall**”), the contractor for the Toms River Project, that GH claimed a lien on any money, bonds or warrants due or to become due to Hall on account of the unpaid GH Receivable (the “**GH Lien**”).

8. The Parties desire to settle the outstanding receivables related to the Toms River Project and to remove the lien encumbering the property. As described below, under New Jersey law, because the Toms River Project is a public project, to the extent the Debtors are obligated to remit a portion of the WC Receivable to GH to satisfy the GH Receivable, such portion is held in trust by WC upon receipt, and therefore is not property of the Debtors’ bankruptcy estates. For this reason, the Debtors submit that the Court should authorize the Debtors to enter into the Settlement Agreement which allows the estates to promptly collect the difference between the Receivables, and authorize RCC to pay GH directly the amount it is owed, less a \$13,096.50 credit to RCC as reimbursement for costs and fees incurred by reason of the GH Lien.

THE SETTLEMENT AGREEMENT

9. The terms of the resolution between the Parties are embodied in the Settlement Agreement, the material terms of which are described below:³

- (a) On the date of entry of an order approving this Settlement Agreement pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure by the Bankruptcy Court (the “**Effective Date**”), WC shall be authorized to accept \$38,240.27 in satisfaction of the full amount of the WC Receivable, which amount is the difference between the WC Receivable and the GH Receivable.
- (b) Within five (5) business days after the Effective Date, RCC shall pay to the Debtors the total amount of \$38,240.27 (the “**WC Settlement Amount**”) via check made out to a payee designated by WC and sent to a location designated by WC.
- (c) Within seven (7) business days after the Effective Date, RCC shall pay to GH the total amount of \$102,133.50 (the “**GH Settlement Amount**”) via check made out to a payee designated by GH and sent to a location designated by GH.
- (d) Upon payment of the WC Settlement Amount and the GH Settlement Amount, RCC shall be entitled to retain \$13,096.50 from the GH Receivable as its own funds free and clear of any lien or duty to hold the same in trust for WC or GH.
- (e) Within two (2) business days after the receipt of the GH Settlement Amount, GH shall take any reasonable action necessary or requested by RCC to release the GH Lien from the Toms River Project and execute any document reasonably requested by RCC to evidence completion of and full payment for the work GH performed on the Toms River Project.
- (f) Subject to the Effective Date, and the receipt of the payments contemplate by the Settlement Agreement, the parties have also agreed to provide mutual releases for any causes of action arising out of or based upon the Receivables.

³ The summary of the Settlement Agreement is qualified in its entirety by the Settlement Agreement. If there are any inconsistencies between the summary contained herein and the Settlement Agreement, the Settlement Agreement shall control. Capitalized terms used but not defined in this Motion have the meanings ascribed to such terms in the Settlement Agreement.

10. The net effect of the Settlement Agreement is to allow the Debtors to realize the \$38,240.27 which is due to the estates. Without the Settlement Agreement, and its assurances that the GH Lien will be removed upon payment, RCC has refused to pay the money it owes to the Debtors. The Debtors believe that if RCC paid the full amount of the WC Receivable directly to WC, the Debtors would then hold the GH Receivable in trust in accordance with applicable law and be permitted to turn such funds over to GH. However, out of an abundance of caution, the Parties have entered into the Settlement Agreement and the Debtors request Court authorization to enter into the Settlement Agreement.

RELIEF REQUESTED

11. By this Motion, the Debtors request entry of an order, in substantially the form annexed hereto as Exhibit A authorizing and approving the Settlement Agreement, pursuant to section 105(a) of the Bankruptcy Code, as supplemented by Bankruptcy Rule 9019.

BASIS FOR RELIEF REQUESTED

A. The Settlement Agreement Should be Approved Pursuant to Bankruptcy Rule 9019(a) and Bankruptcy Code Section 105(a)

12. The relief requested herein is authorized by section 105 of the Bankruptcy Code and Bankruptcy Rule 9019. Section 105(a) of the Bankruptcy Code provides that “[t]he court may issue any order . . . that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105.

13. Bankruptcy Rule 9019 provides, in pertinent part, that, “on motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” Fed. R. Bankr. P. 9019. Under this authority, the Third Circuit has emphasized that “[t]o minimize litigation and expedite the administration of a bankruptcy estate ‘compromises are favored in bankruptcy.’” *Meyers v. Martin (In re Martin)*, 91 F.3d 389, 393 (3d Cir. 1996) (quoting 9

Collier on Bankruptcy ¶ 9019.03[1] (15th ed. 1993)); see also In re World Health Alternatives, Inc., 344 B.R. 291, 296 (Bankr. D. Del. 2006) (finding settlements “generally favored in bankruptcy”); In re Culmtech, Ltd., 118 B.R. 237, 238 (Bankr. M.D. Pa. 1990) (observing that “compromises are favored in bankruptcy and . . . much of litigation in bankruptcy estates results in settlements”). In addition, the District of Delaware has recognized that the approval of a proposed compromise and settlement is committed to the sound discretion of the bankruptcy court. See In re Louise’s, Inc., 211 B.R. 798, 801 (D. Del. 1997).

14. The Third Circuit has enumerated four factors that should be considered in determining whether a settlement should be approved. The four enumerated factors are: “(1) the probability of success in litigation; (2) the likely difficulties in collection; (3) the complexity of the litigation involved and the expense, inconvenience and delay necessarily attending it; and (4) the paramount interest of the creditors.” In re Martin, 91 F.3d at 393 ; accord Will v. Northwestern Univ. (In re Nutraquest, Inc.), 434 F.3d 639, 644 (3d Cir. 2006).

15. Here, consideration of the relevant Martin factors weigh in favor of approval of the Settlement Agreement. As described above, the net effect of the Settlement Agreement is to allow the Debtors to collect funds owed to the estates that the Debtors have been unable to collect thus far, because RCC has withheld payment pending resolution of the GH Lien and the remittance of funds owed to GH. In discussions related to negotiating the Settlement Agreement, RCC also asserted that WC may have an obligation to indemnify RCC for any losses suffered as a result of non-payment by WC to GH. Therefore, not only does the Settlement Agreement ease the collection of amounts owing to the Debtors, but entering into the Settlement Agreement is beneficial to the Debtors’ estates (and in the best interests of all creditors), because

it provides for the release of the GH lien, and requires both RCC and GH to release the Debtors from any liability associated with the Toms River Project.

16. Even though the Debtors are agreeing to settle the WC receivable for less than the full amount, the Debtors submit that they are not relinquishing property of the Debtors' bankruptcy estates. Pursuant to the Settlement Agreement, the Debtors will receive the exact amount of the difference between the WC receivable and the amount owed to GH. Any portion of the WC Receivable that is due to GH should be considered in light of New Jersey's Construction Trust Fund Act, N.J.S.A. 2A:44-148, et. seq., which provides for a trust to be imposed on public project proceeds to ensure that all contractors receive payment for work performed in connection with public improvements.⁴ The trust imposed by the Construction Trust Fund Act on the funds continues to follow those funds throughout the contractual chain and beyond it to any recipient of those funds, at least with respect to those who have knowledge that the source of those funds is a public project. See Reliance Ins. Co. v. The Lott Group, Inc., 851 A.2d 766, 772-74 (N.J. Super. Ct. App. Div. 2004). Accordingly, until the funds due to GH for the supply of steel joists used in the Toms River Project are properly disbursed, both RCC and WC have an obligation to hold these funds in trust for the benefit of GH — who supplied materials to the public project. For that reason, even if RCC paid the entire amount of the WC receivable to WC, the GH Receivable would be held in trust for GH, and never become property of the Debtors' estates.

⁴ Specifically, N.J.S.A. 2A:44-148 provides: "All money paid by the state of New Jersey or by any agency, commission or department thereof, or by any county, municipality or school district in the state, to any person pursuant to the provisions of any contract for any public improvement made between any such person and the state or any agency, commission or department thereof, or any county, municipality or school district in the state, shall constitute a trust fund in the hands of such person as such contractor, until all claims for labor, materials and other charges incurred in connection with the performance of such contract have been fully paid."

17. Finally, the Debtors have previewed the proposed approach to the Receivables with counsel to the agent for the Debtors' prepetition and postpetition secured lenders, counsel to the agent for the Debtors' prepetition junior secured lenders, and counsel to the Committee, and all were supportive of the proposed terms of the Settlement Agreement.

18. For the foregoing reasons, the Debtors submit that the Settlement Agreement should be approved pursuant to Bankruptcy Rule 9019.

NOTICE

19. Notice of this Motion will be given to: (a) counsel to RCC; (b) counsel to GH; (c) the U.S. Trustee; (d) counsel to the Committee; (e) counsel to the agents for the Debtors' prepetition and postpetition senior secured lenders; (f) counsel to the agent for the Debtors' prepetition junior secured lenders; (g) counsel to The Renco Group, Inc., a secured noteholder; and (h) those parties requesting service in these cases pursuant to Bankruptcy Rule 2002. The Debtors submit that, under the circumstances, no other or further notice is required.

20. No previous motion for the relief sought herein has been made to this or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit A, authorizing and approving the Debtors' entry into the Settlement Agreement and the terms of the Settlement Agreement pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019 and granting such other and further relief as is just and proper.

Dated: Wilmington, Delaware
November 21, 2012

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Erin R. Fay

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*Co-Counsel to the Debtors and
Debtors in Possession*

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

In re)	Chapter 11
)	
WP Steel Venture LLC, et al., ¹)	Case No. 12-11661 (KJC)
)	
Debtors.)	(Jointly Administered)
)	
)	
)	Hearing Date: December 19, 2012 at 10:00 a.m. (ET)
)	
)	Objections Due: December 12, 2012 at 4:00 p.m. (ET)
)	

**NOTICE OF DEBTORS' MOTION FOR AN ORDER, PURSUANT TO 11 U.S.C.
§ 105(A) AND BANKRUPTCY RULE 9019, AUTHORIZING THE DEBTORS
TO ENTER INTO THE SETTLEMENT AGREEMENT BY AND AMONG RCC
FABRICATORS, INC., RG STEEL WHEELING, LLC AND FALPEG CAPITAL, LLC**

PLEASE TAKE NOTICE that the debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned cases, have today filed the attached **Debtors’ Motion for an Order, Pursuant to 11 U.S.C. § 105(a) and Bankruptcy Rule 9019, Authorizing the Debtors to Enter into the Settlement Agreement by and Among RCC Fabricators, Inc., RG Steel Wheeling, LLC and Falpeg Capital, LLC** (“Motion”).

PLEASE TAKE FURTHER NOTICE that any party wishing to oppose the entry of an order approving the Motion must file a response or objection (“Objection”) if any, to the Motion with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 on or before **December 12, 2012 at 4:00 p.m. (Eastern Time)** (the “Objection Deadline”).

At the same time, you must serve such Objection on counsel for the Debtors so as to be received by the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE MOTION WILL BE HELD ON **DECEMBER 19, 2012 AT 2:00 P.M. (EASTERN TIME)** BEFORE THE HONORABLE KEVIN J. CAREY AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 5TH FLOOR,

¹ If applicable, the last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) WP Steel Venture LLC (7095); (ii) Metal Centers LLC; (iii) RG Steel, LLC (1806); (iv) RG Steel Railroad Holding, LLC (4154); (v) RG Steel Sparrows Point, LLC (3633); (vi) RG Steel Warren, LLC (0253); (vii) RG Steel Wheeling, LLC (3273); and (viii) RG Steel Wheeling Steel Group, LLC (9927). The Debtors’ executive headquarters’ address is 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219.

COURTROOM #5, WILMINGTON, DELAWARE 19801. ONLY PARTIES WHO HAVE FILED A TIMELY OBJECTION WILL BE HEARD AT THE HEARING.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: November 21, 2012
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Erin R. Fay

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*Co-Counsel to the Debtors and
Debtors in Possession*

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EXHIBIT A

Proposed Form of Order

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

In re	X	
	:	Chapter 11
	:	
WP Steel Venture LLC, <u>et al.</u> , ¹	:	Case No. 12-11661 (KJC)
	:	
Debtors.	:	(Jointly Administered)
	X	Re: D.I. _____

**ORDER, PURSUANT TO 11 U.S.C. § 105(A) AND BANKRUPTCY RULE 9019,
AUTHORIZING THE DEBTORS TO ENTER INTO THE SETTLEMENT
AGREEMENT BY AND AMONG RCC FABRICATORS, INC., RG STEEL
WHEELING, LLC AND FALPEG CAPITAL, LLC**

Upon the motion (the “**Motion**”)² of the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) for entry of an order, pursuant rule 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and section 105(a) of title 11 of chapter 11 of the United States Code (the “**Bankruptcy Code**”), authorizing the Debtors to enter into the Settlement Agreement (the “**Settlement Agreement**”) by and among RCC Fabricators, Inc. (“**RCC**”), RG Steel Wheeling, LLC, a/k/a Wheeling Corrugating Company (“**WC**”), and Falpeg Capital, LLC, d/b/a Gooder-Henrichsen Company (“**GH**”) attached hereto as Exhibit 1; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and it appearing that the Settlement Agreement has been negotiated, proposed and has been or will be entered into by the parties without collusion, in good faith and from arm’s length bargaining positions; and it appearing that the relief requested by this

¹ If applicable, the last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) WP Steel Venture LLC (7095); (ii) Metal Centers LLC; (iii) RG Steel, LLC (1806); (iv) RG Steel Railroad Holding, LLC (4154); (v) RG Steel Sparrows Point, LLC (3633); (vi) RG Steel Warren, LLC (0253); (vii) RG Steel Wheeling, LLC (3273); and (viii) RG Steel Wheeling Steel Group, LLC (9927). The Debtors’ executive headquarters are located at 1430 Sparrows Point Boulevard, Sparrows Point, MD 21219.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion or the Settlement Agreement, as applicable.

Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby;

ORDERED, ADJUDGED AND DECREED that:

1. The Motion is granted.
2. Pursuant to Bankruptcy Rule 9019 and section 105(a) of the Bankruptcy Code, the Settlement Agreement is approved, and the terms, conditions and provisions of the Settlement Agreement are incorporated in this Order by reference as if fully set forth herein.
3. The Settlement Agreement shall be binding upon the parties thereto and their respective successors and assigns (including any trustee appointed under chapter 7 or chapter 11 of the Bankruptcy Code for the estates of the Debtors) and inure to the benefit of the parties thereto and their respective successors and assigns.
4. Upon payment of the WC Settlement Amount and the GH Settlement Amount the GH Lien shall be deemed released from the Toms River Project, and no further action shall be required from any of the Parties to release such lien.
5. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of the Settlement Agreement and this Order.

Dated: Wilmington, Delaware
_____, 2012

THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Settlement Agreement

SETTLEMENT AGREEMENT

THIS AGREEMENT, effective November __, 2012, is entered into by and among RCC Fabricators, Inc., a New Jersey Corporation having its principal place of business at 75-77 Grove Street, Paterson, NJ 07503 ("**RCC**"), RG Steel Wheeling, LLC, a Delaware limited liability company, a/k/a Wheeling Corrugating Company, having its principal place of business at 1134 Market Street, Wheeling, WV 26003 ("**WC**"), and Falpeg Capital, LLC, an Illinois limited liability company, d/b/a Gooder-Henrichsen Company, having its principal place of business at 2900 State Street, Chicago Heights, IL 60411 ("**GH**") (each, a "**Party**" and, collectively, the "**Parties**").

RECITALS

WHEREAS, on May 31, 2012 (the "**Petition Date**"), WC and its affiliated debtors and debtors in possession (collectively, the "**Debtors**") each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**"), and commenced chapter 11 cases which are being jointly administered under the case captioned In re WP Steel Venture, LLC, et al., Case No. 12-11661 (KJC) (the "**Bankruptcy Cases**");

WHEREAS, RCC is a steel fabricator for structural steel for buildings, specialty railings, stairs, walkways, sign structures, and equipment design and manufacture, and is currently engaged in the construction of a parking garage for the Township of Toms River located at 33 Washington Street, Toms River, NJ 08753 (the "**Toms River Project**");

WHEREAS, prior to the Petition Date, RCC purchased steel joists and steel decking from WC for use in the Toms River Project;

WHEREAS, the steel joists delivered to RCC were purchased by WC from GH;

WHEREAS, as of the Petition Date, RCC owed a total of \$153,470.27 to WC for the steel joists and steel decking (the "**WC Receivable**"), and WC owed \$115,230.00 to GH for the steel joists (the "**GH Receivable**," and together with the WC Receivable, the "**Receivables**");

WHEREAS, on June 22, 2012, GH served notice on the Township of Toms River and Hall Building, Corp., the contractor for the Toms River Project, that it claimed a lien on any money, bonds or warrants due or to become due to Hall on account of the unpaid GH Receivable (the "**GH Lien**");

WHEREAS, RCC has refused to submit payment of the WC Receivable in full directly to WC, because WC has informed RCC that it may not be permitted to pay the GH Receivable absent an order of the Bankruptcy Court;

WHEREAS, the Parties desire to settle the outstanding Receivables relating to the Toms River Project, and to remove the lien encumbering such property, on the terms set forth herein.

NOW THEREFORE, in return for the mutual consideration and promises set forth herein, the Parties hereby agree as follows:

I. OBLIGATIONS OF THE PARTIES

A. On the date of entry of an order approving this Settlement Agreement pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure by the Bankruptcy Court (the "**Effective Date**"), WC shall be authorized to accept \$38,240.27 in satisfaction of the full amount of the WC Receivable, which amount is the difference between the WC Receivable and the GH Receivable.

B. Within five (5) business days after the Effective Date, RCC shall pay to the Debtors the total amount of \$38,240.27 (the "**WC Settlement Amount**") via check made out to a payee designated by WC and sent to a location designated by WC.

C. Within seven (7) business days after the Effective Date, RCC shall pay to GH the total amount of \$102,133.50 (the "**GH Settlement Amount**") via check made out to a payee designated by GH and sent to a location designated by GH.

D. Upon payment of the WC Settlement Amount and the GH Settlement Amount, RCC shall be entitled to retain \$13,096.50 from the GH Receivable as its own funds free and clear of any lien or duty to hold the same in trust for WC or GH.

E. Within two (2) business days after the receipt of the GH Settlement Amount, GH shall take any reasonable action necessary or requested by RCC to release the GH Lien from the Toms River Project and execute any document reasonably requested by RCC to evidence completion of and full payment for the work GH performed on the Toms River Project.

II. RELEASES

A. Subject to occurrence of the Effective Date and its retention of \$13,096.50 from the GH Receivable, RCC, for itself, its successors and assigns, hereby releases and forever discharges each of the Debtors and GH, their past and present directors, officers, employees, successors, assigns, agents, attorneys, representatives, parents, subsidiaries, affiliates, and other transferees (each, in its capacity as such) from any and all promises, causes of action, liens, claims, and demands whatsoever in law or in equity, that directly or indirectly concern, relate to, arise from, are based upon, or are claimed to arise out of or be based upon the Receivables.

B. Subject to receipt of the GH Settlement Amount, GH, for itself, its successors and assigns, hereby releases and forever discharges each of the Debtors and RCC, their past and present directors, officers, employees, successors, assigns, agents, attorneys, representatives, parents, subsidiaries, affiliates, and other transferees (each, in its capacity as such) from any and all promises, causes of action, liens, claims, and demands whatsoever in law or in equity, that directly or indirectly concern, relate to, arise from, are based upon, or are claimed to arise out of or be based upon the Receivables.

C. Subject to receipt of the WC Settlement Amount, and GH's receipt of the GH Settlement Amount, the Debtors, each for itself, its successors and assigns, hereby releases and

forever discharges RCC and GH, and each of their past and present directors, officers, employees, successors, assigns, agents, attorneys, representatives, parents, subsidiaries, affiliates, and other transferees (each, in its capacity as such) from any and all promises, causes of action, liens, claims, and demands whatsoever in law or in equity, that directly or indirectly concern, relate to, arise from, are based upon, or are claimed to arise out of or be based upon the Receivables.

III. MISCELLANEOUS PROVISIONS

A. Choice of Law

This Settlement Agreement, including all matters of construction, validity, and performance, shall be governed by and construed and enforced in accordance with the laws of the State of New Jersey, without regard to its conflict of law rules. The Parties hereto waive any objection on the basis of personal jurisdiction, improper venue or forum non conveniens for any action brought between the Parties to enforce this Settlement Agreement in the state and federal courts sitting Delaware, and each of the Parties hereby agrees and submits itself to the jurisdiction and venue of such courts for such purpose. For the avoidance of doubt, during the pendency of the Bankruptcy Cases, the Bankruptcy Court shall retain exclusive jurisdiction over any action brought by any of the Parties related to or arising from this Settlement Agreement.

B. Integration

This instrument contains the entire and only agreement between the Parties and supersedes all preexisting agreements between them respecting the invoices, purchase orders, or letter agreements supporting the Receivables. Any representation, promise, or condition in connection with such subject matter that is not incorporated in this Settlement Agreement shall not be binding on any Party. No modification, renewal, extension, or waiver, and no termination of this Settlement Agreement or any of its provisions, shall be binding on the Party against whom enforcement of such modification, renewal, extension, waiver, or termination is sought, unless made in writing and signed on behalf of such Party by an authorized signatory.

C. Counterparts

This Settlement Agreement may be executed in counterpart, and facsimile or photocopy signatures shall be deemed to have the same effect as originals.

D. Authority

This Settlement Agreement is subject to and shall be effective upon approval by the Bankruptcy Court presiding over the Debtors' pending bankruptcy cases. RCC shall not be obligated to pay the WC Settlement Amount or the GH Settlement Amount unless and until the Bankruptcy Court approves this Settlement Agreement. In the event that the Bankruptcy Court does not approve this Settlement Agreement or a court of competent jurisdiction enters a final non-appealable order denying approval of this Settlement Agreement, (i) nothing contained herein shall be deemed to be a waiver of any claims or an admission of liability by any Party hereto, and (ii) this Settlement Agreement shall be null and void, and all rights of the Parties prior to this Settlement Agreement shall be preserved.

Subject to approval of the Bankruptcy Court, the Parties represent that they have the authority to execute this Settlement Agreement and grant the rights herein granted. Signatories hereto are duly authorized to execute this Settlement Agreement.

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed in duplicate originals by its duly authorized officers or representatives.

Falpeg Capital, LLC,
d/b/a Gooder-Henrichsen Company

By: _____

David P. Holtkamp
THE LAW OFFICE OF WILLIAM J. FACTOR,
LTD.
105 W. Madison, Suite 1500
Chicago, IL 60602

Dated: _____

RG Steel Wheeling, LLC,
a/k/a Wheeling Corrugating Company

By: Shaunna Jones

Shaunna D. Jones

Willkie Farr & Gallagher LLP
787 7th Avenue
New York, NY 10019

Counsel for RG Steel Wheeling, LLC

Dated: _____

RCC Fabricators, Inc.

By: _____

Philip W. Allogrimento III

Connell Foley, LLP
85 Livingston Avenue
Roseland, New Jersey 07068

Counsel for RCC Fabricators, Inc.

Dated: _____

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed in duplicate originals by its duly authorized officers or representatives.

Falpeg Capital, LLC,
d/b/a Gooder-Henrichsen Company

RG Steel Wheeling, LLC,
a/k/a Wheeling Corrugating Company

By: _____

David P. Holtkamp
THE LAW OFFICE OF WILLIAM J. FACTOR,
LTD.
105 W. Madison, Suite 1500
Chicago, IL 60602

Dated: _____

By: _____

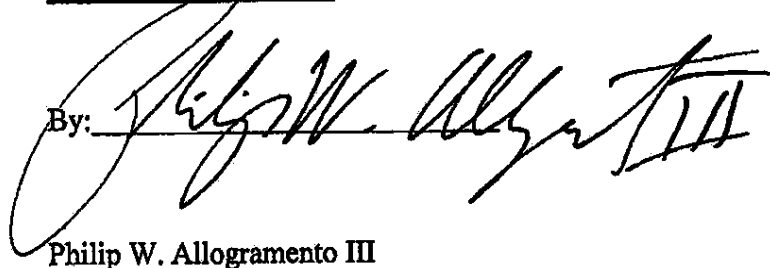
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