FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1994-08-25** | Period of Report: **1994-05-31**
SEC Accession No. 0000950152-94-000875

FILER

SUDBURY INC

CIK:**811801**| IRS No.: **341546292** | State of Incorp.:**DE** | Fiscal Year End: **0531**
Type: **10-K** | Act: **34** | File No.: **001-10023** | Film No.: **94545958**
SIC: **3360** Nonferrous foundries (castings)

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended May 31, 1994	Commission File No. 1-10023

SUDBURY, INC.

A Delaware Corporation	IRS Employer Identification No. 34-1546292

30100 CHAGRIN BOULEVARD - SUITE 203
CLEVELAND, OHIO 44124
TELEPHONE (216) 464-7026

Securities registered pursuant to Section 12(b) of the Act:
Title of each class
None

Securities registered pursuant to Section 12(g) of the Act:
Title of each class
Common Stock, par value $.01
$10,000,000 8 3/5% Senior Subordinated Pay-In-Kind Notes due 1997

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. YES X NO

As of August 9, 1994, 9,953,738 shares were outstanding. The aggregate market value of the voting stock held by non-affiliates of the registrant at August 9, 1994 was $64,759,910.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Annual Report to Stockholders for the fiscal year ended May 31, 1994 are deemed incorporated by reference in Parts II and IV of this Form 10-K. Portions of the Registrant's Proxy Statement for the Annual Meeting of Stockholders to be held October 13, 1994 are deemed to be incorporated by reference in Part III of this Form 10-K.

PART I

ITEM 1. BUSINESS

GENERAL INFORMATION

Sudbury, Inc. (the "Company") operates through its subsidiaries, which are engaged in the manufacture and sale of a broad range of industrial products, including metal products, coating applications, cranes and truck bodies, lubricant and chemical storage and processing and precision machined components.

The Company was formed in 1987 in the corporate reorganization of Sudbury Holdings, Inc. and its then 80% owned subsidiary, Western Capital

Corporation ("Western"), to be the common parent of those companies (the "1987 Reorganization"). Sudbury Holdings, Inc. was created in August 1983 as a result of a corporate reorganization in bankruptcy of American Beef Packers, Inc., a publicly held company and its then wholly-owned subsidiary, Western.

Through fiscal 1988, the Company pursued a strategy, on its own and through Western, of acquiring privately held companies. From 1983 through January 1988, Sudbury Holdings (or a subsidiary) purchased 30 companies at an aggregate cost of approximately $193 million. The acquisitions were financed through a combination of secured bank borrowings, subordinated borrowings, seller financing in the form of subordinated seller notes and the issuance of common stock and preferred stock.

In late 1990, as a result of the Company's highly leveraged condition arising from the aforementioned acquisitions and recessionary economic conditions which began to effect the Company's performance, the Company was unable to meet its debt repayment obligations. To remedy its poor financial condition, on January 10, 1992 the Company filed a petition (relating to the Company only and not to its operating subsidiaries) under Chapter 11 of the United States Bankruptcy Code.

The Company was able to exit bankruptcy in less than eight months as its amended Plan of Reorganization (the "Plan") was confirmed by the Bankruptcy Court by Order dated August 18, 1992 and became effective on September 1, 1992 (the "Effective Date"). Distributions under the Plan commenced on October 15, 1992.

The Plan implemented a restructuring of the Company by providing for a new amortization schedule for the repayment of the indebtedness owed to its secured lender banks and a significant reduction of the Company's indebtedness to subordinated debtholders and certain other unsecured creditors through the conversion of debt into equity of the restructured Company.

In order to repay the indebtedness owed to the secured lender banks as provided by the Plan, the Company implemented a business plan with an asset disposition program involving the sale of a substantial number of its subsidiaries which sales generated aggregate net cash proceeds of approximately $37.6 million during fiscal years 1993 and 1994.

In May 1993, the Company successfully completed the refinancing of its existing bank debt by obtaining a three-year asset based $48,000,000 Credit Facility ("Credit Facility") with a new secured lender group. This new Credit Facility allowed the Company to retain six core businesses and cease the previous asset sale process except for the Company's 35% investment in General Products Delaware Corporation which is included in net assets of businesses held for sale.

PRODUCTS, MARKETS AND SALES

The Company has one business segment--the manufacture of industrial products. Ongoing operations in this segment include six businesses which are described below.

The Company's largest group of products consists of products and services sold to the automotive industry which are principally produced by the Company's Wagner Castings Company ("Wagner") and Industrial Powder Coatings, Inc. ("IPC") subsidiaries. Sales to the automotive industry represented 59%, 56% and 49% of the Company's total sales from ongoing operations for the fiscal years ended 1994, 1993 and 1992, respectively.

Wagner is the Company's largest automotive supplier and produces ductile and malleable iron castings. Wagner sells its products both domestically and in Europe, and is known as a producer of engineered critical safety castings in the automotive industry. Wagner's product line includes items such as steering knuckles, suspension parts and transmission components. Wagner's castings range in size from small pieces weighing less than one pound to castings weighing up to 40 pounds.

Ductile iron castings represent approximately 80% of Wagner's product line, with the balance being malleable iron castings. Ductile iron has similar properties to that of malleable iron, however, ductile is less costly as all malleable iron requires the additional process of heat treatment. As a result of this cost differential, malleable iron is not viewed as an area of growth opportunity in the future, but continues to be preferred by some customers on certain products due to its machinability.

IPC serves the automotive industry through the application of coatings to metal parts, components and finished products. With nine powder coating lines, the Company believes that IPC is one of the largest independent powder coating job shops in the United States. IPC also has the capability of cathodic electro-coating of parts with two lines dedicated to that process. Powder coatings are utilized to enhance appearance and improve corrosion protection to parts. As powder coating utilizes a dry paint process, it has advantages over liquid painting processes which have certain environmental issues surrounding the use of solvents and the generation of air emissions. IPC has recently undertaken to expand its powder coating technology and customer base through the construction of a new leased facility which will be equipped with approximately $4 million in equipment to powder coat steel blanks under a seven year contract (subject to certain conditions) with a home appliance manufacturer. This blank coating line will be one of the first of its kind in the United States and will be dedicated to coating flat appliance blanks before, rather than after, the forming process and will be capable of running at much higher line speeds than a typical monorail powder coating line. This line is expected to be in production by early fiscal 1996.

The Company's Iowa Mold Tooling Co., Inc. ("IMT") subsidiary designs and manufactures hydraulic articulating and telescoping truck-mounted cranes, tire handling equipment, air compressors, and service bodies including lubrication, field service, utility and tire service bodies. IMT services, both domestically and internationally, the following industries: construction, utilities, tire service, railroad, forestry and municipalities.

The Company's remaining products come from its three smallest businesses: Frisby P.M.C. Incorporated ("Frisby"), South Coast Terminals, Inc. ("South Coast") and Cast-Matic Corporation ("Cast-Matic"). Frisby is a high-volume precision machining operation which principally produces small diameter shafts, spindles and spindle assemblies for the electric motor, electric hand tool and automotive fuel injection markets. South Coast provides value-added product related services (bulk liquid storage, chemical and lubricant toll processing, packaging, warehousing and distribution) to the oil and chemical industries. South Coast's products and services are sold to selected niche markets where major oil companies are not the dominant competitors. Cast-Matic manufactures aluminum and zinc die castings which are utilized in a variety of different industries including gas regulation, appliance, hardware and automotive.

CYCLICALITY AND SEASONALITY

As a result of the Company's heavy dependence on the automotive industry, there is cyclicality and seasonality in the Company's sales and profits. The cyclicality of this industry affects the Company's sales and profits during periods of slow economic growth or recession. The seasonality results in the Company typically having higher sales and operating profits in its second and fourth fiscal quarters.

RAW MATERIALS

Raw materials are purchased from a number of different sources and the loss of any particular supplier would not have a material effect on any of the Company's businesses. Scrap steel is the principal raw material utilized at Wagner in the production of ductile and malleable iron castings and is subject to price fluctuations. Commitments with most of Wagner's major customers allow Wagner to pass on the majority of increases or decreases in the cost of scrap steel to these customers, however, these adjustments are generally passed along three to six months subsequent to the time the change occurs.

WORKING CAPITAL

As a result of the seasonality of certain of the Company's businesses serving the automotive market, fluctuations in working capital can be significant. Terms for sales to automotive customers are typically 30-45 days. In addition, IMT maintains large inventories due to the variety of its products and customer demands regarding lead times.

MARKETING AND COMPETITION

The Company's sales to the automotive industry, which are principally through Wagner and IPC, are primarily made through their respective in-house sales forces. In addition, Wagner's sales are often the result of its sales engineers who are capable of providing design and engineering work in the early stages of production. Companies competing in the automotive industry compete on the basis of pricing, quality, engineering and design capabilities and delivery. Due to the competitiveness of this market, it is very difficult for Wagner and IPC to improve margins through increases in the selling prices of their products.

Wagner competes with many other foundries in the castings market and also competes with other metal castings and steel forgings. As a result of an industry consolidation which has occurred over the past several years, there has been a reduction in the number of smaller foundries and an increase in the market share held by larger foundries. Some of the foundries that compete with Wagner are larger and have greater financial resources than the Company.

The competition for IPC is very fragmented with IPC being one of the larger companies in its industry. IPC competes with many smaller facilities which are located close to the ultimate customer. Due to high transportation costs relative to the cost of the powder coating, location of a coating facility close to a customer has become increasingly important. As discussed previously, IPC recently reached an agreement with a major appliance manufacturer to powder coat steel blanks. IPC's new production facility will be located in proximity to that particular customer. The Company anticipates future growth at IPC that will entail substantial capital expenditures to equip additional facilities located near strategic customers. The Company intends to fund these capital investments through cash generated from operations and funds available under its Credit Facility. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

IMT's products are marketed through its (i) in-house sales force, (ii) an organization of sales representatives and (iii) a worldwide distributor network. IMT competes against numerous competitors, both domestically and internationally, for its different products. The Company believes that IMT is one of the leading producers of articulating cranes in North America, however, it is a much smaller manufacturer in the market of truck service bodies. IMT competes in its markets on the basis of product capabilities, quality and price.

Both Frisby and Cast-Matic market their own products to a variety of customers through a combination of in-house sales forces and outside sales representatives. Competition in both their markets is based on a company's engineering and design capabilities, quality and price. In addition, competition in these markets is highly fragmented. Due to the precise nature of the products that Frisby sells, as well as the competitive pressures from newer technologies, during the next several years Frisby will be required to make capital expenditures to remain competitive. The Company intends to fund these expected capital investments from cash generated from operations and funds available under its Credit Facility. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

South Coast principally markets its products and services through its in-house sales force. South Coast serves a variety of niche markets and frequently competes against its large petro-chemical customers on in-house vs. outsource purchase decisions. Companies compete in South Coast's market based on quality, price, service and facilities.

SALES TO CERTAIN CUSTOMERS

For the fiscal years ended 1994, 1993 and 1992, sales to Ford Motor Company were approximately $34.6 million, $26.0 million and $24.0 million, respectively; and sales to Chrysler Corporation were approximately $31.5 million, $24.0 million and $22.7 million, respectively. No other customers accounted for more than 6% of sales from ongoing operations for any such period.

BACKLOG

As of May 31, 1994, the Company had an order backlog of $52.9 million, compared to $38.1 million at the end of fiscal 1993. The increase in backlog occurred primarily at Wagner and IMT due principally to economic improvements in their respective industries. Of such backlog, orders of approximately $39.8

million associated with the automotive and truck industries are subject to cancellation without compensation, as is customary in the industry.

ENVIRONMENTAL MATTERS

The Company's manufacturing facilities and production processes, like those of industrial manufacturers generally, are subject to numerous laws and regulations designed to protect the environment. Environmental requirements have become more stringent, not only with respect to emissions and wastes from ongoing operations, but also with respect to historic conditions and discontinued operations. Several of the Company's subsidiaries' current and historic business activities may give rise to cleanup requirements in the future, both with respect to on-site and off-site activities or conditions. See "Item 3 - Legal Proceedings" for a discussion of off-site environmental proceedings involving the Company's operating units. The ultimate costs of environmental compliance cannot be predicted with precision due to many uncertainties, such as whether cleanup action will be required and, if required, what cleanup measures, techniques or standards will be imposed.

EMPLOYEES

As of May 31, 1994, the Company employed 2,492 employees, of whom 1,350 were represented by unions.

ITEM 2. PROPERTIES

The Company's corporate offices are located in a leased facility in Cleveland, Ohio. The Company's operating units use a total of 15 facilities containing a total of approximately 1.50 million square feet of owned space and approximately .49 million square feet of leased space. The facilities generally include manufacturing and office space and are located in Illinois, Iowa, Kansas, Kentucky, Michigan, Ohio, Texas and Ontario, Canada. All owned properties are encumbered by mortgages.

The Company believes that all of its facilities are reasonably maintained and are generally adequate for their present purposes. Facilities are believed to be sufficient to accommodate reasonable increases in business.

ITEM 3. LEGAL PROCEEDINGS

GENERAL

As a result of the Company's Chapter 11 bankruptcy filing and subsequent Plan confirmation and discharge, much of the litigation described below has been significantly affected.

Other than ordinary routine litigation incident to its business and except as noted below, the Company is not a party to any legal proceedings material to its business or financial condition.

As a general matter, confirmation of the Company's Plan by the Bankruptcy Court precludes plaintiffs in pre-bankruptcy litigation from continuing to prosecute their claims against the Company. To the extent any such plaintiffs filed claims in the Company's bankruptcy proceeding, such claims will be determined in such bankruptcy proceeding. Under the terms of the Company's Plan, distributions on account of such claims generally will be made in the form of securities of the Company rather than in cash.

BENNETT LITIGATION

On September 16, 1985, a derivative action was filed in the United States District Court for the Northern District of Ohio by John H. Bennett, a stockholder of the Company. The complaint named directors and executive officers of the Company at the time the suit was filed as defendants and alleged that the Company was damaged in the amount of $20 million as a result of the private placement of the Company's Common Stock and sought punitive damages of $20 million from the defendants. On August 13, 1986, the plaintiff filed a motion for leave to file an amended complaint. The second amended complaint contained all of the allegations of the original complaint and also asked the Court to enjoin (a) the defendant directors and officers from exercising their options to obtain additional stock of Western and (b) defendant Western from issuing or transferring shares of its Common Stock which would "dilute the equity stock in Western held by the Company." In addition, the second amended complaint sought rescission of the purchases of the Company's Common Stock by the defendants in the private placement referred to above. On April 9, 1987, the plaintiff filed a motion seeking leave to file a third amended complaint naming certain stockholders as additional defendants and realleging the allegations of the second amended complaint and also asking the Court to enjoin the individual defendants from transferring shares of the Company's Common Stock purchased in the private placement referred to above. The Court has not ruled on this motion.

On April 24, 1987, the same stockholder who filed the foregoing action filed another lawsuit in the United States District Court for the Northern District of Ohio, which was purportedly a class action on behalf of holders of record of the Company's capital stock on the record date for the Company's Special Meeting of Stockholders at which the 1987 Reorganization was approved. The complaint named the directors and executive officers of the Company at the time the complaint was filed, the Company, Western and certain other persons as defendants. The suit sought to enjoin the consummation of the 1987 Reorganization, or, in the alternative, an award of damages if the 1987 Reorganization was consummated. The plaintiff's Motion for Preliminary Injunction, which sought to enjoin the 1987 Reorganization, was denied by the Court on May 22, 1987.

Plaintiff took no further action with respect to either lawsuit until March 1991, at which time he filed a motion to certify the 1987 case as a class action. On October 7, 1991, the Court denied the class certification motion, and no additional activity took place regarding this action prior to the filing of the Company's bankruptcy case, which filing automatically stayed the proceeding in connection with these lawsuits. On July 15, 1992, plaintiff filed a petition which sought authority from the Bankruptcy Court to pursue the derivative suit on behalf of and for the benefit of the Company. On July 29, 1992, the Bankruptcy Court denied plaintiff's petition. The Company's Plan contains provisions reserving to the Company the sole right to assert or waive any cause

of action possessed by the Company. In connection with confirmation of the Plan, the Bankruptcy Court approved the Company's request for permission to intervene and dismiss the pending derivative action described above. The Company moved to dismiss this derivative action with prejudice and, by order entered December 2, 1992, such motion was granted by the District Court. The plaintiff has appealed this dismissal to the United States Court of Appeals for the Sixth Circuit. On August 11, 1994, oral arguments were heard in this case. No decision has yet been rendered by the Court.

ENVIRONMENTAL MATTERS

Several of the Company's operating units have been identified as potentially responsible parties ("PRPs") in legal proceedings or otherwise notified that they may be liable for the cleanup of hazardous substances under federal "Superfund" and other environmental protection legislation. The Company intends to utilize all available legal defenses and remedies, including insurance owned by the Company or its predecessors in interest, with respect to these sites and any other site in which it may be involved in legal proceedings, to minimize the Company's financial exposure to environmental liability.

TransPlastics, Inc., a non-operating subsidiary of the Company is among 53 identified PRPs at the Millcreek Dump Superfund Site in Millcreek Township, Pennsylvania. In October 1989, the United States filed a Complaint, UNITED STATES V RALPH RIEHL, JR., ET AL, in the United States District Court for the Western District of Pennsylvania seeking approximately $3.3 million of costs allegedly incurred by the United States Environmental Protection Agency ("EPA") at the aforementioned site. In April 1992, the United States EPA issued a unilateral administrative order pursuant to Section 106 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"). The CERCLA Section 106 Order requires completion of specified remedial action for the Millcreek Dump Site estimated by the United States EPA to cost $12 million. During fiscal 1994, the United States EPA agreed in principle to accept $500,000 in settlement of its pending claims at this site, which was within the amount previously accrued by the Company.

Additionally, on April 19, 1993, the Minnesota Pollution Control Agency (MPCA) issued Metalcote Grease and Oil Company, a division of Western Capital Corporation, a non-operating subsidiary of the Company, an order to investigate and take other corrective action at property Metalcote owned in St. Paul, Minnesota. Although Western Capital is currently contesting its responsibility for environmental conditions that allegedly exist at the property, Western Capital is cooperating with the MPCA and has retained legal counsel and environmental consultants to respond to the MPCA's order. Although additional investigation is necessary and ongoing, Western currently estimates that the cost to respond to the order will be $300,000.

To date, Management believes no other pending or anticipated environmental proceeding is material to the Company taken as a whole (or where material, adequate reserves have been established - see Note F -- Contingencies and Commitments of the financial statements) and all claims in the aggregate (after applicable reserves) are immaterial to the Company taken as a whole. Although the Company continues to assess the potential liability of its operating units for pending and anticipated legal proceedings, the ultimate liability for such environmental matters cannot be predicted with certainty.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

The following sets forth the name, age and recent business experience of each person who is an executive officer of the Company. All executive officers are elected by and serve at the pleasure of the Board of Directors.

Name	Principal occupation or employment for the past five years	Age
Jacques R. Sardas	Director, President and Chief Executive Officer since January 13, 1992; Chairman of the Board of Directors and Treasurer since January 1993; Director and Executive Vice President of Goodyear Tire and Rubber Co., which develops and sells tires domestically and abroad (1980-1991); President of Goodyear International (September 1984-August 1988); President and Chief Operation Officer-Tires (August 1988-April 1991).	63
Mark E. Brody	Vice President of Finance since October 1992; Controller since September 1991; Assistant Controller (April 1989-September 1991); Director of Taxes (December 1987-April 1989).	32

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common shares are listed on the NASDAQ National Market System. The information required by this item appears under the caption "Market For Registrant's Common Equity and Related Stockholder Matters" on page 24 of the 1994 Annual Report and is incorporated herein by reference thereto.

ITEM 6. SELECTED FINANCIAL DATA

The information required by this item appears under the caption "Selected Financial Data" on the inside cover page of the 1994 Annual Report and is incorporated herein by reference thereto.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required by this item appears under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 22 through 24 of the 1994 Annual Report and is incorporated herein by reference thereto.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this item appears on pages 9 through 21 of the 1994 Annual Report and is incorporated herein by reference thereto.

ITEM 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not Applicable

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

The information required by this item appears under the caption "Election of Directors" on pages 4 through 5 of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission within 120 days of the close of the Company's fiscal year ended May 31, 1994 and is incorporated herein by reference thereto.

Information concerning executive officers of the Company is contained in Part I of this report under the caption "Executive Officers of the Registrant."

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item appears under the caption "Director Compensation" located on page 6 and information pertaining to compensation of officers located on pages 6 through 14 of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission within 120 days of the close of the Company's fiscal year ended May 31, 1994 and is incorporated herein by reference thereto.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item appears under the caption "Beneficial Ownership of Securities" on page 3 of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission within 120 days of the close of the Company's fiscal year ended May 31, 1994 and is incorporated herein by reference thereto.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item appears under the caption "Certain Relationships and Related Transactions" on page 14 of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission within 120 days of the close of the Company's fiscal year ended May 31, 1994 and is incorporated herein by reference thereto.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)(1), (a)(2) and (d) Financial Statements and Financial Schedules.

The financial statements and financial statement schedules listed in accompanying index to financial statements and financial schedules are filed as part of this Annual Report on Form 10-K.

(a)(3) and (c) Exhibits.

The exhibits listed on the accompanying index to exhibits are filed as part of this Annual Report on Form 10-K.

(b) Reports on Form 8-K.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on August 25, 1994 on its behalf by the undersigned, thereunto duly authorized.

SUDBURY, INC.

By:/S/Mark E. Brody
Mark E. Brody
Vice President of Finance and Controller

Pursuant to the requirements of the Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder, this report has been signed on behalf of the Registrant by the following persons, in their indicated capacities, on August 25, 1994.

/S/Jacques R. Sardas Jacques R. Sardas	Director, Chairman, President and Chief Executive Officer (Principal Executive Officer)
/S/Mark E. Brody Mark E. Brody	Vice President of Finance and Controller (Principal Financial and Accounting Officer)
/S/Cloyd J. Abruzzo Cloyd J. Abruzzo	Director
/S/Jerry A. Cooper Jerry A. Cooper	Director
/S/Preston Heller, Jr. Preston Heller, Jr.	Director
/S/James A. Karman James A. Karman	Director
/S/David A. Preiser	

David A. Preiser   Director

/S/Thomas F. Slater
- - ------------------------------
Thomas F. Slater   Director

SUDBURY, INC.

ANNUAL REPORT ON FORM 10-K

ITEMS 14 (A) (1), (2) (D) AND (3) (C)

INDEX TO FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES

FINANCIAL STATEMENT SCHEDULES

INDEX TO EXHIBITS

CERTAIN EXHIBITS

FISCAL YEAR ENDED MAY 31, 1994

<TABLE>

SUDBURY, INC.

INDEX TO FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES

(ITEM 14(A)(1) AND (2)(D))

<CAPTION>

</TABLE>

All other schedules for the Company have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the financial statements, including the notes thereto.

The consolidated financial statements of the Company listed in the preceding index, which are included in the 1994 Annual Report, are incorporated herein by reference. With the exception of the pages listed in the above index and information incorporated by reference elsewhere herein, the 1994 Annual Report is not to be deemed filed as part of this report.

<TABLE>
SCHEDULE II--AMOUNTS RECEIVABLE FROM RELATED PARTIES AND UNDERWRITERS, PROMOTERS, AND EMPLOYEES OTHER THAN RELATED PARTIES

SUDBURY, INC. AND SUBSIDIARIES

<CAPTION>

COL. A	COL. B	COL. C	COL. D		COL. E	
			DEDUCTIONS		BALANCE AT END OF PERIOD	
NAME OF DEBTOR	BALANCE AT BEGINNING OF PERIOD	ADDITIONS	(1) AMOUNTS COLLECTED	(2) AMOUNTS WRITTEN OFF	(1) CURRENT	(2) NOT CURRENT
	(Dollars in thousands)					
<S>	<C>			<C>	<C>	<C>
Fiscal year ended May 31, 1994:	$ -0-				$ -0-	$ -0-
Fiscal year ended May 31, 1993:	$ -0-				$ -0-	$ -0-
Fiscal year ended May 31, 1992:						
Notes Receivable:						
Herman Dlott (A)	$ 285			$(285) (B)	$ -0-	$ -0-

<FN>
(A) Note receivable bearing interest at 7.10% and due July 15, 1989.

(B) Amount written-off in connection with the sale of assets at the related subsidiary.

</TABLE>

<TABLE>
SCHEDULE III--CONDENSED FINANCIAL INFORMATION OF REGISTRANT

SUDBURY, INC.

CONDENSED BALANCE SHEET
(DOLLARS IN THOUSANDS)

<CAPTION>

	May 31, 1994	May 31, 1993
<S>	<C>	<C>
ASSETS		
CURRENT ASSETS		
Cash	$ 180	$ 1,597
Prepaid expenses	64	1,406
TOTAL CURRENT ASSETS	244	3,003
PROPERTY, PLANT AND EQUIPMENT, NET	52	162
OTHER ASSETS		
Investment in subsidiaries	42,571	30,057
Other assets	6,170	2,664
TOTAL OTHER ASSETS	48,741	32,721
	$ 49,037	$ 35,886
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	$ 268	$ 643
Other current liabilities	6,675	6,919
TOTAL CURRENT LIABILITIES	6,943	7,562
LONG-TERM DEBT	9,038	8,683
OTHER LONG-TERM LIABILITIES	3,646	2,833
STOCKHOLDERS' EQUITY		
Common Stock - par value $0.01 per share; authorized 20,000,000 shares; 10,233,932 shares (10,000,000 shares at May 31, 1993) issuable and deemed outstanding	102	100
Other stockholders' equity	29,308	16,708
TOTAL STOCKHOLDERS' EQUITY	29,410	16,808
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 49,037	$ 35,886

</TABLE>

<TABLE>

SCHEDULE III--CONDENSED FINANCIAL INFORMATION OF REGISTRANT

SUDBURY, INC.
CONDENSED STATEMENTS OF INCOME AND CASH FLOW
(DOLLARS IN THOUSANDS)

<CAPTION>

	Year Ended May 31, 1994	Nine Months Ended May 31, 1993
<S>	<C>	<C>
Management fees from wholly-owned subsidiaries	$ 2,367	$ 4,667
Interest income on advances to wholly-owned subsidiaries	404	

Total revenues	2,771	4,667
Costs and expenses:		
Administrative expenses	2,099	2,193
Special charges	5,956	586
Interest expense - net	1,347	2,748
Loss before income taxes and equity in earnings of subsidiaries	(6,631)	(860)
Settlement of preconfirmation liabilities	846	
State income tax benefit (expense)	249	(290)
Equity in net income of subsidiaries	12,366	3,958
NET INCOME	$ 6,830	$ 2,808
NET CASH USED BY OPERATING ACTIVITIES	$ (1,075)	$ (3,712)
INVESTING ACTIVITIES:		
Proceeds from sale of businesses	666	23,889
Proceeds from collection of notes receivable	2,362	
Other	96	
NET CASH PROVIDED BY INVESTING ACTIVITIES	3,124	23,889
FINANCING ACTIVITIES:		
Reductions of debt	(183)	(41,909)
Dividends received from subsidiaries		28,920
Capital contributions to subsidiaries	(1,136)	(14,799)
Advances to subsidiaries - net	(2,829)	
Common Stock issued	682	
Other		545
NET CASH USED IN FINANCING ACTIVITIES	(3,466)	(27,243)
DECREASE IN CASH	(1,417)	(7,066)
Cash at beginning of period	1,597	8,663
CASH AT END OF PERIOD	$ 180	$ 1,597

<FN>
As a result of the changes in ownership and capital structure from the Plan, condensed financial information of the registrant is not relevant for the three months ended August 31, 1992 and for the fiscal year ended May 31, 1992.
</TABLE>

SCHEDULE III--CONDENSED FINANCIAL INFORMATION REGISTRANT

SUDBURY, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS

NOTE A - BASIS OF PRESENTATION

In the parent-company-only financial statements, the Company's investment in subsidiaries is stated at cost, net of any amounts due to or from the subsidiaries, plus equity in undistributed net income of subsidiaries since date of acquisition. The Company's share of earnings of its unconsolidated subsidiaries is included in net income using the equity method. Parent-company-only financial statements should be read in conjunction with the Company's consolidated financial statements.

NOTE B - CASH

As of May 31, 1993, $711,000 of the cash balance consisted of funds restricted as to their use. This amount was used to reduce bank debt in fiscal year 1994.

NOTE C - LONG TERM DEBT

Long-term debt consisted of the following at May 31 (in thousands):

<TABLE>
<CAPTION>

<S>	1994 <C>	1993 <C>
Subordinated Notes	$8,149	$7,738
PIK Notes	665	665
Other	254	509
	9,068	8,912
Less current maturities	30	229
	$9,038	$8,683

</TABLE>

The future maturities of long-term debt outstanding at May 31, 1994 for the four fiscal years ending May 1999 and thereafter are as follows: $44,000 in 1996, $44,000 in 1997, $10,709,000 in 1998, $44,000 in 1999 and $48,000 thereafter.

<TABLE>

SCHEDULE V--PROPERTY, PLANT AND EQUIPMENT

SUDBURY, INC. AND SUBSIDIARIES

<CAPTION>

(DOLLARS IN THOUSANDS)

COL. A CLASSIFICATION <S>	COL. B BALANCE AT BEGINNING OF PERIOD <C>	COL. C ADDITIONS AT COST <C>	COL. D RETIREMENTS <C>	COL. E OTHER CHANGES ADD (DEDUCT) DESCRIBE * <C>	COL. F BALANCE AT END OF PERIOD <C>
Fiscal year ended May 31, 1994:					
Land and land improvements	$ 2,222	$ 22	$ 53	$	$ 2,191
Buildings	15,421	1,664		78	17,163
Machinery and equipment	33,830	5,404	690	(10)	38,534
	$ 51,473	$ 7,090	$ 743	$ 68	$ 57,888
Nine months ended May 31, 1993:					
Land and land improvements	$ 2,343	$ 0	$ 121	$ 0	$ 2,222
Buildings	15,032	568	179	0	15,421
Machinery and equipment	31,369	2,789	328	0	33,830
	$ 48,744	$ 3,357	$ 628	$ 0	$ 51,473
Three months ended August 31, 1992:					
Land and land improvements	$ 2,802	$ 1	$ 21	$ (439)	$ 2,343
Buildings	21,646	116	0	(6,730)	15,032
Machinery and equipment	58,959	664	14	(28,240)	31,369
	$ 83,407	$ 781	$ 35	$ (35,409)	$ 48,744
Fiscal year ended May 31, 1992:					
Land and land improvements	$ 3,782	$ 5	$ 0	$ (985)	$ 2,802
Buildings	37,188	206	81	(15,667)	21,646
Machinery and equipment	100,006	2,234	552	(42,729)	58,959
	$140,976	$ 2,445	$ 633	$ (59,381)	$ 83,407

<FN>
Note--The annual provisions for depreciation have been computed principally in accordance with the following range of rates:

Buildings	3% to 10%
Machinery and equipment	10% to 33%

* Principally represents businesses disposed of or reclassified as a business held for sale and the impact of adjustments under Fresh Start reporting.
</TABLE>

<TABLE>

SCHEDULE VI--ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

SUDBURY, INC. AND SUBSIDIARIES

<CAPTION>

COL. A	COL. B	COL. C	COL. D	COL. E	COL. F
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	RETIREMENTS	OTHER CHANGES ADD (DEDUCT) DESCRIBE *	BALANCE AT END OF PERIOD
		(Dollars in thousands)			
<S>		<C>	<C>	<C>	<C>
Fiscal year ended May 31, 1994:					
Buildings	$ 656	$ 979	$	$ (24)	$ 1,611
Machinery and equipment	4,335	6,011	500	(7)	9,839
	$ 4,991	$ 6,990	$ 500	$ (31)	$11,450
Nine months ended May 31, 1993:					
Buildings	$ 0	$ 794	$ 138	$ 0	$ 656
Machinery and equipment	0	4,426	91	0	4,335
	$ 0	$ 5,220	$ 229	$ 0	$ 4,991
Three months ended August 31, 1992:					
Buildings	$ 5,829	$ 290	$ 0	$ (6,119)	$ 0
Machinery and equipment	28,073	1,417	15	(29,475)	0
	$33,902	$ 1,707	$ 15	$(35,594)	$ 0
Fiscal year ended May 31, 1992:					
Buildings	$ 7,860	$ 1,106	$ 16	$ (3,121)	$ 5,829
Machinery and equipment	37,160	5,767	441	(14,413)	28,073
	$45,020	$ 6,873	$ 457	$(17,534)	$33,902

<FN>
* Principally represents businesses disposed of or reclassified as a business held for sale and the impact of adjustments under Fresh Start reporting.
</TABLE>

<TABLE>

SCHEDULE VIII--VALUATION AND QUALIFYING ACCOUNTS

SUDBURY, INC. AND SUBSIDIARIES

<CAPTION>

COL. A	COL. B	COL. C		COL. D	COL. E
		ADDITIONS			
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT END OF PERIOD

(DOLLARS IN THOUSANDS)

Fiscal year ended May 31, 1994:				
Deferred tax asset valuation allowance	$9,208	-	$ 6 (1)	$9,214
Nine months ended May 31, 1993:				
Deferred tax asset valuation allowance	$5,688	-	$3,520 (1)	$9,208
Three months ended August 31, 1992:				
Deferred tax asset valuation allowance			$5,688 (2)	$5,688

(1) Increases in valuation allowance resulted primarily from net operating and capital losses which could not be realized.

(2) Valuation allowance was recorded in conjunction with the adoption by the Company of SFAS No. 109 under the Fresh Start accounting adjustment discussed in Footnote B to the financial statements.

SCHEDULE X--SUPPLEMENTARY INCOME STATEMENT INFORMATION

SUDBURY, INC. AND SUBSIDIARIES

COL. A	COL. B
ITEM	CHARGED TO COSTS AND EXPENSES

(DOLLARS IN THOUSANDS)

	Fiscal Year Ended May 31, 1994	Nine Months Ended May 31, 1993	Three Months Ended August 31, 1992	Fiscal Year Ended May 31, 1992
Maintenance and repairs:				
Ongoing operations	$ 7,199	$ 5,089	$ 1,696	$ 7,708
Businesses held for sale	-	51	17	2,184
Total	$ 7,199	$ 5,140	$ 1,713	$ 9,895

Amounts for amortization of intangibles; taxes, other than payroll and income taxes; royalties and advertising costs are not presented as such amounts are less than one percent of total sales and revenues.

REPORT OF INDEPENDENT AUDITORS

We have audited the consolidated financial statements of Sudbury, Inc. as of May 31, 1994 and 1993, and for the year ended May 31, 1994, the nine months ended May 31, 1993, the three months ended August 31, 1992, and the year ended May 31, 1992, and have issued our report thereon dated July 18, 1994 [incorporated by reference elsewhere in this Annual Report (Form 10-K)]. Our audits also included the related consolidated financial statement schedules of Sudbury, Inc. listed in item 14(a) of this Annual Report (Form 10-K). These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

In our opinion, the consolidated financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

ERNST & YOUNG LLP

Cleveland, Ohio
July 18, 1994

SUDBURY, INC.

FORM 10-K

EXHIBIT INDEX

Item 14(a)(3) EXHIBITS: Exhibits identified in parenthesis below, on file with the SEC, are incorporated herein by reference as exhibits hereto.

EXHIBIT NO.

(2) Third Amended Plan of Reorganization as confirmed by the United States Bankruptcy Court, Northern District of Ohio. (Exhibit (2) to Form 10-K for the fiscal year ended May 31, 1992.)

(3)(a) By-Laws of Sudbury, Inc., as amended November 19, 1992. (Exhibit (3)(a) to Form 10-K for the fiscal year ended May 31, 1993.)

(3)(b) Second Restated Certificate of Incorporation of Sudbury, Inc. (Exhibit (3)(b) to Form 10-K for the fiscal year ended May 31, 1993.)

(4)(a) Indenture, dated as of April 15, 1986, from Sudbury to FirsTier Bank, National Association, Omaha, Nebraska, as Trustee, for Sudbury's 7-1/2% Convertible Subordinated Debentures due 2011. (Exhibit (4)(a) to Amendment No. 1 to Registration Statement No. 33-4699 filed April 10, 1986.)

(4)(b) Supplemental Indenture, dated as of May 27, 1987, from Sudbury to FirsTier Bank, National Association, as Trustee. (Exhibit (4)(b) to Form 10-K for the fiscal year ended May 30, 1987.)

(4)(c) Loan and Security Agreement dated as of May 28, 1993 among the financial institutions named therein and BA Business Credit, Inc., as Agent, and Sudbury, as the Parent, and Cast-Matic Corporation, Frisby Mfg. Co., Industrial Powder Coatings, Inc., Iowa Mold Tooling Co., Inc., South Coast Terminals, Inc. and Wagner Castings Company. (Exhibit (4)(c) to Form 10-K for the fiscal year ended May 31, 1993.)

(4)(d) First Amendment to Loan and Security Agreement dated August 20, 1993 among the financial institutions named therein and BA Business Credit, Inc., as Agent, and Sudbury, as the Parent, and Cast-Matic Corporation, Frisby Mfg. Co., Industrial Powder Coatings, Inc., Iowa Mold Tooling Co., Inc., South Coast Terminals, Inc. and Wagner Castings Company.

(4)(e) Second Amendment to Loan and Security Agreement dated April 19, 1994 among the financial institutions named therein and BA Business Credit, Inc., as Agent, and Sudbury, as the Parent, and Cast-Matic Corporation, Frisby Mfg. Co., Industrial Powder Coatings, Inc., Iowa Mold Tooling Co., Inc., South Coast Terminals, Inc. and Wagner Castings Company.

SUDBURY, INC.

FORM 10-K

EXHIBIT INDEX (CONTINUED)

EXHIBIT NO.	
(4)(f)	Third Amendment to Loan and Security Agreement dated June 6, 1994 among the financial institutions named therein and BA Business Credit, Inc., as Agent, and Sudbury, as the Parent, and Cast-Matic Corporation, Frisby Mfg. Co., Industrial Powder Coatings, Inc., Iowa Mold Tooling Co., Inc., South Coast Terminals, Inc. and Wagner Castings Company.
(4)(g)	Fourth Amendment to Loan and Security Agreement dated August 11, 1994 among the financial institutions named therein and BA Business Credit, Inc., as Agent, and Sudbury, as the Parent, and Cast-Matic Corporation, Frisby Mfg. Co., Industrial Powder Coatings, Inc., Iowa Mold Tooling Co., Inc., South Coast Terminals, Inc. and Wagner Castings Company.
(4)(h)	Form of Participation Certificate Agreement entered into in connection with Sudbury's Third Amended Plan of Reorganization. (Exhibit (4)(r) to Form 10-K for the fiscal year ended May 31, 1992.)
(4)(i)	Form of Indenture between Sudbury and IBJ Schroder Bank and Trust Company, as Trustee for Sudbury's 8.6% $10 million Senior Subordinated Pay-In-Kind Notes due 1997, distributed pursuant to Sudbury's Third Amended Plan of Reorganization. (Exhibit T3C to the Form T-3 filed on August 17, 1992.)
(10)(a)	1990 Stock Option Plan. (Exhibit (10)(l) to Form 10-K for the fiscal year ended May 31, 1990.)
(10)(b)	Amended Employment Agreement dated January 13, 1992 between Sudbury and Jacques R. Sardas. (Exhibit (10)(h) to Form 10-K for the fiscal year ended May 31, 1992.)
(10)(c)	Agreement and Plan of Merger dated November 7, 1989 among Sudbury, Western, General Products Delaware Corporation, General Products Angola Corporation and General Products Corporation. (Exhibit (10)(b) to Current Report on Form 8-K for event occurring on November 7, 1989.)
(10)(d)	Asset Purchase Agreement dated November 7, 1989 among Sudbury, Western and General Products Delaware Corporation. (Exhibit 10(a) to the Current Report on Form 8-K filed for event occurring on November 7, 1989.)
(10)(e)	Settlement Agreement and Mutual Release dated July 29, 1994 between Jacques R. Sardas and Sudbury, Inc.
(10)(f)	Stock Option Agreement dated July 29, 1994 between Jacques R. Sardas and Sudbury, Inc.

SUDBURY, INC.

FORM 10-K

EXHIBIT INDEX (CONTINUED)

EXHIBIT NO.	
(10)(g)	Summary Description of the Sudbury, Inc. Incentive Bonus Plan.
(11)	Statement re: Computation of Per Share Earnings
(13)	Selected portions of the 1994 Annual Report

(21) Subsidiaries of the Company

(23) Consent of Independent Auditors

The above exhibits are available to shareholders upon written request to:

Corporate Secretary
Sudbury, Inc.
30100 Chagrin Boulevard
Suite 203
Cleveland, Ohio 44124

EXHIBIT (4)(d)

First Amendment to Loan and
Security Agreement

LOGO
BankAmerica
Business Credit, Inc.

August 20, 1993

Mr. Mark Brody
Sudbury, Inc.
25800 Science Park Drive
Suite 250
Cleveland, Ohio 44122

RE: AMENDMENT NO. 1 AND WAIVER NO. 1 TO LOAN AND SECURITY AGREEMENT

Dear Mr. Brody:

Reference is hereby made to that certain Loan and Security Agreement (the "Agreement") dated as of May 28, 1993 and executed by and among Sudbury, Inc. (the "Parent"), Cast-Matic Corporation, Frisby Mfg. Co., Industrial Powder Coatings, Inc., Iowa Mold Tooling Co., Inc., South Coast Terminals, Inc., and Wagner Castings Company (collectively, the "Borrowers") and BA Business Credit, Inc. (the "Agent" and a "Lender"), National City Bank, and Star Bank, National Association (collectively, the "Lenders"). Certain capitalized terms used herein shall have the same meanings as attributed to them in the Agreement.

The Borrowers and the Parent have requested adjustments to two financial covenants contained in the Agreement. The Agent, the Lenders, the Borrowers, and the Parent have agreed to certain waivers and modifications to the Agreement as hereinafter set forth below:

1. In Section 9.24 ("OPERATING LEASE OBLIGATIONS") of the Agreement, the Agent and the Lenders hereby waive any violation existing with respect thereto for the Fiscal Year ended May 31, 1993. Section 9.24 is hereby amended by deleting the amounts set forth opposite their corresponding Fiscal Year and replaced to read as follows:

"Fiscal Year	Amount
1994	$2,915,000.00
1995	$3,196,000.00
1996	$3,505,000.00"

2. In Section 9.27 ("DEBT RATIO") of the Agreement, with respect to Sections 9.27(b), 9.27(c), and 9.27(d) relating respectively

to Cast-Matic, Frisby, and Wagner, the Agent and the Lenders hereby waive any violation existing with respect thereto for the period ending May 31, 1993.

3. Sections 9.27(b), 9.27(d), and 9.27(g) of the Agreement relating respectively to Cast-Matic, Wagner, and South Coast are hereby deleted in their entirety and replaced to read as follows:

"(b) CAST-MATIC LIMITATIONS. The Borrowers will not permit the ratio of (i) the total Debt of Cast-Matic and its Subsidiaries to (ii) the Adjusted Tangible Net Worth of Cast-Matic and its Subsidiaries to exceed the following amounts during the following respective periods:

<TABLE>
<CAPTION>

Period	Maximum Debt Ratio
<S>	<C>
08/31/93	4.23 to 1
11/30/93	4.05 to 1
02/28/94	3.48 to 1
05/31/94	2.70 to 1
08/31/94	2.51 to 1
11/30/94	2.23 to 1
02/28/95	1.99 to 1
05/31/95	1.59 to 1
08/31/95	1.47 to 1
11/30/95	1.33 to 1
02/28/96	1.21 to 1
05/31/96	1.06 to 1"

</TABLE>

"(d) WAGNER LIMITATIONS. The Borrowers will not permit the ratio of (i) the total Debt of Wagner and its Subsidiaries to (ii) the Adjusted Tangible Net Worth of Wagner and its Subsidiaries to exceed the following amounts during the following respective periods:

<TABLE>
<CAPTION>

Period	Maximum Debt Ratio
<S>	<C>
08/31/93	29.95 to 1
11/30/93	20.60 to 1
02/28/94	22.79 to 1
05/31/94	17.94 to 1
08/31/94	17.23 to 1
11/30/94	14.99 to 1
02/28/95	14.88 to 1
05/31/95	12.80 to 1

</TABLE>

<TABLE>

<S>	<C>
08/31/95	12.96 to 1
11/30/95	12.18 to 1
02/28/96	12.36 to 1
05/31/96	11.70 to 1"

</TABLE>

"(g) SOUTH COAST LIMITATIONS. The Borrowers will not permit the ratio of (i) the total Debt of South Coast to (ii) the Adjusted Tangible Net Worth of South Coast to exceed the following amount during the following respective periods:

<TABLE>
<CAPTION>

Period	Maximum Debt Ratio
<S>	<C>
08/31/93	0.91 to 1
11/30/93	0.88 to 1
02/28/94	0.83 to 1
05/31/94	0.76 to 1

08/31/94	0.73 to 1
11/30/94	0.70 to 1
02/28/95	0.66 to 1
05/31/95	0.60 to 1
08/31/95	0.57 to 1
11/30/95	0.54 to 1
02/28/96	0.51 to 1
05/31/96	0.47 to 1"

</TABLE>

Except as modified herein, the Agreement remains in full force and effect and is hereby ratified and affirmed. Please indicate your acceptance of this Amendment No. 1 and Waiver No. 1 to the Agreement, by executing in the places provided below and this Amendment No. 1 and Waiver No. 1 shall be deemed effective as of the date first written above.

Respectfully yours,

<TABLE>

<S>	<C>
BA BUSINESS CREDIT, INC., as Agent and Lender	NATIONAL CITY BANK, as Lender
By: /s/ Gregory R. Eck	By: /s/ James R Myers
Its: Vice President	Its: Account Officer

</TABLE>

<TABLE>

<S>	<C>
STAR BANK, NATIONAL ASSOCIATION, as Lender	
By: /s/ Suzanne E. Geiger	
Its: Vice President	

ACCEPTED AND AGREED:

SUDBURY, INC.

By: /s/ Mark E. Brody

Its: Vice President

CAST-MATIC CORPORATION

By: /s/ Mark E. Brody

Its: Vice President

FRISBY MFG. CO.

By: /s/ Mark E. Brody

Its: Vice President

INDUSTRIAL POWDER COATINGS, INC.

By: /s/ Mark E. Brody

Its: Vice President

IOWA MOLD TOOLING CO., INC.
By: /s/ Mark E. Brody

Its: Vice President

SOUTH COAST TERMINALS, INC.
By: /s/ Mark E. Brody

Its: Vice President

WAGNER CASTINGS COMPANY
By: /s/ Mark E. Brody

Its: Vice President

</TABLE>

EXHIBIT (4)(e)

Second Amendment to Loan and Security Agreement

[LOGO]
BankAmerica
Business Credit, Inc.

April 19, 1994

Mr. Mark Brody
Sudbury, Inc.
30100 Chagrin Blvd.
Suite 203
Cleveland, Ohio 44124

Re: Amendment No. 2 to Loan and Security Agreement

Dear Mr. Brody:

Reference is hereby made to that certain Loan and Security Agreement (the "Agreement") dated as of May 28, 1993, as amended from time to time, and executed by and among Sudbury, Inc. (the "Parent"), Cast-Matic Corporation, Frisby Mfg. Co., Industrial Powder Coatings, Inc., Iowa Mold Tooling Co., Inc., South Coast Terminals, Inc., and Wagner Castings Company (collectively, the "Borrower") and BankAmerica Business Credit, Inc., formerly known as BA Business Credit, Inc. (the "Agent" and a "Lender"), National City Bank, and Star Bank, National Association (collectively, the "Lenders"). Certain capitalized terms used herein shall have the same meanings attributed to them in the Agreement.

Since the Closing Date, the Agent, on behalf of the Lenders, has made advances under the Individual Borrower Revolving Loan Facility of Wagner based upon the combined Eligible Accounts and Eligible Inventory of Wagner and Havana. Although this has been the practice, Accounts and Inventory of Havana are not considered as eligible Collateral under the Agreement. It is the intention of the parties hereto to modify the Agreement to include Accounts and Inventory of Havana as eligible Collateral and to effectuate a program whereby the Eligible Accounts and Eligible Inventory of Havana can be made available under Wagner's Individual Borrower Revolving Facility in order to permit a Borrowing by Wagner for the benefit of Havana. In addition, the Borrower has requested modification to the covenants with respect to Capital Expenditure and Parent Reimbursable Expenditures. As a result thereof, the Agreement is hereby amended and modified as follows:

1. In Section 1.1 of the Agreement the definition "ACCOUNTS" is hereby deleted in its entirety and replaced to read as follows:

   " 'ACCOUNTS' means all of the Borrowers' and Havana's now owned or hereafter acquired or arising accounts, contract rights, and any other rights to payment for the sale or lease of goods or rendition of services, whether or not they have been earned by performance."

2. In Section 1.1 of the Agreement a new definition is hereby added to read as follows:

   " 'HAVANA AVAILABILITY' means under the Wagner Individual Borrower Revolving Loan Facility the Net Amount of Eligible Accounts and Eligible Inventory of Havana available for the purpose of Borrowing subject to the advance rates set forth herein."

3. In Section 1.1 of the Agreement the definition "INDIVIDUAL BORROWER REVOLVING LOAN FACILITY" is hereby deleted in its entirety and replaced to read as follows:

   " 'INDIVIDUAL BORROWER REVOLVING LOAN FACILITY' means, at any point in time, the lesser of:

   (a) the following respective individual Revolving Loan facility limitations for each Borrower and, in the case of Wagner, inclusive of Wagner and Havana:

<TABLE>
<CAPTION>

Borrower	Individual Revolving Loan Facility Limitation
<S>	<C>
Cast-Matic	$ 2,500,000.00
Frisby	$ 3,000,000.00
IPC	$ 5,500,000.00
IMT	$ 7,500,000.00

</TABLE>

<TABLE>

<S>	<C>
South Coast	$ 2,500,000.00
Wagner	$14,000,000.00

</TABLE>

or,

(b) the sum of (i) eighty-five percent (85%) of the Net Amount of Eligible Accounts applicable to such Borrower and Havana, and (ii) the lesser of (A) fifty percent (50%) of the value of Eligible Inventory (determined on a first-in-first-out basis) calculated at the lesser of cost or market in the aggregate applicable to such Borrower and Havana or (B) the Individual Borrower Revolving Loans Inventory Advance Sublimits applicable to such Borrower and Havana."

4. In Section 1.1 of the Agreement the definition of "INDIVIDUAL BORROWER REVOLVING LOANS INVENTORY ADVANCE SUBLIMITS", is hereby deleted in its entirety and replaced to read as follows:

" 'INDIVIDUAL BORROWER REVOLVING LOANS INVENTORY ADVANCE SUBLIMITS' means, at any point in time, the following respective Inventory Advance Sublimits for each Borrower and, in the case of Wagner, inclusive of Wagner and Havana:

<TABLE>
<CAPTION>

Borrower	Individual Borrower Revolving Loans Inventory Advance Sublimits
<S>	<C>
Cast-Matic	$ 500,000.00
Frisby	$1,100,000.00
IPC	$1,100,000.00

IMT	$3,400,000.00

</TABLE>

<TABLE>

<S>	<C>
South Coast	$1,100,000.00
Wagner	$1,500,000.00"

</TABLE>

5. In Section 1.1 of the Agreement the definition "INVENTORY" is hereby deleted in its entirety and replaced to read as follows:

   " 'INVENTORY' means, as to any one or more of the Borrowers and Havana, all of the Borrowers' and Havana's now owned and hereafter acquired inventory, goods, merchandise and other personal property wherever located, to be furnished under any contract of service or held for sale or lease, all raw materials, work-in-progress, finished goods, returned and repossessed goods, and materials and supplies of any kind, nature or description which are or might be consumed in the Borrower(s)'s and Havana's business(es) or used in connection with the manufacture, packing, shipping, advertising, selling or finishing of such inventory, goods, merchandise and such other personal property, and all documents of title or other documents representing them."

6. In Section 1.1 of the Agreement a new definition is bereby added to read as follows:

   " 'NET AVAILABILITY' means, at any time, the Havana Availability LESS the Havana Advances LESS Reserves applicable to Havana."

7. In Section 1.1 of the Agreement in the definition of "OBLIGATIONS" in the third and fourth lines thereof, the following language is hereby added between the words "Agent" and "under":

   "...or by Havana to Wagner...".

8. In Section 1.1 of the Agreement the definition "REIMBURSABLE PARENT

EXPENDITURES" is hereby deleted in its entirety and replaced to read as follows:

" 'REIMBURSABLE PARENT EXPENDITURES' means expenditures by the Parent for the direct benefit of the Borrowers that the Parent netotiates for the purpose of cost savings in arm's length transactions with third parties and the amount passed through to the Borrower which the Parent has paid on its behalf is either the actual cost or, if such amount is not readily determinable and relates to more than one Borrower, an amount which does not exceed the ratio in which the Borrower's Individual Borrower Revolving Loan Facility Limitation relates to the Revolving Loan Facility."

9. In Section 1.1 of the Agreement the definition "RESERVES" is hereby deleted in its entirety and replaced to read as follows:

" 'RESERVES' means, at any time, the sum of the existing (a) reserves for accrued interest on the Term Loans, the Cap Ex Loans and the Revolving Loans, (b) reserves for assessments, taxes and/or payments for insurance on the Collateral which are past due (c) Environmental Compliance Reserve, (d) L/C Reserve and (e) all other reserves which the Agent in its reasonable discretion deems necessary or desirable to maintain with respect to any Borrower's account, or Havana, including, without limitation, any amounts which the Agent may be obligated to pay in the future for the account of any Borrower or Havana, or reserves for any other claims asserted (or of which assertion is probable) which have resulted or would result in (i) Liens senior or equal in priority to the Security Interest of the Agent for the benefit of the Lenders or (ii) security interests senior or equal in priority to or security interests of Wagner in the assets of Havana. The Reserves shall be reduced from time to time by amounts borrowed under the Revolving Loan Facility to pay charges for which the Reserves have been established."

10. In Section 2.2 of the Agreement a new subsection "(g)" HAVANA REVOLVING NOTE. is hereby added to read as follows:

"(g) Upon receipt of a Revolving Loan, Wagner will immediately fund the amount of such Revolving Loan to Havana ("Havana Advance") which exceeds Wagner's Individual Borrower Revolving Loan Availability calculated without giving effect to (i) Wagner's loans outstanding to Havana and (ii) Havana Availability. Wagner shall denote in accordance with the Notice of Borrowing what portion of its advance request is a Havana Advance. Any advance requested by Wagner for use in the business and operations of Wagner shall not be attributable to Havana Availability. Havana shall execute a master revolving credit note ("Revolving Note") in favor of Wagner and each advance by Wagner to Havana and each principal repayment from Havana to Wagner shall be duly recorded on the grid attached to the Revolving Note. A copy of the grid shall be furnished by Wagner to the Agent on the first day of each month hereafter. The Revolving Note shall be payable on demand and be in form and substance acceptable to the Agent and the Lenders. None of the Lenders shall be deemed to have made Revolving Loans directly to Havana."

11. In Section 6.1 of the Agreement a new Subsection "(d)" is hereby added to read as follows:

"(d) In addition; as security for the Obligations represented by the indebtedness of Havana to Wagner pursuant to Revolving Loans made under Section 2.2(g), Wagner pledges all of its right, title, and interest in and to the Revolving Note to the Agent, for the ratable benefit of the Lenders."

12. On Exhibit 6.3 to the Agreement the location "810 East Garfield, Decatur, IL 62526" is hereby deleted wherever it may appear and replaced with the location "800 East Garfield, Decatur, IL 62526".

13. In Section 9.23 of the Agreement with respect to Capital Expenditures, the consolidated limitations and individual Borrower limitations for Fiscal Year 1994 are modified by (a) deleting in 9.23(a) the amount "$6,820,000" and replacing it with the amount "$8,000,000" and (b) deleting in 9.23(b) under FY1994 the following amounts: "$2,035,000", $1,100,000", and "$1,437,000" respectively for Wagner, IPC, and South Coast and replacing said amounts respectively with "$3,000,000", "$1,250,000", and "$1,700,000".

14. Section 9.25(a)(ii)(B) of the Agreement is hereby deleted in its entirety and replaced to read as follows:

"...(B) Reimbursable Parent Expenditures up to but not in excess of $2,425,000 for Fiscal Year 1994 and $2,000,000 for each Fiscal Year thereafter in the aggregate in any Fiscal Year of the Parent..."

15. Section 9.25(b)(ii)(C) of the Agreement is hereby deleted in its entirety and replaced to read as follows:

"...(C) Reimbursable Parent Expenditures up to but not in excess of $2,425,000 for Fiscal Year 1994 and $2,000,000 for each Fiscal Year thereafter in the aggregate in any Fiscal Year of the Parent..."

16. The Notice of Borrowing which is Exhibit 2-2(c) in the Agreement is hereby modified to reflect the Havana Advances and a copy of this revised form is attached hereto as Exhibit "A".

Except as modified herein, the Agreement remains in full force and effect and is hereby ratified and affirmed. Please indicate your acceptance of this Amendment No. 2 to the Agreement by executing in the places provided below and this Amendment No. 2 shall be deemed effective as of the date first written above.

Respectfully yours,

BANKAMERICA BUSINESS CREDIT, INC.,
as Agent and Lender

By: /s/ Gregory R. Eck

Its: Vice President

NATIONAL CITY BANK,
as Lender

By: /s/ James R. Myers

Its: Assistant Vice President

STAR BANK, NATIONAL ASSOCIATION,
as Lender

By: /s/ Suzanne E. Geiger

Its: Vice President

ACCEPTED AND AGREED:

SUDBURY, INC.

By: /s/ Mark E. Brody

Its: Vice President

CAST-MATIC CORPORATION

By: /s/ MARK E. BRODY

Its: Vice President

FRISBY MFG. CO.

By: /s/ MARK E. BRODY

Its: Vice President

INDUSTRIAL POWDER COATINGS, INC.

By: /s/ MARK E. BRODY

Its: Vice President

IOWA MOLD TOOLING CO., INC.

By: /s/ MARK E. BRODY

Its: Vice President

SOUTH COAST TERMINALS, INC.

By: /s/ MARK E. BRODY

Its: Vice President

WAGNER CASTINGS COMPANY

By: /s/ MARK E. BRODY

Its: Vice President

ACKNOWLEDGED AND CONSENTED TO:

WAGNER HAVANA, INC.

By: /s/ MARK E. BRODY

Its: Vice President

Second Amendment to Loan and Security Agreement

Exhibit List:

Exhibit A - Amendment No. 1 to Note Pledge Agreement

Exhibit B - Wagner Havana, Inc. Revolving Credit Note

Exhibit C - Amendment No. 1 to Havana Security Agreement

EXHIBIT (4)(f)

Third Amendment to the
Loan and Security Agreement

[LOGO]
BankAmerica
Business Credit, Inc.

June 6, 1994

Mr. Mark Brody
Sudbury, Inc.
30100 Chagrin Blvd.
Suite 203
Cleveland, Ohio 44124

Re: Amendment No. 3 to Loan and Security Agreement

Dear Mr. Brody:

Reference is hereby made to that certain Loan and Security Agreement (the "Agreement") dated as of May 28, 1993, as amended from time to time, and executed by and among Sudbury, Inc. (the "Parent"), Cast-Matic Corporation, Frisby Mfg. Co., Industrial Powder Coatings, Inc. ("IPC"), Iowa Mold Tooling Co., Inc., South Coast Terminals, Inc., and Wagner Castings Company (collectively, the "Borrower") and BankAmerica Business Credit, Inc., formerly known as BA Business Credit, Inc. (the "Agent" and a "Lender"), National City Bank, and Star Bank, National Association (collectively, the "Lenders"). Certain capitalized terms used herein shall have the same meanings attributed to them in the Agreement.

The Borrower has requested certain modifications to the Agreement relating to IPC's recent agreement with General Electric Company ("GE") to be IPC's sole supplier of GE's 1995 washer program. The Agent and the Lenders have considered the requests and the Agreement is hereby amended and modified as follows:

1. In Section 1.1 of the Agreement the definition "CAP EX AVAILABILITY" is hereby deleted and replaced to read as follows:

   " 'CAP EX AVAILABILITY' means as of any date, the lesser of (i) seventy-five percent (75%) of the out of pocket, non-financed acquisition costs paid by Borrower subsequent to the Closing Date for Capital Expenditures, net of any delivery and installation charges; or (ii)

55 West Monroe, Xerox Centre, Suite 3600, Chicago, IL 60603
(312) 553-7300, FAX (312) 704-1255
A Subsidiary of BankAmerica Corporation

$3,000,000 minus (a) the aggregate principal balance of all Cap Ex Loan(s) and (b) Cap Ex Reserve(s) made prior to such date."

2. In Section 1.1 of the Agreement the definition "CAP EX RESERVE" is hereby added to the Agreement to read as follows:

" 'CAP EX RESERVE' means at any time a reserve established by Agent against Cap Ex Availability which represents seventy-five percent (75%) of the out of pocket, nonfinanced acquisition costs paid by IPC subsequent to Fiscal Year 1994 for Capital Expenditures, net of any delivery and installation charges which have met each of the criteria of the Agreement to fund a Cap Ex Loan except for the condition set forth under Section 2.5(f)(viii) and for which IPC and the Parent have designated, in writing, as amounts to reduce Capital Expenditures for purposes of calculating the Consolidated and IPC Fixed Charge Ratio. This reserve will be a permanent reserve unless IPC subsequently requests that a Cap Ex Loan be funded under the Cap Ex Loan Facility for Capital Expenditures which have been previously reserved from Cap Ex Availability ("Requested Cap Ex Loan") and provided this Requested Cap Ex Loan is in compliance with the terms of the Agreement and specifically Section 2.5(f)(viii), then the Cap Ex Reserve will be reduced by the same amount as the Requested Cap Ex Loan to accommodate the funding of the Requested Cap Ex Loan."

3. In Section 1.1 of the Agreement the definition "FIXED CHARGE RATIO" is hereby deleted and replaced to read as follows:

" 'FIXED CHARGE RATIO' means, as applied to any one or more Persons at any date, the number that is equal to (i) EBITDA of such Person(s) less Capital Expenditure of such Person(s) (excluding Capital Expenditures of IPC which have been (a) financed under the Cap Ex Loan Facility or (b) could be financed under the

Cap Ex Loan Facility for which Cap Ex Availability has been reduced by a Cap Ex Reserve for this same amount) divided by (ii) the number that is equal to the Fixed Charges paid by such Person(s), all as of the date of such calculation on a cumulative basis from June 1, 1993 through the next twelve (12) months and thereafter on a rolling twelve (12) month cumulative basis."

4. In Section 2.5(f)(iv) of the Agreement the amount "...$1,000,000..." is hereby deleted therefrom and replaced with the amount "...$500,000...".

5. In Section 3.1(c) of the Agreement the language "...one and three-quarters percent (1.75%) plus the Reference Rate..." is hereby deleted and replaced with the language "...one and one-half percent (1.50%) plus the Reference Rate...".

6. In Section 9.23(a) of the Agreement the Maximum Capital Expenditures for the Borrower for Fiscal Year 1995 in the amount of "$7,505,000" is hereby deleted and replaced with the amount "9,705,000".

7. In Section 9.23(b) of the Agreement the Maximum Capital Expenditures for IPC for Fiscal Year 1995 in the amount of "$3,200,000" is hereby deleted and replaced with the amount "$5,400,000".

8. In Section 9.29(a) and (e) of the Agreement for purposes of calculating Consolidated and IPC's Fixed Charge Ratio, the minimum draw requirements under Section 2.5(f)(iv) will not apply for IPC's Capital Expenditures which could be funded under the Cap Ex Loan Facility for which Cap Ex Availability has been blocked for this same amount.

9. IPC shall make mandatory prepayments of its Cap Ex Loan with any monies received by IPC from GE which reimburse IPC for costs under Paragraph 8 of the Powder Blank Coating Program Agreement dated as of March 31, 1994 by and between IPC and GE and subsequently executed May 4, 1994, a copy of which is attached hereto as Exhibit "A". The prepayments will be applied first to the IPC Cap Ex Loan in inverse order of maturity until paid in full, then to the IPC Revolving Loan until paid in full, then as mandatory prepayments of the Term

Loans as described in Section 4.5, then as mandatory prepayments of the Cap Ex Loans as described in Section 4.10, and then as mandatory prepayments of the Borrower Revolving Loans on a pro rata basis based on the ratio of each Borrower Individual Borrower Loan Facility to the Revolving Loan Facility.

Except as modified herein, the Agreement remains in full force and effect and is hereby ratified and affirmed. Please indicate your acceptance of this Amendment No. 3 to the Agreement by executing in the places provided below and this Amendment No. 3 shall be deemed effective as of the date first written above.

Respectfully yours,

BANKAMERICA BUSINESS CREDIT, INC.,
as Agent and Lender

By: /s/ Gregory R. Eck

Its: Vice President

NATIONAL CITY BANK,
as Lender

By: /s/ James R Myers

Its: Assistant Vice President

STAR BANK, NATIONAL ASSOCIATION,
as Lender

By: /s/ Suzanne E. Geiger

Its: Vice President

ACCEPTED AND AGREED:

SUDBURY, INC.

By: Mark E. Brody

Its: Vice President

CAST-MATIC CORPORATION

By: Mark E. Brody

Its: Vice President

FRISBY MFG. CO.

By: Mark E. Brody

Its: Vice President

INDUSTRIAL POWDER COATINGS, INC.

By: Mark E. Brody

Its: Vice President

IOWA MOLD TOOLING CO., INC.

By: Mark E. Brody

Its: Vice President

SOUTH COAST TERMINALS, INC.

By: Mark E. Brody

Its: Vice President

WAGNER CASTINGS COMPANY

By: Mark E. Brody

Its: Vice President

Exhibit List:

Exhibit A - Powder Blank Coating Program Agreement dated March 31, 1994

EXHIBIT (4)(g)

BankAmerica
Business Credit, Inc.

August 11, 1994

Mr. Mark Brody
Sudbury, Inc.
30100 Chagrin Blvd.
Suite 203
Cleveland, Ohio 44124

Re: Amendment No. 4 to Loan and Security Agreement

Dear Mr. Brody:

Reference is hereby made to that certain Loan and Security Agreement (the "Agreement") dated as of May 28, 1993, as amended from time to time, and executed by and among Sudbury, Inc. (the "Parent"), Cast-Matic Corporation, Frisby Mfg. Co., Industrial Powder Coatings, Inc., Iowa Mold Tooling Co., Inc., South Coast Terminals, Inc., and Wagner Castings Company (collectively, either the "Borrower" or "Borrowers") and BankAmerica Business Credit, Inc., formerly known as BA Business Credit, Inc. (the "Agent" and a "Lender"), National City Bank, and Star Bank, National Association (collectively, the "Lenders"). Certain capitalized terms used herein shall have the same meanings attributed to them in the Agreement.

The Borrowers have requested that the Agent consider an increase in the Capital Expenditure limitations set forth in Section 9.23 of the Agreement. The Agent, on behalf of the Lenders, does hereby consent to such increases in the Capital Expenditure limitations and the Agreement is hereby amended as follows:

1. In Section 9.23(a) of the Agreement the maximum consolidated Capital Expenditures for Fiscal Year 1995 in the amount of $9,705,000 is hereby deleted and replaced with the amount of $15,250,000.

2. In Section 9.23(b) of the Agreement the Individual Borrower limitation amounts for Capital Expenditures for Fiscal Year 1995 for Cast-Matic, Frisby, Wagner, and South Coast

being $300,000, $1,155,000, $1,650,000, and $825,000, respectively, are hereby deleted and replaced respectively with the amounts $525,000, $1,700,000, $5,750,000, and $1,500,000.

Except as modified herein, the Agreement remains in full force and effect and is hereby ratified and affirmed. Please indicate your acceptance of this Amendment No. 4 to the Agreement by executing in the places provided below and this Amendment No. 4 shall be deemed effective as of the date first written above.

Respectfully yours,

BANKAMERICA BUSINESS CREDIT, INC.,
as Agent and Lender

By: Gregory R. Eck

Its: Vice President

NATIONAL CITY BANK,
as Lender

By: James R. Myers

Its: AVP

STAR BANK, NATIONAL ASSOCIATION,
as Lender

By: Susanne E. Geiger

Its: Vice President

ACCPETED AND AGREED:

SUDBURY, INC.

By: Mark E. Brody

Its: Vice President

By: Jaques R. Sardas

Its: Chairman and C.E.O.

CAST-MATIC CORPORATION

By: Mark E. Brody

Its: Vice President

By: Jacques R. Sardes

Its: Chairman

FRISBY MFG. CO.

By: Mark E. Brody

Its: Vice President

By: Jacques R. Sardas

Its: Chairman

INDUSTRIAL POWDER COATINGS, INC.

By: Mark E. Brody

Its: Vice President

By: Jacques R. Sardas

Its: Chairman

IOWA MOLD TOOLING CO., INC.

By: Mark E. Brody

Its: Vice President

By: Jacques R. Sardas

Its: Chairman

SOUTH COAST TERMINALS, INC.

By: Mark E. Brody

Its: Vice President

By: Jacques R. Sardas

Its: Chairman

WAGNER CASTINGS COMPANY

By: Mark E. Brody

Its: Vice President

By: Jacques R. Sardas

Its: Chairman

ACKNOWLEDGED:

WAGNER HAVANA, INC.

By: Mark E. Brody

Its: Vice President

By: Jacques R. Sardas

Its: Chairman

EXHIBIT (10)(e)

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE ("Settlement Agreement") is made this 29th day of July, 1994, by and between Sudbury, Inc. (the "Company"), a Delaware corporation with its principal place of business located at 30100 Chagrin Boulevard, Suite 203, Cleveland, Ohio 44124, and Jacques R. Sardas ("Sardas").

R E C I T A L S

WHEREAS, in late 1990, the Company determined that it was necessary to seek bankruptcy protection and therefore proceeded to commence negotiations with representatives of its major creditor groups (the "Committee") in an attempt to agree upon a mutually suitable plan of reorganization (the "Plan");

WHEREAS, in late 1991, the Company and the Committee agreed that it was in the best interest of the Company to appoint a new President and Chief Executive Officer of the Company as part of the Plan;

WHEREAS, in pursuit of such agreement, the board of directors of the Company (the "Board") authorized the Committee to identify a candidate to be the Company's new President and Chief Executive Officer and negotiate an employment agreement (the "Employment Agreement") with such candidate, subject to the Board's approval;

WHEREAS, members of the Committee (the "Representatives") conducted such search on behalf of the Company;

WHEREAS, as a result of such search, the Representatives identified Sardas to be the new President and Chief Executive Officer of the Company;

WHEREAS, the Representatives proceeded to negotiate the Employment Agreement with Sardas;

WHEREAS, the Corporation has learned that the

Representatives, with authority of the Company through its officers, represented to Sardas (the "Representation") during the negotiation of the Employment Agreement that Sardas would receive options to purchase a fifteen percent (15%) equity interest in the Company (the "Equity Interest") on a fully-diluted basis, subject to the Board's approval;

WHEREAS, the Company has learned that on or about the time they made the Representation, the Representatives were aware of the Company's intention to issue certain

participation certificates (the "Participation Certificates") as part of the Plan and that the exercise of the Participation Certificates would dilute Sardas' Equity Interest;

WHEREAS, on January 10, 1992, the Board elected Sardas President and Chief Executive Officer of the Company and adopted and ratified the Employment Agreement;

WHEREAS, on January 13, 1992, Sardas entered into the Employment Agreement with the Company;

WHEREAS, the Company learned that only subsequent to his election as President and Chief Executive Officer of the Company, Sardas was informed that the Participation Certificates would be issued pursuant to the Plan;

WHEREAS, Sardas objected to the dilution of his Equity Interest caused by the issuance of the Participation Certificates as being inconsistent with the terms of the Employment Agreement and related stock option agreement;

WHEREAS, on February 18, 1993 the Board ratified the Representation and resolved that Sardas was to be made whole with respect to any dilution to his Equity Interest in connection with the Participation Certificates;

WHEREAS, such resolution was an attempt to settle all claims Sardas had against the Company with respect to the potential dilution of his Equity Interest by the exercise of the Participation Certificates;

WHEREAS, the settlement proposed by such resolution was rejected by Sardas due to its vagueness and inadequacy, whereupon the parties continued to negotiate the terms by which a settlement could be reached and implemented;

WHEREAS, Sardas has continued, both orally and in writing, to object to the dilution of his Equity Interest caused by the issuance of the Participation Certificates and has maintained that he is entitled under proper construction of the Employment Agreement and related stock option agreement to anti-dilution protection in connection with the issuance of the Participation Certificates and has indicated an intent to seek confirmation and approval of such construction in the Bankruptcy Court;

WHEREAS, in order to reach a settlement with Sardas, the Company engaged the law firm of Benesch, Friedlander, Coplan & Aronoff ("BFC&A") to conduct a comprehensive factual and legal investigation into the circumstances surrounding the negotiation of the Employment Agreement and evaluate any potential legal claims Sardas had against the Company, and to report on same to the Company;

WHEREAS, BFC&A's report to the Company verified that the foregoing facts are accurate and indicated that Sardas has standing to seek such Court determination of the

proper construction of provisions of the Employment Agreement and stock option agreement and that the Company has exposure with regard thereto;

WHEREAS, the parties desire to resolve Sardas' claims under the Employment Agreement and stock option agreement and to afford him the benefit of terms negotiated under the Employment Agreement, thereby reforming such Agreement;

WHEREAS, on May 16, 1994, the Compensation Committee of the Board of Directors of the Company met and acknowledged the extent of the obligation for the dilution created as a result of the existence of the Participation Certificates;

WHEREAS, the Board of Directors of the Company approved the settlement of this dispute at a Board of Directors' meeting on June 28, 1994;

WHEREAS, as a result of the adverse effect on the Company of the financial accounting treatment under generally accepted accounting principles of such settlement, the Company has requested that Sardas agree to modifications thereof; and

WHEREAS, this Settlement Agreement is the product of extensive negotiations between the Company and Sardas, and represents a compromise of each of their positions prior to the date of this Settlement Agreement, including as a result of such accounting issues.

NOW, THEREFORE, the Company and Sardas enter into this Settlement Agreement, setting forth the terms and conditions of the settlement of their dispute, as follows:

1. SETTLEMENT AMOUNT AND PAYMENT. In settlement of Sardas' claims under the Employment Agreement relating to the dilution of his Equity Interest, the Company will issue to Sardas options to purchase

Common Stock of the Company in the amounts and denominations and subject to the provisions set forth in the Stock Option Agreement, a copy of which is attached hereto as Exhibit "A" and is incorporated herein by reference (the "Options"). Such settlement is intended to and does hereby reform the Employment Agreement so as to provide to Sardas the benefit of the bargain to which he was and continues to be entitled thereunder.

2. RELEASE OF CLAIMS. Upon the performance of this Settlement Agreement and the issuance to Sardas of the Options, Sardas HEREBY RELEASES AND FOREVER DISCHARGES the Company, its affiliated companies, and present and former directors, officers, shareholders, employees, agents, attorneys, and any of their heirs, personal representatives, next of kin, successors and assigns, of and from any and all liability, claims, demands, damages, costs, attorney fees, interest, actions or causes of action, from the beginning of time, whether asserted or unasserted, or known or unknown, with regard to the Representation made to Sardas during the negotiation of the Employment Agreement; provided, however, that in the event the Options are later determined to be void for any

reason, or Sardas is otherwise determined not to be entitled, in all material respects, to the benefit of this Agreement, then the foregoing release and discharge shall be void and all matters and claims released thereunder shall be revived for the benefit of Sardas.

Upon the performance of this Settlement Agreement, the Company HEREBY RELEASES AND FOREVER DISCHARGES Sardas and his heirs, representatives and assigns, and any of his agents or attorneys, and any of their successors and assigns, of and from any and all liability, claims, demands, damages, costs, attorney fees, interest, actions or causes of action, from the beginning of time, whether asserted or unasserted, or known or unknown, with regard to any claims arising from the dispute with regard to the Representation made to Sardas during the negotiation of the Employment Agreement.

IT IS AGREED that this Settlement Agreement is a FULL AND FINAL SETTLEMENT OF ALL CLAIMS of every nature and kind whatsoever with regard to the Representation made to Sardas during the negotiation of the Employment Agreement, from the beginning of time, between the Company and Sardas.

3. REGISTRATION.

(a) The Company will use its best efforts to register the Options and underlying Common

Stock on a Registration Statement on Form S-8, subject to its satisfaction that it is qualified to use the Form S-8 for such purpose.

(b) Subject to the subparagraph (a) above, Sardas represents and warrants to the Company that he understands the Options and underlying Common Stock have not been registered with the Securities and Exchange Commission or any state securities agency and must be held unless so registered or unless any proposed sale is exempt from such registration. Sardas further represents, subject to subparagraph (a) above, that he is acquiring the Options and, upon exercise, the underlying Common Stock for investment purposes and not with a view to the resale thereof.

4. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to Sardas as follows:

(a) The Company has all requisite corporate power and authority, and has taken all necessary corporate action, to authorize, execute and deliver this Agreement, which Agreement constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms; and

(b) Neither the execution or delivery of this Agreement nor the consummation of the transactions herein contemplated does or will result in

a breach or violation of, or constitute a default or in event permitting acceleration under, any statute, the Certificate of Incorporation or the By-laws of the Company (as either may then be in effect) or any mortgage, lease, indenture or any other agreement, instrument, decree, order, judgment, rule or regulation to which the

Company is subject or a party.

5. MISCELLANEOUS.

(a) SEVERABILITY - The provisions of this Settlement Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions will be binding and enforceable.

(b) SUCCESSORS AND ASSIGNS - The provisions of this Settlement Agreement will be binding upon any heirs, personal representatives, next of kin, successors and assigns of either the Company or Sardas.

(c) REMEDIES AND CONSTRUCTION - In the event of breach of this Settlement Agreement, the Company and Sardas will have the right to exercise any and all remedies at law. The terms of this Settlement Agreement are to be construed and interpreted in accordance with the laws of the State of Ohio.

(d) RECITALS - The recitals to this Agreement are integral to this Agreement and are deemed a part of this Agreement.

(e) ENTIRE AGREEMENT, ETC. - This Settlement Agreement sets forth the entire agreement between the Company and Sardas, with no other promises or representations having been made by any of them. This document may not be changed or modified orally. This document may be executed in counterparts, which together will be considered as if one document.

IN WITNESS WHEREOF, the undersigned have executed this Settlement Agreement on the date.

SUDBURY, INC.

By: /s/ Mark E. Brody

Its: Vice President--Finance

JACQUES R. SARDAS

/S/ Jacques R. Sardas

EXHIBIT (10)(f)

SUDBURY, INC.

STOCK OPTION AGREEMENT

July 29, 1994

To: Jacques R. Sardas
Sudbury, Inc.
30100 Chagrin Boulevard, Suite 203
Cleveland, Ohio 44124

Sudbury, Inc., a Delaware corporation (the "Company") hereby grants to Jacques R. Sardas ("Sardas"), effective as of the date of this Agreement, non-qualified options (the "Options") to purchase in the aggregate 479,893 shares of the Company's Common Stock, par value $.01 per share (the "Shares"). Sardas, by his execution of this Agreement hereby agrees to its terms and conditions.

This Agreement is entered into in connection with Sardas' Employment Agreement with the Company dated January 13, 1992, as amended, (the "Employment Agreement") and the anti-dilution provisions of the related stock option agreement, dated September 1, 1992 (the "Option Agreement"), as well as under that certain Settlement Agreement between the Company and Sardas, dated July 29, 1994, (the "Settlement Agreement").

1. DEFINITIONS.

As used herein, the following terms shall have the following meanings:

(a) "CLOSING PRICE" means on any day, when used with respect to the Common Stock, the last reported sale price or, in the case no such reported sale takes place on such day, the average of the reported closing bid and asked prices, in either case as reported on the principal national securities exchange on which the Common Stock is listed or admitted to trading, or if the Common Stock is not listed or admitted to trading on any national securities exchange, on the National Association of Securities Dealers Automated Quotations National Market System, or, if the Common Stock is not listed or admitted to trading on any national securities exchange or quoted on such National Market System, the average of the closing bid and asked prices in the over-the-counter market as furnished by any New York Stock Exchange member firm selected from time to time by the Board of Directors of the Company for such purposes.

(b) "COMMON STOCK" means the Common Stock of the Company or any other stock of any class or classes (however designated) of the Company, now or hereafter authorized, the holders of which shall have the right, without limitation as

to amount, either to all or to a part of the balance of current dividends and liquidating dividends after the payment of dividends and distributions on any shares entitled to preference.

(c) "EXERCISE PRICE" means the exercise price of the Shares upon exercise of Options, as is set forth in Section 3(a) below.

(d) "HOLDER" means Sardas or any subsequent permitted transferee of the Options issued to Sardas pursuant to this Agreement as is set forth in Section 7 below.

(e) "OUTSTANDING COMMON STOCK" means the Common Stock outstanding at any given time plus (1) all shares reserved for issuance in connection with the exercise of options previously granted under the Employment Agreement, as amended, and (2) all shares reserved for issuance in connection with Series A and Series B Participation Certificates.

Outstanding Common Stock shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock.

2. REPRESENTATIONS AND WARRANTIES.

The Company represents and warrants to Sardas as follows:

(a) CORPORATE ACTION. The Company has all requisite corporate power and authority, and has taken all necessary corporate action, to authorize, execute and deliver this Agreement, to issue and deliver the Options, to authorize and reserve for issuance, and upon payment from time to time of the Exercise Price to issue and deliver, the Shares. The Shares, when issued in accordance with the terms of this Agreement, will be duly authorized, validly issued, fully paid and nonassessable.

(b) NO VIOLATION. Neither the execution or delivery of this Agreement nor the consummation of the transactions herein contemplated does or will result in a breach or violation of, or constitute a default or an event permitting acceleration under, any statute, the Certificate of Incorporation or the By-Laws of the Company (as either may then be in effect) or any mortgage, lease, indenture or any other agreement, instrument, decree, order, judgment, rule or regulation to which the Company is subject or a party.

3. FORM AND EXERCISE OF OPTIONS.

(a) TERM. Options to purchase 109,270 Shares are exercisable at any time and from time to time on and after the date hereof and prior to their expiration at 5:00 p.m., Cleveland time, on September 1, 1996, at an Exercise Price per Share of $3.17. Options to purchase 115,021 Shares are exercisable at any time and from time to time on and after the date hereof and prior to their expiration at 5:00 p.m., Cleveland time, on September 1, 1999, at an Exercise Price per Share of $5.67. Options to purchase 255,602 Shares are exercisable at any time and from time to time on and after January 13, 1996, and prior to their expiration on September 1, 2002, at an Exercise Price per Share of $5.015.

(b) MERGER, CONSOLIDATION, ETC.

(i) In the event that at any time prior to the expiration of this Option each of the outstanding shares of Common Stock of the Company (except shares held by dissenting shareholders) shall be changed to or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation, whether through merger, consolidation or other business combination, then for all purposes of this Option there shall be substituted for each Share purchasable hereunder the number and kind of shares of stock or other securities into which each such Share shall be so changed, or for which each such Share shall be so exchanged, and the shares or securities so substituted for each such Share shall be subject to purchase at the Exercise Price, as above provided.

(ii) If the Company shall liquidate or dissolve, or shall be a party to a merger or consolidation with respect to which the Company shall not be the surviving corporation, the Company shall give prior written notice thereof to the Holder at least thirty (30) days prior thereto. To the extent that this Option shall not have been exercised on or prior to the effective date of such liquidation, dissolution, merger or consolidation, it shall terminate on said date, unless it is assumed by another corporation.

(c) METHOD OF EXERCISE. Each Option may be exercised in full or in part by the person or persons entitled to exercise the Option by written notice of the number of full Shares with respect to which the Option is to be exercised. Such notice shall be delivered to the Company at its principal office at 30100 Chagrin Boulevard, Suite 203, Cleveland, Ohio 44124, accompanied by payment, in cash, by certified or official bank check payable to the order of the Company, or by bank wire transfer, in the respective amount obtained by multiplying the number of Shares (after giving effect to any adjustment therein as provided below) designated in such notice by the Exercise Price per share (after giving effect to any adjustment therein as provided below).

(d) DELIVERY OF STOCK CERTIFICATES ON EXERCISE. As soon as practicable after the exercise of any Option in full or in part, and in any event within ten (10) days thereafter, the Company at its expense (including the payment by it of any applicable issue taxes) will cause to be issued in the name of and delivered to the person or persons having so exercised the Option, a certificate or certificates for the number of fully paid and nonassessable Shares to which such person or persons shall be entitled upon such exercise, plus in lieu of any fractional share to which such person or persons would otherwise be entitled, cash equal to such fraction multiplied by the Closing Price on the date of the exercise of one full share of Common Stock.

(e) MERGER WITH AFFILIATE. In case of any merger of the Company into, or sale of substantially all of its assets to, an affiliate, or a merger of an affiliate into the Company resulting in a reclassification or exchange of shares of the Company's Common Stock (the "Transaction"), the Options shall thereafter be exercisable, on such terms and subject to such conditions as shall be as nearly equivalent as may be practicable to the provisions set forth in this Agreement, only into the kind and amount of securities, cash and other property ("Substituted Property") that would have been issued to a Holder if the Options had been exercised in full immediately prior to the Transaction. Further, in such event, the rights and obligations of the Company (or, in case the Company is not the survivor, the acquiror) and of the Holders in respect of the Substituted Property shall be as nearly equivalent as may be practicable to the rights and obligations of the Company and Holders in respect of the Shares as set forth in this Agreement.

4. STOCK DIVIDENDS; SPLITS; COMBINATIONS.

The Options are subject to the following terms and conditions during the term hereof.

(a) DIVIDENDS AND OTHER DISTRIBUTIONS. In case the Company shall pay or make a dividend or other distribution on any class of capital stock of the Company in Common Stock, (1) the Exercise Price in effect at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be reduced by multiplying such Exercise Price by a fraction of which the numerator shall be the number of shares of Outstanding Common Stock at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, and (2) the number of Shares purchasable hereunder shall be increased proportionately to that number which when multiplied by the Exercise Price as adjusted herein is equal to the number of Shares initially purchasable hereunder multiplied by the initial Exercise Price. All such adjustments shall become effective immediately after the opening of business on the day following the date fixed for such determination.

(b) STOCK SPLITS; COMBINATIONS; ETC. In case outstanding shares of Common Stock shall be subdivided (by reclassification or otherwise) into a greater number of shares of Common Stock, (1) the Exercise Price in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately reduced, and (2) the number of Shares purchasable hereunder shall be increased proportionately to that number which when multiplied by the Exercise Price as adjusted herein is equal to the number of Shares initially purchasable hereunder multiplied by the initial Exercise Price. In case outstanding shares of Common Stock shall be combined into a lesser number of shares of Common Stock, (3) the Exercise Price in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately increased, and (4) the number of Shares purchasable hereunder shall be decreased proportionately to that number which when multiplied by the Exercise Price as adjusted herein is equal to the number of Shares initially purchasable hereunder multiplied by the initial Exercise Price. All such adjustments shall become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective. In the event that there shall be any other change in the number or kind of outstanding Common Stock or other securities of the Company, or of any shares of stock or other securities into which Shares shall have been changed or for which they shall have been exchanged, then the Board of Directors may make such adjustment in the number or kind of shares of stock or other securities subject to purchase and the Exercise Price as the Board of Directors, in its sole discretion, may determine.

(c) ADJUSTMENT FOR TAX PURPOSES. The Company may make such changes in the Exercise Price and number of Shares purchasable hereunder, in addition to those required by paragraphs (a) and (b) of this Section, as it considers to be advisable in order that any event treated for Federal income tax purposes as a dividend of stock or stock rights shall not be taxable to the recipient.

(d) COMPUTATION OF ADJUSTMENT. Whenever the Exercise Price is adjusted as provided in this Section:

(i) the Company shall compute the adjusted Exercise Price and number of Shares purchasable hereunder and shall prepare a certificate signed by the Treasurer of the Company setting forth the adjusted Exercise Price and showing in reasonable detail the facts upon which such adjustment is based, and such certificate shall forthwith be filed with and maintained as a part of the Company's records; and

(ii) a notice stating that the Exercise Price and number of Shares purchasable hereunder has been adjusted and setting forth the adjusted Exercise Price and number of Shares purchasable hereunder shall be mailed by the Company to any Holder at his last address as it shall appear on the records of the Company.

5. COMPLIANCE WITH THE SECURITIES ACT OF 1933.

(a) REGISTRATION UNDER SECURITIES ACT. Neither the Options nor the Shares have been registered under the Securities Act of 1933, as amended, (the "Securities Act"). The Shares shall bear any legend which, in the Company's judgment is required by law. The Company will use its best efforts to register the Shares on a Registration Statement on Form S-8, subject to its satisfaction that it is qualified to use such Form S-8 for such purpose.

(b) REGISTRATION OF UNDERLYING COMMON STOCK. If at any time prior to September 1, 2002, the Company shall determine to file a registration statement under the Securities Act (on a form that can be used for a secondary distribution other than on Forms S-4 and S-8) in connection with a proposed underwritten public offering of shares of Common Stock solely for cash and for its own account, the Company shall give each Holder written notice of such determination. Within 30 days after the giving of such notice by the Company, any such Holder may request in writing that the Company include in such registration all or any portion of the Shares underlying such Options as are owned by such Holder. The Company will cause all shares of Common Stock that are the subject of such a request from such a Holder and that have been purchased by a valid exercise of Options prior to the date of the initial filing of a registration statement with the Securities and Exchange Commission to be included in such registration, subject to the provisions of this Section 5(b). All shares of Common Stock owned by a requesting Holder and included in such registration shall be included in the underwriting on the same terms and conditions as the securities otherwise being sold through the underwriters. If, however, in the good faith judgment of the managing underwriter of such public offering, the inclusion of all shares of Common Stock requested for inclusion by such Holders would interfere with the successful public offering and sale of a lesser number of shares of Common Stock being offered by the Company and by others having registration rights superior to these, the number of shares of Common Stock requested to be included by such Holders and the holders of any shares of Common Stock having registration rights pari passu to these shall be reduced pro rata or, if necessary in such managing underwriter's good faith judgment, shall not be included in the registration. All of the reasonable fees, costs and expenses of a registration pursuant to this Section 5(b), including (without limitation) all federal and state registration, filing and qualification fees, printing expenses, and fees and expenses of counsel and accountants for the Company, shall be borne by the Company, except that each Holder having shares of Common Stock included in any such registration, shall bear its own underwriting discounts and commissions and any fees and disbursements of separate legal counsel and accountants hired by it in connection with such registration.

(c) INDEMNIFICATION.

(i) In the event that a Holder has shares of Common Stock included in a registration pursuant to Section 5(b) hereof, the Company shall indemnify such Holder and hold such Holder harmless from and against all claims, losses, damages, costs and expenses to which such Holder may become subject under the Securities Act, state securities laws or otherwise, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any registration statement, any prospectus or any other related document, or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the Company shall not be liable in any such case to the extent that any such claim, loss, damage, cost or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission based upon information furnished in writing to the Company by such Holder specifically for use in such registration.

(ii) Each Holder shall, if shares of Common Stock owned by such Holder are included in a registration which is the subject of Section 5(b) hereof, indemnify and hold harmless the Company and each of its officers and directors and each person controlling the Company, and each Holder with shares of Common Stock included in any such registration, together with the officers, partners, and directors of and each person controlling such Holder, from and against all claims, losses, damages, costs and expenses to which any of them may become subject under the Securities Act, state securities laws or otherwise, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any registration statement, any prospectus or any other related document, or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission is based upon information furnished in writing to the Company by the Holder specifically for use in such registration.

(iii) Promptly after receipt by an indemnified party under subsections (i) or (ii) above of notice of the commencement of any action involving the subject matter of the foregoing indemnity provisions, such indemnified party shall, if a claim is to be made against the indemnifying party pursuant to the provisions of said subsection (i) or (ii), notify the indemnifying party of the commencement thereof, but the omission so to notify shall not relieve the indemnifying party from any liability which it may have to an indemnified party, except to the extent such indemnifying party is

prejudiced by such omission. The indemnifying party shall have the right to participate in and, to the extent that it may wish, singly or jointly with any other indemnifying party similarly notified, to assume the defense thereof, 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 shall not be liable to such indemnified party pursuant to the provisions of said subsections (i) or (ii) for any legal or other expense subsequently incurred by such indemnified party in connection with the defense thereof. No indemnifying party shall be liable to an indemnified party for any settlement of any action or claim without the consent of the indemnifying party, which consent may not be unreasonably withheld.

6. FURTHER COVENANTS OF THE COMPANY.

(a) RESERVATION OF STOCK. The Company shall at all times reserve and keep available, solely for issuance and delivery upon the exercise of the Options, the maximum number of Shares from time to time issuable upon the exercise of the Options and shall take all necessary actions to ensure that the par value per share, if any, of Shares is at all times equal to or less than the then effective Exercise Price per share.

(b) TITLE TO STOCK. All the Shares delivered upon the exercise of the Options shall be duly authorized, validly issued, fully paid and nonassessable; each Holder of an Option shall receive good title to the Shares, free and clear of all voting and other trust arrangements, liens, encumbrances, equities, and claims whatsoever; and the Company shall have paid all taxes and expenses, if any, in respect of the issuance thereof.

(c) LISTING ON SECURITIES EXCHANGE. If the Company at any time shall list any Common Stock on any national securities exchange, the Company will, at its expense, simultaneously list on such exchange, upon official notice of issuance upon the exercise of the Options, and maintain such listing of, all of the Shares from time to time issuable upon the exercise of the Options.

(d) REPORTS BY THE COMPANY. The Company agrees that during the term of the Options, it will provide each Holder of Options a copy of its audited financial statements with respect to such fiscal year at the time such financial statements are provided to all holders of Common Stock and provide such Holder of Options a copy of communications sent to all holders of Common Stock.

(e) TREASURY SHARES. The Company will not pay any dividend or make any distribution (including issuance of rights, warrants or options) on shares of Common Stock held in the treasury of the Company.

7. NONTRANSFERABILITY. The Options shall not be transferable, other than to the following permitted transferees: by will or the laws of descent and distribution, and the Options may be exercised, during the lifetime of the holder of the Option, only by him, or in the event of death, by the legal representative of his estate who shall acquire the right to exercise or receive the Option, by bequest or inheritance, or by reason of Sardas' death.

8. OPTION HOLDERS NOT DEEMED SHAREHOLDERS.

No Holder, as such, of any Option shall be entitled to vote, receive dividends or be deemed for any purposes the holder of the Shares nor shall anything else contained herein be construed to confer upon the Holders any other rights of shareholders of the Company.

9. MISCELLANEOUS.

All notices, certificates and other communications from or at the request of the Company to the Holder of any Option shall be mailed by first class, regular mail, postage prepaid, to such address as may have been furnished to the Company in writing by such Holder, or, until an address is so furnished, to the address of the last Holder, or, until an address is so furnished, to the address of the last Holder of such Options who has so furnished an address to the Company, except as otherwise provided herein. This Agreement and any of the terms hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against whom enforcement of such change, waiver, discharge or termination is sought. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Ohio. The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect any of the terms hereof. This Agreement, together with the Employment Agreement, the Option Agreement and the Settlement Agreement, constitutes the full and complete agreement of the parties hereto with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed as of the date first above written, in Cleveland, Ohio, by its proper corporate officers thereunto duly authorized.

SUDBURY, INC.

By: /s/ Mark E. Brody

Attest:

/s/ Mary C. Farrar

The terms of the foregoing Agreement are hereby agreed to as of the date thereof.

/s/ Jacques R. Sardas

Jacques R. Sardas

EXHIBIT (10)(g)

SUMMARY DESCRIPTION OF THE SUDBURY, INC. INCENTIVE BONUS PLAN

Officers of Sudbury, Inc., including executive officers, are eligible to earn an annual cash incentive bonus under the Sudbury, Inc. Incentive Bonus Plan ("Bonus Plan"). The amount of such bonus is determined as a percentage of base salary ranging from a minimum of 10% to a maximum of 50% as determined by the category to which an individual participant is assigned for a plan year. The assignment of category is based upon the subjective determination of each individual's level of responsibility and accountability by the Compensation Committee of Sudbury, Inc.'s Board of Directors ("Committee").

The annual incentive bonus is tied directly to the achievement of specific financial objectives for Sudbury, Inc. and its subsidiaries (the "Company"). Each year, usually at its August meeting, the Committee sets minimum and maximum target levels relating to the Company's net income (before bonuses) and cash flow. No awards are paid if the specified minimum target is not met. All awards require Committee approval and are submitted by the Committee to the Company's Board of Directors for the Board's final approval.

<TABLE>
EXHIBIT (11) - STATEMENT RE: COMPUTATION OF PER SHARE EARNINGS

SUDBURY, INC. AND SUBSIDIARIES

<CAPTION>

	Successor			Predecessor	
Ended	Year Ended May 31, 1994	Nine Months Ended May 31 1993		Three Months Ended Aug 31, 1992	Year Ended May 31, 1992
	(Amounts in thousands, except per share data)				
<S>	<C>	<C>		<C>	<C>
PRIMARY					
Average Shares outstanding	10,071	10,000	||		
Net effect of dilutive stock options and other common stock equivalents - based on the treasury stock method using average market price	2,259	1,763	||		
TOTAL	12,330	11,763	||		
Net income	$ 6,830	$ 2,808	||		
Per share amount	.55	.24	||	(A)	(A)
FULLY DILUTED			||		
Average shares outstanding	10,071	10,000	||		
Net effect of dilutive stock options and other common stock equivalents - based on the treasury stock method using the year-end market price if higher than average market price	2,411	2,008	||		
TOTAL	12,482	12,008	||		
Net income	$ 6,830	$ 2,808	||		

	=======	=======	||		
Per share amount	$ .55	$ .23	||	(A)	(A)
	=======	=======	||		

<FN>
(A) As a result of the changes in ownership and capital structure from the Plan, primary and fully dilluted net income per share calculations are not relevant for three months ended August 31, 1992 and for the fiscal year 1992.

</TABLE>

<TABLE>
EXHIBIT (13)
- - -----------

SELECTED FINANCIAL DATA
<CAPTION>

	1994 (A)	1993 (A)	1992 (A)	1991	1990
	(Dollars in thousands, except per share amounts)				
<S>	<C>	<C>	<C>	<C>	<C>
Net Sales:					
Ongoing operations	$250,329	$222,410	$198,197	$206,872	$221,222
Businesses held for sale	315	50,221	156,678	174,678	234,907
TOTAL	250,644	272,631	354,875	381,550	456,129
Special charges (B)	(5,956)	(1,681)	(46,315)	(51,851)	
Gain on formation of joint venture (C)					16,298
Income (loss) from continuing operations before extraordinary gain	6,830	3,108	(56,410)	(64,088)	1,044
Extraordinary gain (D)		78,805			
Income (loss) from continuing operations	6,830	81,913	(56,410)	(64,088)	1,044
Income (loss) from continuing operations per share: Primary and fully diluted	.55	(E)	(E)	(E)	(E)
Cash dividends per common share					
Assets	114,200	116,456	162,233	237,071	315,465
Working capital (deficiency)	19,667	19,148	(27,583)	(119,123)	44,350
Short-term obligations	2,300	3,088	60,874	155,014	16,038
Long-term debt	29,961	45,984	23,931	8,405	74,759
Liabilities deferred pursuant to Chapter 11			86,279		
Convertible subordinated debentures					46,000
Subordinated notes with warrants					25,000
Serial preferred stock			7,563	7,563	9,225
Stockholders' equity (deficit)	29,410	16,808	(56,833)	(423)	63,359

- - ------------------------
<FN>
(A) As discussed more fully in Note B -- Proceedings Under Chapter 11 and Restructuring of the financial statements, the income statement amounts presented for 1994 and 1993 and the balance sheet amounts for 1993 and 1992 are not comparable to those of the prior periods as a result of the Company's reorganization.

(B) Refer to Note D -- Special Charges of the financial statements for a further discussion of these charges.

(C) In December 1989 the Company recognized a gain as a result of the sale of 65% of its interest in its General Products business.

(D) Refer to Note B -- Proceedings Under Chapter 11 and Restructuring of the financial statements for further discussion of this gain.

(E) Calculations of net income (loss) per share are not meaningful as a result of the Company's reorganization described in Note B -- Proceedings Under Chapter 11 and Restructuring of the financial statements.
</TABLE>

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS - FISCAL YEAR 1994 COMPARED TO FISCAL YEAR 1993:

SALES. The Company's net sales from ongoing operations for fiscal 1994 increased by 13% to $250.3 million from $222.4 million in the prior year. This sales improvement came from a $14.1 million increase in sales of existing products, $9.5 million of net new business and $4.3 million of price increases.

During the year the Company's sales to the automotive industry improved to $148 million which is a 19% increase over the prior year level of $124 million. The Company's Wagner Castings Company ("Wagner") and Industrial Powder Coatings, Inc. ("IPC") subsidiaries accounted for most of this increase as their volumes improved in line with the overall rise in demand which occurred over the past year in the domestic automotive industry. In addition, sales at Wagner increased by $6.8 million due to a full year's production of a new program which was started in fiscal year 1993 with Ford Motor Company of Europe and other indirect suppliers to Ford for Ford's "World Car" program.

Sales at the Company's Iowa Mold Tooling Company ("IMT") subsidiary increased by $4.6 million over the prior year as a result of increases in several of its construction related markets.

Sales of businesses held for sale decreased to $.3 million in fiscal 1994 from $50.2 million in the prior fiscal year due to the sale of 15 of the Company's businesses during fiscal 1993.

NET INCOME. The net income for the year of $6.8 million compares to income before extraordinary gain in the prior year of $3.1 million. Principal variations between the current period net income compared to the prior year are discussed below.

Operating income from ongoing operations before special charges increased by $4.7 million (45%), principally as a result of the $27.9 million increase in sales described above. Operating margins were negatively impacted by $1.1 million in fiscal 1994 due to significant price increases in scrap steel which is the principal raw material used by Wagner. Commitments with most of Wagner's major customers allow Wagner to pass on the majority of increases or decreases in the cost of scrap steel to those customers, however, these adjustments are generally passed along three to six months subsequent to the time the change occurs. During the latter part of fiscal 1994 and the early part of fiscal 1995, the cost of scrap steel stabilized, and as such, Wagner is not currently incurring significant additional costs, but there can be no assurance that this will continue. Also negatively impacting fiscal 1994's results was a charge of $.9 million recorded in selling and administrative expenses as a result of the Company's agreement to issue Jacques R. Sardas, Chairman, President and Chief Executive Officer of the Company, 479,893 stock options with exercise prices ranging from $3.17 to $5.69 per share, as described in Note K -- Stockholders'

Equity of the financial statements. These options were issued in settlement of Mr. Sardas' claim that under his employment agreement and related stock option agreement the Company was obligated to protect his 15% effective ownership position in the Company's Common Stock from the dilution created as a result of the issuance of the Series A, B and C Participation Certificates.

Operating income of businesses held for sale before special charges decreased by $1.1 million to a level of zero reflecting the impact of their sale in the prior fiscal year.

Special charges increased by $4.3 million during the current fiscal year to a level of $6.0 million as a result of expenses recognized in connection with the January 1992 employment agreement with Mr. Sardas. This agreement was confirmed as part of the Company's Plan of Reorganization. These charges include expenses of $4.7 million associated with stock options and a $1.3 million cash bonus accrual which are both subject to the achievement of certain performance targets described in Note D -- Special Charges of the financial statements. The charge relating to the stock options was noncash and because these options are currently exercisable, no future charges will be required to account for these options. Expense for Mr. Sardas' cash bonus, which is payable in January 1996, is being accrued over the period of the employment agreement and may vary with changes in the market value of the Company's Common Stock. Special charges of $1.7 million in the prior fiscal year related to consulting and other expenses incurred under the Company's restructuring program.

Interest expense decreased by $1.8 million due to reductions in debt (a) caused by the Company's asset sale program, (b) due to cash flow from increased profitability, and (c) in connection with the Company's existing credit facility which provides the Company with a revolving line of credit. The Company's previous credit facility did not include a revolving line of credit and cash balances could not be applied against debt.

The Company favorably settled two lawsuits and resolved a preconfirmation liability resulting in income of $.8 million in the current fiscal year as described in Note E -- Settlement of Preconfirmation Liabilities of the financial statements. Other income of $.5 million in the current fiscal year principally related to the receipt of miscellaneous contingent proceeds and escrows relating to previous asset sales.

An income tax benefit of $.2 million resulted from refunds received by the Company due to the favorable resolution of certain state tax disputes. The Company recorded a deferred tax asset of $1.4 million in fiscal 1994 which principally related to the Company's $7.1 million net operating loss carryforward generated after emergence from bankruptcy described in Note L -- Income Taxes of the financial statements which the Company believes will be utilized through the generation of taxable income in future years.

As approximately 60% of the Company's sales are dependent on the automotive markets in the United States and Europe, related profits will be dependent on sales of vehicles in these markets during fiscal year 1995. The Company experienced strong sales from the automotive market during the current fiscal year.

RESULTS OF OPERATIONS - FISCAL YEAR 1993 COMPARED TO FISCAL YEAR 1992:

SALES. The Company's net sales from ongoing operations for fiscal 1993 increased to $222.4 million from $198.2 million in the prior year. This 12% increase was principally caused by increased sales at the Company's automotive and truck related businesses.

During fiscal 1993, the Company's net sales to the automotive industry increased by $26.9 million over the prior year. This increase was principally due to increased volume on existing parts as a result of the general improvement in the automotive industry over the past year and from a new program started by Wagner with Ford Motor Company in Europe and other indirect suppliers to Ford for Ford's "World Car" program which accounted for $8.0 million of new business. As a result of the large increase in sales during the year, Wagner's Decatur, Illinois facility experienced continued orders in excess of capacity. To better meet its production requirements, Wagner re-opened its Havana, Illinois facility in March 1993, which facility had been closed for approximately two years.

Sales of businesses held for sale decreased to $50.2 million in fiscal 1993 from $156.7 million in the prior fiscal year which reflected the impact of the sale of most of these businesses during the 1993 fiscal year.

NET INCOME. The net income for the 1993 fiscal year before extraordinary gain was $3.1 million compared to a net loss of $56.4 million in the prior fiscal year. This improvement was primarily due to (a) increases in operating profits of $7.5 million and $1.7 million for ongoing operations and businesses held for sale, respectively; (b) a decrease in interest expense of $5.9 million and (c) decreases in special charges of $44.6 million.

During fiscal 1993, all six of the Company's businesses operated profitably. Several of the Company's businesses had improved operating results due to (a) increases in sales discussed previously, (b) gross margin improvements arising from manufacturing efficiency improvements and cost reductions which were achieved in the 1993 fiscal year, and (c) changes in product mix. Fiscal 1993 results were negatively impacted by a $.9 million charge relating to postretirement benefits under Financial Accounting Standards No. 106. IMT was also impacted negatively in fiscal 1992 as a result of a labor strike which lasted approximately one month. Fiscal 1992's results also reflect a $.5 million benefit from the settlement and termination of one of the Company's defined benefit pension plans.

Also contributing to the improvement in operating profits from ongoing operations was a reduction in the Corporate office expenses of $2.7 million which was due principally to administrative expense reductions in line with the down-sizing of the Company and the impact in the prior year of operational and other related consulting expenses which were incurred as a result of the Company's financial difficulties.

The interest expense decrease of $5.9 million was principally due to the reduction of unsecured debt as a result of the Plan and reductions in debt caused by the Company's asset sale program.

Special charges in fiscal 1993 of $1.7 million represented expenses incurred in connection with the Company's restructuring process while the prior year's special charges of $46.3 million included (a) $36.5 million for reserves for loss on sales of businesses, (b) $4.2 million for the write-off of certain deferred costs and (c) $5.6 million in restructuring expenses.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial position improved significantly during fiscal 1994 as its operating activities provided cash of $17.1 million compared to $6.8 million in the prior fiscal year. This improvement came principally from higher profitability before the current year's noncash special charges. Operating cash flows were applied primarily to reduce outstanding indebtedness and to fund capital expenditures.

Long-term debt at May 31, 1994 was $32.3 million, a decrease of $16.8 million from May 31, 1993. Long-term debt represents 52% of long-term debt plus stockholders' equity at May 31, 1994, compared to 74% at the end of fiscal 1993.

The Company has an asset-based $48,000,000 credit facility ("Credit Facility") which expires in May 1996. The Credit Facility provides the Company with a $33.8 million revolving line of credit, an $11.2 million term loan and a $3.0 million capital expenditure facility. As of May 31, 1994, the Company had borrowed $9.7 million under its revolving line of credit and had $21.6 million of additional borrowing capacity based on the asset-based advance rate formulas contained in the Credit Facility agreement. The Company had not borrowed under the capital expenditure facility as of May 31, 1994. This facility provides the Company funds for 75% of the cost of eligible capital expenditures.

The Credit Facility is structured in a form whereby each of the Company's six operating subsidiaries is a borrower and the Company is the guarantor. The Credit Facility limits the amounts that each of the six operating subsidiaries can distribute to the parent or loan to each other. Under an amendment to the Credit Facility the limit on capital expenditures was increased to $15.3 million for fiscal 1995. The Credit Facility does not allow the Company to pay dividends to its stockholders.

Capital expenditures for ongoing operations were $7.0 million in fiscal 1994 compared with $3.0 million in fiscal 1993. The increase in capital expenditures was mainly attributable to facility improvements and expansions in an effort to improve capacity and quality at the Company's businesses and to comply with certain environmental regulatory requirements. The Company currently has capital expenditure commitments for fiscal 1995 of $4.8 million. Most of these commitments relate to equipment which will be purchased to facilitate a new plant which the Company's IPC subsidiary will start up in fiscal 1995. This facility will powder coat steel blanks under a seven year agreement (subject to certain conditions) with a major appliance manufacturer and is expected to begin full production in early fiscal 1996.

As a result of IPC's new facility and major capital expenditure programs at the Company's Wagner Castings Company subsidiary which are mainly targeted to improving capacity, quality and cost, the Company expects to substantially increase capital expenditure levels in fiscal 1995.

As a result of the Company's profitability, it expects to start paying federal income taxes in fiscal 1995 as it will have utilized all of its net operating loss carryforwards which were generated subsequent to emergence from Chapter 11.

The Company received $2.4 million during fiscal year 1994 from the collection of notes receivable related to subsidiaries which were sold in fiscal 1993. These funds were used by the Company to reduce bank debt under its Credit Facility.

The Company believes that funds available under the Credit Facility and funds generated from operations will be sufficient to satisfy its anticipated operating needs and capital improvements for fiscal 1995.

OTHER MATTERS. The Company's current and previous businesses operate in a variety of locations and industries where environmental situations could exist based on current or past operations. Certain operating and non-operating subsidiaries of the Company have been named as potentially responsible parties ("PRPs") liable for cleanup costs by the United States Environmental Protection Agency ("EPA"), state regulatory authorities and private parties with respect to several sites in various states, including Minnesota, Ohio, Pennsylvania and Texas. The Company continues to evaluate the environmental conditions and its potential liability at these sites.

The Company has initiated corrective action and/or preventive environmental projects to ensure the safe and lawful operation of its facilities. In fiscal year 1994, capital expenditures of $1.6 million were made for projects to limit hazardous substances and pollution at the Company's South Coast Terminals, Inc. and Wagner Castings Company subsidiaries. For known environmental conditions, the Company, with the assistance of environmental engineers and consultants, has accrued $5,263,000 to cover estimated future environmental expenditures. While the ultimate result of both known and unknown environmental conditions cannot be predicted with certainty, the Company does not expect these matters to have a material adverse effect on its financial condition or results of operations.

At May 31, 1994, the Company reduced the discount rate used to measure the obligations for pension and postretirement welfare plans at one subsidiary from 8.25% to 8.0% in recognition of lower prevailing long-term interest rates. The combined effect of this discount rate and other assumption changes on fiscal year 1995 pension and other postretirement benefit expenses is not expected to be material.

At May 31, 1994, the pension liability of one of the Company's subsidiaries was remeasured as described in Note M -- Retirement Plans of the financial statements. As a result, the minimum pension liability was adjusted from $.8 million at May 31, 1993 to $2.2 million at May 31, 1994; the related intangible asset was adjusted from $.8 million to $1.4 million; and stockholders' equity was reduced by $.6 million. The adjustment in the minimum pension liability at May 31, 1994 resulted mainly from an increase in pension fund liabilities due to the previously discussed decrease in the discount rate and a lower than expected rate of return on plan assets during the current period.

MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

From October, 1984 to January, 1992, the Company's Common Stock was listed on the NASDAQ National Market System of the National Association of Securities Dealers, Inc. ("NASDAQ") under the symbol "SUDS." Subsequent to January, 1992, the Common Stock had been traded in the over-the-counter market in the National Daily Quotation Bureau Pink Sheets ("Pink Sheets") and in April, 1993 began trading via the OTC Bulletin Board ("Bulletin Board") under the symbol "SUBY." On September 28, 1993, the Company's Common Stock was re-listed on NASDAQ under the symbol "SUDS."

Notwithstanding the eligibility for trading in the Pink Sheets or the Bulletin Board, during the first quarter of the 1994 fiscal year there was limited trading activity and thus, there was no established public trading market for the Company's Common Stock until its listing on NASDAQ on September 28, 1993. During the 1993 fiscal year, the high and low closing bid quotations as reported in the Pink Sheets or the Bulletin Board ranged from a high bid of $4.75 to a low bid of $.06*. During the 1994 fiscal year, the high and low closing bid quotations as reported on NASDAQ or the Bulletin Board ranged from a high bid of $8.00 to a low bid of $4.375. The following table sets forth the high and low closing bid quotations as reported either on NASDAQ, the Pink Sheets or the Bulletin Board. The prices represent quotations between dealers without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

PERIOD	HIGH	LOW
YEAR ENDED MAY 31, 1994		
First quarter	$4.75	$4.375
Second quarter	7.25	5.375
Third quarter	8.00	5.50
Fourth quarter	7.50	6.875
YEAR ENDED MAY 31, 1993		
First quarter*	$ .06	$ .06
Second quarter	1.50	.94

Third quarter	2.00	1.50
Fourth quarter	4.75	2.13

- - ------------------------

<FN>

* The prices quoted for this period makes no adjustment to reflect the 46-for-1 reverse split effective September 1, 1992, which took place in connection with the Company's emergence from Chapter 11 of the United States Bankruptcy Code. See Note B -- Proceedings Under Chapter 11 and Restructuring of the financial statements.

On August 9, 1994, there were approximately 1,225 record holders of the Company's Common Stock.

The Company has never paid dividends on shares of Common Stock and does not expect to pay dividends in the foreseeable future. Pursuant to the provisions of the Company's Credit Facility, the Company is not permitted to pay cash dividends to its stockholders.

</TABLE>

<TABLE>

CONSOLIDATED STATEMENTS OF OPERATIONS

SUDBURY, INC. AND SUBSIDIARIES

For the Fiscal Year Ended May 31, 1994, the Nine Months Ended May 31, 1993 (Successor), the Three Months Ended August 31, 1992 (Predecessor), and the Fiscal Year Ended May 31, 1992 (See Note B)

<CAPTION>

(Dollars in thousands, except per share amounts)

	Successor		Predecessor	
	Year Ended May 31, 1994	Nine Months Ended May 31, 1993	Three Months Ended Aug.31, 1992	Year Ended May 31, 1992
<S>	<C>	<C>	<C>	<C>
Net sales:				
Ongoing operations	$250,329	$170,310	$ 52,100	$198,197
Businesses held for sale	315	19,328	30,893	156,678
Total	250,644	189,638	82,993	354,875
Costs and expenses:				
Costs of products sold:				
Ongoing operations	211,254	145,770	44,394	171,272
Businesses held for sale	151	16,646	26,679	137,705
Total	211,405	162,416	71,073	308,977
Selling and administrative expenses:				
Ongoing operations	23,945	16,365	5,426	23,975
Businesses held for sale	164	2,039	3,755	19,610
Total	24,109	18,404	9,181	43,585
Special charges	5,956	586	1,095	46,315
OPERATING INCOME (LOSS)	9,174	8,232	1,644	(44,002)
Interest expense - net	(3,848)	(4,111)	(1,520)	(11,550)
Settlement of preconfirmation liabilities	846			
Other income (expense)	484	(1,023)	226	(640)
Income (loss) before income taxes	6,656	3,098	350	(56,192)
Income tax expense (benefit)	(174)	290	50	218
INCOME (LOSS) BEFORE				

EXTRAORDINARY GAIN	6,830	2,808	||	300	(56,410)
Extraordinary gain - forgiveness of prepetition liabilities			||	78,805	
NET INCOME (LOSS)	$ 6,830	$ 2,808	||	$ 79,105	$(56,410)
Net income per share:			||		
Primary	$ .55	$ .24	||	N/A	N/A
Fully diluted	$ .55	$ .23	||	N/A	N/A

<FN>
See notes to consolidated financial statements.
</TABLE>

<TABLE>

CONSOLIDATED BALANCE SHEETS

SUDBURY, INC. AND SUBSIDIARIES

MAY 31, 1994 AND 1993

(Dollars in thousands)

<CAPTION>
ASSETS

<S>	1994 <C>	1993 <C>
CURRENT ASSETS		
Cash and cash equivalents	$ 1,885	$ 5,284
Accounts receivable, less allowance for doubtful accounts (in 1994: $412, in 1993: $705)	39,272	32,902
Inventories	18,592	19,853
Net assets of businesses held for sale		500
Prepaid expenses and other	2,380	4,183
TOTAL CURRENT ASSETS	62,129	62,722
PROPERTY, PLANT AND EQUIPMENT		
Land and land improvements	2,191	2,222
Buildings	17,163	15,421
Machinery and equipment	38,534	33,830
	57,888	51,473
Less accumulated depreciation	11,450	4,991
NET PROPERTY, PLANT AND EQUIPMENT	46,438	46,482
OTHER ASSETS		
Notes receivable	408	2,770
Net assets of businesses held for sale	2,000	2,000
Intangible pension asset	1,359	758
Other assets	1,866	1,724
TOTAL OTHER ASSETS	5,633	7,252
	$114,200	$116,456

<FN>
See notes to consolidated financial statements.
</TABLE>

<TABLE>

CONSOLIDATED BALANCE SHEETS--CONTINUED

SUDBURY, INC. AND SUBSIDIARIES

MAY 31, 1994 AND 1993

(Dollars in thousands)

LIABILITIES AND STOCKHOLDERS' EQUITY

<CAPTION>

<S>	1994 <C>	1993 <C>
CURRENT LIABILITIES		
Trade accounts payable	$ 18,504	$ 19,665
Accrued compensation and employee benefits	10,000	8,845
Other accrued expenses	11,658	11,976
Current maturities of long-term debt	2,300	3,088
TOTAL CURRENT LIABILITIES	42,462	43,574
LONG-TERM DEBT	29,961	45,984
OTHER LONG-TERM LIABILITIES	12,367	9,540
DEFERRED INCOME TAXES		550
STOCKHOLDERS' EQUITY		
Common Stock--par value $0.01 per share; authorized 20,000,000 shares; 10,233,932 (10,000,000 at May 31, 1993) shares issuable and deemed outstanding	102	100
Additional paid-in capital	20,224	13,900
Retained earnings	9,638	2,808
Minimum pension liability adjustment - net	(554)	
TOTAL STOCKHOLDERS' EQUITY	29,410	16,808
	$114,200	$116,456

<FN>
See notes to consolidated financial statements.
</TABLE>

<TABLE>

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

SUDBURY, INC. AND SUBSIDIARIES

For the Fiscal Year Ended May 31, 1994, the Nine Months Ended May 31, 1993 (Successor), the Three Months Ended August 31, 1992 (Predecessor), and the Fiscal Year Ended May 31, 1992

(Dollars and shares in thousands)

<CAPTION>

PREDECESSOR SUCCESSOR PREDECESSOR MINIMUM

	SERIAL PREFERRED STOCK	COMMON STOCK AMOUNT	COMMON STOCK SHARES	COMMON STOCK AMOUNT	COMMON STOCK SHARES	ADDITIONAL PAID-IN CAPITAL	RETAINED (DEFICIT) EARNINGS	PENSION LIABILITY ADJUSTMENT
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE AT MAY 31, 1991	$ 7,563	$-0-	-0-	$131	13,107	$57,509	$ (65,626)	$ -0-
Net loss for 1992							(56,410)	
BALANCE AT MAY 31, 1992	7,563	-0-	-0-	131	13,107	57,509	(122,036)	-0-
Net income for three months ended August 31, 1992 (Predecessor)							79,105	
Effects of reorganization (Note B):								
Fresh Start adjustments						(8,272)		
Elimination of accumulated deficit						(42,931)	42,931	
Cancellation of predecessor shares and issuance of new shares	(7,563)	100	10,000	(131)	(13,107)	7,594		
BALANCE AT AUGUST 31, 1992	-0-	100	10,000	-0-	-0-	13,900	-0-	-0-
Net income for nine months ended May 31, 1993 (Successor)							2,808	
BALANCE AT MAY 31, 1993	-0-	100	10,000	-0-	-0-	13,900	2,808	-0-
Net income for 1994							6,830	
Stock options to Chief Executive Officer (Note K)						5,547		
Exercise of participation certificates and stock options		2	234			680		
Tax benefits from exercise of stock options						97		
Adjustment for minimum pension liability - net								(554)
BALANCE AT MAY 31, 1994	$ -0-	$102	10,234	$-0-	-0-	$20,224	$ 9,638	$ (554)

<FN>
See notes to consolidated financial statements.
</TABLE>

<TABLE>

CONSOLIDATED STATEMENTS OF CASH FLOWS

SUDBURY, INC. AND SUBSIDIARIES

For the Fiscal Year Ended May 31, 1994, the Nine Months Ended May 31, 1993 (Successor), the Three Months Ended August 31, 1992 (Predecessor), and the Fiscal Year Ended May 31, 1992 (See Note B)
<CAPTION>

(Dollars in thousands)	Successor: Year Ended May 31, 1994	Successor: Nine Months Ended May 31, 1993	Predecessor: Three Months Ended Aug.31, 1992	Predecessor: Year Ended May 31, 1992
<S>	<C>	<C>	<C>	<C>
OPERATING ACTIVITIES:				
Income (loss) before extraordinary gain	$ 6,830	$ 2,808	$ 300	$(56,410)
Items included not affecting cash:				

Depreciation and amortization:				
Ongoing operations	8,314	5,220	1,829	7,346
Businesses held for sale	47	1,079	1,137	6,521
Deferred taxes and other	(351)	26	(53)	(29)
Special charges	5,956			40,740
Changes in operating assets and liabilities:				
Ongoing operations	(3,630)	(4,176)	(327)	2,056
Businesses held for sale	(28)	(713)	(366)	4,623
NET CASH PROVIDED BY OPERATING ACTIVITIES	17,138	4,244	2,520	4,847
INVESTING ACTIVITIES:				
Purchases of property, plant and equipment:				
Ongoing operations	(6,951)	(2,225)	(781)	(2,445)
Businesses held for sale		(38)	(162)	(2,078)
Proceeds from sale of businesses	666	23,889	10,687	2,303
Proceeds from collection of notes receivable	2,362	545		
Contingent payments to former owners of acquired businesses	(188)		(678)	(1,052)
Proceeds from sale of property, plant, equipment and other - net	171	65	15	429
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(3,940)	22,236	9,081	(2,843)
FINANCING ACTIVITIES:				
Borrowings, refinancings and repayments:				
Short and long-term borrowings	238,788	35,045	21	782
Reductions of debt	(256,067)	(67,055)	(13,194)	(3,511)
Common stock issued	682			
NET CASH USED IN FINANCING ACTIVITIES	(16,597)	(32,010)	(13,173)	(2,729)
DECREASE IN CASH AND CASH EQUIVALENTS	(3,399)	(5,530)	(1,572)	(725)
Cash and cash equivalents at beginning of period	5,284	10,814	12,386	13,111
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 1,885	$ 5,284	$10,814	$ 12,386

<FN>
See notes to consolidated financial statements.
</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUDBURY, INC. AND SUBSIDIARIES

NOTE A -- SUMMARY OF ACCOUNTING POLICIES

CONSOLIDATION: The consolidated financial statements include the accounts of Sudbury, Inc. and its subsidiaries (the "Company"). Significant intercompany balances and transactions have been eliminated.

CASH: The Company considers liquid instruments with a maturity of 90 days or less at date of purchase to be cash equivalents. As of May 31, 1994 and May 31, 1993, $1,640,000 and $1,503,000 of cash balances, respectively, reflected restricted funds set aside to pay prospective property and casualty insurance claims at the Company's captive insurance company. At May 31, 1993, $4,836,000 of the cash balance was restricted and was used to reduce bank debt subsequent to the end of the fiscal year.

INVENTORIES: Inventories are stated at the lower of cost or market. Cost is determined by the last-in, first-out method (LIFO) for approximately 85% and 82% of the Company's inventories at May 31, 1994 and 1993, respectively, and by the first-in, first-out (FIFO) method for all other inventories. The FIFO method would approximate the current cost.

PROPERTIES AND DEPRECIATION: Property, plant and equipment are stated at cost. As discussed in Note B, in conjunction with the emergence from Chapter 11 bankruptcy proceedings, the Company implemented Fresh Start reporting and, accordingly, all property, plant and equipment was restated to reflect reorganization value, which approximates fair value in continued use. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets. With minor exceptions straight-line composite rates for depreciation of plant assets are as follows: buildings 20 to 40 years; machinery, equipment and fixtures 10 years.

ENVIRONMENTAL EXPENDITURES: Environmental expenditures that pertain to current operations or relate to future revenues are expensed or capitalized consistent with the Company's capitalization policy. Expenditures that result from the remediation of an existing condition caused by past operations, that do not contribute to current or future revenues, are expensed. Liabilities are recognized for remedial activities when the cleanup is probable and the cost can be reasonably estimated.

NET INCOME PER SHARE: For the fiscal year ended May 31, 1994 and nine months ended May 31, 1993, primary and fully diluted net income per share were calculated by dividing net income applicable to common stock by the average common stock outstanding and common stock equivalents. As a result of the changes in ownership and capital structure from the Company's amended Plan of Reorganization, primary and fully diluted net income per share calculations are not relevant for the three months ended August 31, 1992 and for fiscal year 1992.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUDBURY, INC. AND SUBSIDIARIES

NOTE A -- SUMMARY OF ACCOUNTING POLICIES - CONTINUED

INCOME TAXES: The Company accounts for income taxes under the provisions of Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" ("SFAS No. 109"). Under SFAS No. 109, the deferred income tax liability is determined based on the difference between the financial statement and tax basis of assets and liabilities measured by the enacted tax rates which will be in effect when these differences reverse. Prior to September 1, 1992, the Company accounted for income taxes under the provisions of Statement of Financial Accounting Standards No. 96 "Accounting for Income Taxes" ("SFAS No.96").

RECLASSIFICATIONS: Certain prior years' amounts have been reclassified to conform to the 1994 presentation.

NOTE B - PROCEEDINGS UNDER CHAPTER 11 AND RESTRUCTURING

On January 10, 1992, the Company filed a petition (relative only to Sudbury, Inc. and not to its subsidiaries) under Chapter 11 of the United States Bankruptcy Code. The Chapter 11 filing was made to implement an agreement in principle which had been reached with the Company's major creditor groups regarding a restructuring plan and the related sales of a substantial number of its business units.

The Company's amended Plan of Reorganization (the "Plan") was confirmed by the Bankruptcy Court by Order dated August 18, 1992 and became effective on September 1, 1992 (the "Effective Date"). Distributions under the Plan commenced on October 15, 1992.

The Plan implemented a restructuring of the Company by providing for a new amortization schedule for the repayment of the indebtedness owed to its secured lender banks and a significant reduction of the Company's indebtedness to subordinated debtholders and certain other unsecured creditors through the conversion of debt into equity of the restructured Company.

In order to repay the indebtedness owed to the secured lender banks as provided by the Plan, the Company implemented a business plan with an asset disposition program involving the sale of a substantial number of its subsidiaries which sales generated aggregate net cash proceeds of approximately $37.6 million.

In May 1993, the Company successfully completed the refinancing of its existing bank debt by obtaining a three-year asset-based $48,000,000 Credit Facility ("Credit Facility") with a new secured lender group. This new Credit Facility allowed the Company to retain six core businesses and cease the previous asset sale process except for the Company's 35% investment in General Products Delaware Corporation which is included in net assets of businesses held for sale.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUDBURY, INC. AND SUBSIDIARIES

NOTE B -- PROCEEDINGS UNDER CHAPTER 11 AND RESTRUCTURING - CONTINUED

As a result of the Company's emergence from Chapter 11, certain amounts presented on the statements of operations for the year ended May 31, 1994 and the nine month period ended May 31, 1993, principally for interest expense, and on the statements of cash flows for the year ended May 31, 1994 and the nine months ended May 31, 1993 are not comparable to the prior periods and therefore a solid double line has been placed between the amounts. Also, net income per share amounts for the Company prior to its emergence from Chapter 11 are not presented as a result of the reorganization.

In implementing the Plan, the Company adopted "Fresh Start" reporting on September 1, 1992 pursuant to the Statement of Position 90-7 of the American Institute of Certified Public Accountants, entitled "Financial Reporting By Entities in Reorganization Under the Bankruptcy Code" ("SOP 90-7") which caused material changes in the amounts and classifications reported in the consolidated historical financial statements.

The following financial information represents the effects of implementing the Plan and applying Fresh Start reporting under SOP 90-7 on the Company's historical consolidated balance sheet at August 31, 1992 (in thousands):

<TABLE>
<CAPTION>

		Adjustments		
ASSETS	Historical	Plan (A)	Fresh Start (B)	As Adjusted
Current assets	$ 64,517	$	$ 1,249	$ 65,766
Property, plant and equipment, net	48,568		176	48,744
Intangibles, net	7,636		(7,636)	0
Net assets of businesses held for sale	22,439			22,439
Other assets	3,757			3,757
	$146,917	$ -0-	$ (6,211)	$140,706
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
Current liabilities	$ 85,844	$	$ 1,607 (C)	$ 87,451
Deferred income taxes	1,394		(844)(D)	550
Other long-term liabilities	6,659		1,000 (C)	7,659
Long-term debt	23,274		298 (C)	23,572
New notes, net of original issue discount		7,474		7,474
Liabilities deferred pursuant to proceedings under Chapter 11	86,279	(86,279)		0
Stockholders'(deficit) equity	(56,533)	78,805	(8,272)	14,000
	$146,917	$ -0-	$ (6,211)	$140,706

</TABLE>

NOTE B -- PROCEEDINGS UNDER CHAPTER 11 AND RESTRUCTURING - CONTINUED

NOTES:

(A) Reflects the conversion of certain unsecured obligations to equity in accordance with the Plan and the issuance of $10 million face amount of new subordinated debt which has been discounted to fair market value.

(B) Reflects the impact of recording assets and liabilities at fair value under SOP 90-7 assuming a reorganization value of the Company of $14 million at the Effective Date. In determining the reorganization value of the Company, the value for the retained subsidiaries was calculated by considering a number of factors customarily utilized in such valuation methodologies, which was then reduced by actual and estimated liabilities of the Company. For the companies held for sale, the value was derived from the anticipated net realizable value of those companies based primarily on offers which have been received for those assets, which proceeds would be used to reduce a like amount of secured bank debt.

(C) Represents a $2,000,000 reserve established for limited indemnification obligations to certain of the Company's present and former officers and directors which were provided for under the Plan. The remainder of this accrual of $905,000 principally represents other contractual liabilities which arose under the Plan.

(D) To record the impact of SFAS No. 109 which the Company was required to adopt under Fresh Start reporting on the Effective Date.

The impact of the Plan resulted in an extraordinary gain from forgiveness of prepetition liabilities in the amount of $78,805,000 which is reflected in the Company's statement of operations for the three month period ended August 31, 1992. The gain from forgiveness of prepetition liabilities qualifies for exemption from federal income tax under Section 108(a)(1) of the Internal Revenue Code relating to the discharge of indebtedness in Chapter 11 cases. Consequently, the Company has not recognized taxable income related to debt forgiveness.

NOTE C -- INVENTORIES

The components of inventories are summarized as follows (in thousands):

	1994	1993
Raw materials and supplies	$ 8,315	$ 7,619
Work in process	6,995	8,275
Finished products	3,664	4,202
Total at FIFO	18,974	20,096
Less excess of FIFO cost over LIFO values	382	243
	$18,592	$19,853

NOTE D -- SPECIAL CHARGES

Special charges of $5,956,000 in fiscal 1994 relate to accruals recorded in connection with the achievement of certain performance targets established in the January 1992 employment agreement ("Agreement") with Jacques R. Sardas, Chairman, President and Chief Executive Officer of the Company. The Agreement was confirmed as part of the Plan. The special charges include a noncash charge of $4,650,000 which represents the estimated value of 653,595 stock options granted to Mr. Sardas on September 1, 1992, which are exercisable in increments after the fair value of the Company exceeds value targets ranging from $15,000,000 to $35,000,000. The Company determined, and an appraisal by an investment banking firm confirmed in accordance with procedures specified in the Agreement, that performance targets established in the Agreement had been met as of February 28, 1994 and therefore the options became exercisable. The remaining $1,306,000 of the special charges represents expense associated with the estimated cash bonus payable to Mr. Sardas at the end of the Agreement in January 1996. The charge is based on the cash bonus to which Mr. Sardas is entitled under the Agreement. The bonus amount equals 5% of the net fair value of the Company in excess of $35,000,000 at the expiration of the Agreement and is being amortized over the term of the Agreement. Amortization of the bonus expense subsequent to the initial charge made on February 28, 1994 has been included as part of the Company's selling and administrative expenses.

Special charges of $586,000 recorded for the nine months ended May 31, 1993 and $1,095,000 for the three months ended August 31, 1992 represent consulting and other expenses incurred under the Company's restructuring program.

Included in the Company's operations for fiscal 1992 were special charges of $46,315,000 which included (a) $36,500,000 for reserves for potential losses on sales of businesses which were anticipated to be sold, (b) $2,444,000 for the write-off of costs capitalized previously under SFAS No. 96 as they related principally to assets anticipated to be sold, (c) $1,796,000 for the write-off of deferred financing costs on the Company's bank and subordinated debt which were deemed to have no ongoing value given the Company's Chapter 11 filing, and (d) $5,575,000 for consulting and other expenses incurred under the Company's restructuring program.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUDBURY, INC. AND SUBSIDIARIES

NOTE E -- SETTLEMENT OF PRECONFIRMATION LIABILITIES

Two lawsuits which had been pending in United States Bankruptcy Court against the Company and several of its former officers and directors were settled in February 1994. The lawsuits related to events which occurred prior to the Company's entry into and emergence from bankruptcy. Under the Plan, the Company had retained certain indemnification obligations with respect to the defendants who were former officers or former directors of the Company. These obligations were limited to $2 million. The lawsuits were settled using $765,000 of funds which had been previously held in escrow, $616,000 of the Company's funds, and funds contributed by co-defendants. The Company also resolved an insurance-related bankruptcy claim in February 1994. As a result of these aforementioned settlements, the Company recognized an $846,000 benefit as such settlements were for less than the amounts reserved for such claims.

NOTE F -- CONTINGENCIES AND COMMITMENTS

The Company is party to a number of lawsuits and claims arising out of the conduct of its business, including those relating to commercial transactions, product liability and environmental, safety and health matters.

The Company, using historical trends, actuarially calculates the estimated amount of its current exposure for product liability. The Company is insured for amounts in excess of established deductibles and accrues for the estimated liability described above up to the limits of the deductibles. Other claims and lawsuits are handled on a case-by-case basis. The Company is also self-insured for health care and workers' compensation up to predetermined amounts, above which third party insurance applies.

All operating locations acquired by the Company since 1984 operate in a variety of locations and industries where environmental situations could exist based on current or past operations. Certain operating and non-operating subsidiaries of the Company have been named as potentially responsible parties ("PRPs") liable for cleanup of known environmental conditions. For known environmental situations, the Company, with the assistance of environmental engineers and consultants, has accrued $5,263,000 to cover estimated future environmental expenditures. During fiscal 1994, the EPA agreed in principle to accept $500,000 in settlement of its pending claims at one such site, which was within the amount previously accrued by the Company. The Company has initiated corrective action and/or preventative environmental projects to ensure the safe and lawful operation of its facilities. There could exist, however, more extensive or unknown environmental situations at existing or previously owned businesses for which the future cost is not known or accrued at May 31, 1994.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUDBURY, INC. AND SUBSIDIARIES

NOTE F -- CONTINGENCIES AND COMMITMENTS - CONTINUED

While the ultimate result of the above contingencies cannot be predicted with certainty, management does not expect these matters to have a material adverse effect on the consolidated financial position or results of operations of the Company.

Under the terms of the January 1992 employment agreement with Jacques R. Sardas, Chairman, President and Chief Executive Officer of the Company, if Mr. Sardas' employment is terminated for cause, or from Mr. Sardas' death, disability or voluntary resignation before the end of his employment agreement in January 1996, the Company is obligated to pay to Mr. Sardas in cancellation of his currently exercisable 1,764,706 stock options the appraised value of the shares underlying the options, less the exercise price thereof. In addition, the Company would also be obligated to pay to Mr. Sardas the cash bonus described in Note D, which is based on 5% of the net fair value of the Company in excess of $35,000,000. Based on the closing price of the Company's Common Stock on May 31, 1994, the obligation for the options and bonus would total $14,489,000 in the aggregate. The Company is the beneficiary of a key-man life insurance policy in the amount of $14,000,000. The proceeds of this policy would be used to fulfill the Company's obligation in the event of Mr. Sardas' death.

At May 31, 1994, the Company has commitments to purchase $4,833,000 in machinery and equipment.

NOTE G -- DISPOSITIONS

During fiscal 1994 the Company sold one business for net cash proceeds of $666,000. During fiscal 1993 the Company sold 14 of its businesses for aggregate net cash proceeds of $34,576,000 and promissory notes for $2,770,000 which were subject to offsets for contingent liabilities. The Company sold certain businesses during fiscal 1992 for aggregate net cash proceeds of $2,303,000.

<TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUDBURY, INC. AND SUBSIDIARIES

NOTE H -- STATEMENTS OF CASH FLOWS INFORMATION

<CAPTION>

	Successor		Predecessor	
	Year Ended May 31, 1994	Nine Months Ended May 31, 1993	Three Months Ended Aug.31, 1992	Year Ended May 31, 1992
	(In thousands)			
<S>	<C>	<C>	<C>	<C>
Funds (used) provided by changes in operating assets and liabilities of ongoing operations are as follows:				

Accounts receivable	$(6,370)	$(5,663)	||	$ 1,953	$ (3,859)
Inventories	1,261	(1,666)	||	(1,374)	5,062
Prepaid expenses and other	1,803	(1,115)	||	984	758
Trade accounts payable	(1,161)	5,035	||	1,491	589
Accrued expenses	837	(767)	||	(3,381)	(494)
	$(3,630)	$(4,176)	||	$ (327)	$ 2,056
Cash payments (refunds):			||		
Interest	3,635	3,708	||	2,090	7,264
Taxes	(154)	200	||	19	173
Non-cash transactions excluded from the statements of cash flows:			||		
Capital leases	139	1,132	||		
Notes receivable		2,770	||		

</TABLE>

<TABLE>
NOTE I -- LONG-TERM DEBT

<CAPTION>
Long-term debt consisted of the following at May 31 (in thousands):

<S>	1994 <C>	1993 <C>
Revolving Line of Credit	$ 9,689	$22,629
Bank Term Loans	9,053	11,200
Subordinated Notes	8,149	7,738
PIK Notes	665	665
Industrial Revenue Bonds	550	1,780
Real estate mortgage notes	2,649	2,885
Capitalized leases	1,079	1,276
Assumed debt and other	427	899
	32,261	49,072
Less current maturities	2,300	3,088
	$29,961	$45,984

</TABLE>

NOTE I -- LONG-TERM DEBT - CONTINUED

The Credit Facility, which expires in May 1996, provides a $33,800,000 Revolving Line of Credit, an $11,200,000 Bank Term Loan and a $3,000,000 capital expenditure facility. The Credit Facility is secured by substantially all of the assets of the Company. The Company's Credit Facility is set up in the form whereby each of the six operating subsidiaries is a borrower and the Company is a guarantor. Covenants require the Company, and each of its six subsidiaries to maintain certain fixed charge, working capital, debt and net worth ratios. The Credit Facility also places limits on the amounts that each of the six operating subsidiaries can distribute or loan to the parent. At May 31, 1994, restricted net assets of the six operating subsidiaries were $43,900,000. The Company is not permitted to pay dividends to its stockholders pursuant to the terms of the Credit Facility.

As of May 31, 1994, $2,479,000 of the Revolving Line of Credit was utilized to secure the Company's irrevocable letters of credit. These letters of credit were issued primarily for insurance purposes. As of May 31, 1994 the Company had the ability to borrow an additional $21,632,000 under the Revolving Line of Credit. The Revolving Line of Credit bears interest at the prime rate plus 1 1/2% and has unused line fees of .25% and letter of credit fees of 1 1/2% all payable on a monthly basis. As a result of the Company's financial performance in fiscal 1994, effective September 1, 1994, the Revolving Line of Credit interest rate will be reduced by .25% to the prime rate plus 1 1/4%. In addition, if certain financial targets are achieved by the Company, the interest rate has the potential to be reduced by another .25% in fiscal 1996.

The Bank Term Loan is payable on a monthly basis based on a seven year amortization and bears interest at the rate of prime plus 1 3/4%.

As of May 31, 1994, the Company did not have any borrowings under the $3,000,000 capital expenditure facility portion of the Credit Facility. Under this portion of the Credit Facility, borrowings are permitted in $500,000 increments of an amount representing 75% of the cost of qualifying capital expenditures. The capital expenditure facility bears interest at rates ranging from prime plus 1 1/2% to prime plus 1 3/4%.

The Subordinated Notes represent $10,000,000 principal amount of five year, 8 3/5% Senior Subordinated Pay-In-Kind Notes issued in accordance with the Plan. Due to the below market interest rate for this type of debt instrument at issuance, a discount of $2,526,000 was recorded against this debt, making the effective rate 16%, and is being amortized over the five year term of the indebtedness. At May 31, 1994 the unamortized debt discount was $1,851,000. Interest is payable semi-annually, however, prior to the refinancing of the bank debt in May of 1993, the Subordinated Notes provided that interest payments would be made through the issuance of additional promissory notes in the aggregate principal of the amount of interest owed (the "PIK Notes"). The terms and conditions of the PIK Notes are identical to the Subordinated Notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUDBURY, INC. AND SUBSIDIARIES

NOTE I -- LONG-TERM DEBT - CONTINUED

The Industrial Revenue Bonds as of May 31, 1994 represent debt used for construction and expansion and are payable quarterly through December 1999 with an interest rate of 7.45%.

Real estate mortgage notes are payable to a former owner of a subsidiary. The notes bear interest at 8.5% and are payable monthly through June 2002.

Capitalized leases represent capital equipment acquired with monthly payments through June 1998.

The future maturities of long-term debt outstanding at May 31, 1994 for the four fiscal years ending May 1999 and thereafter are as follows: $17,818,000 in 1996, $713,000 in 1997, $11,497,000 in 1998, $524,000 in 1999 and $1,260,000 thereafter.

In 1993, contractual interest expense amounted to $7,422,000 which is $1,689,000 in excess of reported interest expense. Contractual interest expense for 1992 amounted to $13,783,000 which is $2,138,000 in excess of the reported interest expense.

NOTE J -- OTHER LONG-TERM LIABILITIES

Amounts classified under the caption "Other Long-Term Liabilities" as of May 31 consist of the following (in thousands):

<TABLE>
<CAPTION>

<S>	1994	1993
Environmental reserves	$ 3,984	$4,478
Accrued pension costs	3,674	1,915
Post-retirement benefit obligations	1,679	937
Reserves for self-insurance and other	1,645	2,210
Accrued compensation	1,385	
	$12,367	$9,540

</TABLE>

NOTE K -- STOCKHOLDERS' EQUITY

PREDECESSOR SERIAL PREFERRED STOCK: Pursuant to the terms of the Plan described in Note B, effective September 1, 1992, holders of 94,535 shares of the then outstanding Serial Preferred Stock of the Company exchanged these shares for 294,118 shares of Common Stock of the Company and 1,359,694 Participation Certificates (described below).

COMMON STOCK: The Plan provided for the issuance of 10,000,000 shares (all of which are deemed outstanding) of Common Stock of the Company to former creditors, common and preferred stockholders and employees in the Sudbury Savings and Profit Sharing Plan. As of May 31, 1994, 9,632,000 shares had been issued to these constituents. The amount, if any, of the distribution of the remaining Common Stock will be dependent upon the final resolution of pending or disputed claims against the Company.

PREDECESSOR COMMON STOCK: Pursuant to the terms of the Plan, effective September 1, 1992, holders of the 13,106,796 shares of then outstanding common stock of the Company exchanged these shares for 294,118 shares of Common Stock of the Company and 1,359,694 Participation Certificates (described below).

PARTICIPATION CERTIFICATES: Under the provisions of the Plan, as of September 1, 1992, holders of the Company's Predecessor Common Stock and Predecessor Serial Preferred Stock were granted Series A, Series B and Series C Participation Certificates. The Series A Participation Certificates are rights to purchase 619,194 shares of Common Stock and expire on September 1, 1996. The Series B Participation Certificates are rights to purchase 651,784 shares of Common Stock and expire on September 1, 1999. The Series C Participation Certificates are rights to purchase 1,448,410 shares of Common Stock and expire on September 1, 2002. The Participation Certificates are subject to adjustment for changes in the Company's capitalization.

The Series A and B Participation Certificates have increasing exercise prices and are as follows:

	Exercise Price	
	Series A	Series B
September 1, 1992 - August 31, 1993	$2.99	$5.37
September 1, 1993 - August 31, 1994	3.08	5.53
September 1, 1994 - August 31, 1995	3.17	5.69
September 1, 1995 - August 31, 1996	3.27	5.86
September 1, 1996 - August 31, 1997	N/A	6.04
September 1, 1997 - August 31, 1998	N/A	6.34
September 1, 1998 - August 31, 1999	N/A	6.66

NOTE K -- STOCKHOLDERS' EQUITY - CONTINUED

The Series C Participation Certificates are not exercisable by their holders until the closing price or the average of the reported closing bid and asked prices of the Common Stock has averaged over the specified price per share (the "Trigger Price") for 20 consecutive days. Thereafter, the Series C Participation Certificates may be exercised at the option of the holder at any time. The Trigger Price and related exercise price increase each year and are as follows:

	Trigger	Exercise

	Price	Price
September 1, 1992 - August 31, 1993	$ 9.18	$4.590
September 1, 1993 - August 31, 1994	9.46	4.730
September 1, 1994 - August 31, 1995	9.74	4.870
September 1, 1995 - August 31, 1996	10.03	5.015
September 1, 1996 - August 31, 1997	10.33	5.165
September 1, 1997 - August 31, 1998	10.85	5.425
September 1, 1998 - August 31, 1999	11.39	5.695
September 1, 1999 - August 31, 2000	11.96	5.980
September 1, 2000 - August 31, 2001	12.55	6.275
September 1, 2001 - August 31, 2002	13.18	6.590

Participation Certificate activity was as follows:

	Series A	Series B	Series C
Outstanding at May 31, 1993	619,194	651,784	1,448,410
Exercised	(172,300)	(11,632)	
Outstanding at May 31, 1994	446,894	640,152	1,448,410

EMPLOYEE STOCK OPTIONS: Under the terms of the Company's January 1992 employment agreement ("Agreement") with Jacques R. Sardas, the Chairman, President and Chief Executive Officer of the Company, effective September 1, 1992, Mr. Sardas was granted options for 1,764,706 shares of Common Stock. All such options have an exercise price of $.01 per share and a term of five years. Of these options, 1,111,111 were exercisable as of March 1, 1993 and the remaining 653,595 options were to be exercisable in 130,718 share increments after the fair value of the Company exceeded value targets ranging from $15,000,000 to $35,000,000. The Company had determined, and an appraisal by an investment banking firm confirmed in accordance with procedures specified in the Agreement, that the performance targets had been met and, therefore, all remaining options were exercisable. As a result, in fiscal 1994 the Company recorded a $4,650,000 special charge for the value of the 653,595 options. As of May 31, 1994, none of the 1,764,706 options had been exercised.

NOTE K -- STOCKHOLDERS' EQUITY - CONTINUED

In May 1994, the Company reached an agreement in principle with Mr. Sardas regarding settlement of his claim that under his employment agreement and related stock option agreement the Company was obligated to protect his 15% effective ownership position in the Company's Common Stock from the dilution created as a result of the issuance of the Series A, B and C Participation Certificates under the Plan. Under this agreement, 479,893 stock options were issued to Mr. Sardas to give him the equivalent of 15% of the total common shares reserved for issuance under the Participation Certificates and these options. The option prices range from $3.17 to $5.69 per share. Of these options, 224,291 are exercisable upon issuance and the remaining 255,602 options are exercisable in January 1996. The Company recorded a charge of $897,000 in selling and administrative expense for fiscal 1994 which represents the difference between the option price and the fair value of the Common Stock.

The Plan provided for the continuation of the 1990 Stock Option Plan (under which no options had previously been issued) and allows for the granting of up to 619,195 options for shares of the Company's Common Stock subject to adjustment for changes in the Company's capitalization. These options are intended to qualify as incentive or non-statutory stock options under the Internal Revenue Code. The option price is the fair market value of the shares on the date of the grant and the options are exercisable over periods ranging from one to five years after grant date. Options may be granted through April 2000.

Stock option activity under the 1990 Stock Option Plan was as follows:

<TABLE>
<CAPTION>

	Shares	Option Prices
<S>	<C>	<C>
Outstanding at September 1, 1992	-0-	
Granted	420,000	$1.75 to $3.75
Outstanding at May 31, 1993	420,000	$1.75 to $3.75
Granted	110,000	$6.875
Exercised	(50,000)	$1.75
Cancelled	(50,000)	$3.75
Outstanding at May 31, 1994	430,000	$1.75 to $6.875

</TABLE>

At May 31, 1994, there were a total of 2,034,706 options exercisable by employees under the 1990 Stock Option Plan and by Jacques R. Sardas at prices ranging from $.01 to $3.75.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUDBURY, INC. AND SUBSIDIARIES

NOTE L -- INCOME TAXES

Components of income tax (benefit) expense are as follows (in thousands):

<TABLE>
<CAPTION>

	Successor		Predecessor	
	Year Ended May 31, 1994	Nine Months Ended May 31, 1993	Three Months Ended Aug.31, 1992	Year Ended May 31, 1992
<S>	<C>	<C>	<C>	<C>
Federal - current	$ 1,511			
- deferred	(1,511)			
State and local	(174)	$ 290	$ 50	$ 218
Total income tax (benefit) expense	$ (174)	$ 290	$ 50	$ 218

</TABLE>

Reconciliations of the total income tax (benefit) expense from amounts computed by applying the U.S. Federal income tax rate of 34% to income (loss) before income tax expense are as follows (in thousands):

<TABLE>
<CAPTION>

	Successor		Predecessor	
	Year Ended May 31, 1994	Nine Months Ended May 31, 1993	Three Months Ended Aug.31, 1992	Year Ended May 31, 1992
<S>	<C>	<C>	<C>	<C>
Computed tax provision at statutory Federal rate	$ 2,263	$ 1,053	$ 119	$(19,105)
Increase (decrease) in taxes resulting from:				

State taxes, net of federal income taxes	(113)	191	33	144
Effect of Fresh Start reporting and business combinations		473	176	236
Effect of temporary differences	(1,241)	(1,427)	(570)	15,082
Unrecognized net operating loss			286	3,985
Utilization of net operating loss	(1,373)			
Other items	290		6	(124)
	$ (174)	$ 290	$ 50	$ 218

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUDBURY, INC. AND SUBSIDIARIES

NOTE L -- INCOME TAXES - CONTINUED

Significant components of the Company's deferred income tax assets and liabilities at May 31, 1994 are as follows (in thousands):

Deferred income tax liabilities:		
Book basis of fixed assets in excess of tax basis	$(6,259)	
Other	(2,505)	
Total deferred tax liabilities		$(8,764)
Deferred income tax assets:		
Net operating loss carryforwards	$ 7,011	
Capital loss carryforwards	2,784	
Other accruals and reserves	9,538	
Total deferred tax assets		19,333
Valuation allowance		(9,214)
Net deferred tax asset		$ 1,355

SFAS No. 109 requires the establishment of a valuation allowance when it is more likely than not that deferred tax assets will not be realized. During the year ended May 31, 1994, the valuation allowance increased by $6,000.

As discussed in Note B, the Company filed a Plan of Reorganization with the United States Bankruptcy Court. Upon confirmation of the Plan on September 1, 1992, the Company experienced a change in ownership for purposes of Section 382 of the Internal Revenue Code. Under Section 382 an annual limitation of approximately $900,000 is placed upon the Company's existing net operating loss and capital loss carryforwards as of September 1, 1992. At August 31, 1992 the Company has a net operating loss carryforward of approximately $24,300,000 and an alternative minimum tax loss carryforward of $8,969,000, both of which expire in the years 2006 through 2008. In addition, the Company has a capital loss carryforward of $5,045,000 which expires in the years 1996 through 1998.

In addition to the above items the Company has available as of May 31, 1994 for federal income tax purposes, a net operating loss carryforward of approximately $7,430,000 and an alternative minimum tax loss carryforward of approximately $11,854,000, both of which will expire in the year 2008. The Company also has a capital loss carryforward of approximately $7,953,000 which will expire in 1998. These loss carryforwards relate to the period subsequent to emerging from bankruptcy and are not subject to limitation under Section 382.

NOTE M -- RETIREMENT PLANS

The Company maintains a defined benefit pension plan that covers the union employees of a subsidiary. Benefits are determined by years of service. The Company's funding policy is consistent with the requirements of federal laws and regulations. Pension plan assets consist primarily of common stocks, bonds and government obligations.

The following sets forth the funded status and amounts recognized in the consolidated balance sheets (in thousands):

<TABLE>
<CAPTION>

<S>	1994 ACCUMULATED BENEFITS EXCEED PLAN ASSETS <C>	1993 ACCUMULATED BENEFITS EXCEED PLAN ASSETS <C>
Actuarial present value of benefit obligations:		
Vested	$21,600	$20,602
Accumulated	799	770
Projected	22,399	21,372
Plan assets at fair value	18,640	19,457
Plan assets less than projected benefits	(3,759)	(1,915)
Items not yet recognized:		
Net loss (gain)	937	(764)
Net obligations existing at transition	1,319	1,477
Prior service cost	40	45
Adjustment required to recognize minimum liability	(2,211)	(758)
Net pension liability	$(3,674)	$(1,915)

</TABLE>

NOTE M -- RETIREMENT PLANS - CONTINUED

The provisions of Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions" ("SFAS No. 87") require the Company to record a minimum pension liability relating to unfunded pension obligations and, to the extent possible, establish an offsetting intangible asset. Because the intangible asset recognized may not exceed the amount of unrecognized prior service cost, the balance of the liability at the end of the period is reported as a separate reduction to stockholders' equity, net of tax benefits. At May 31, 1994, this minimum pension liability was remeasured, as required by SFAS No. 87. As a result, the minimum pension liability was adjusted from $758,000 at May 31, 1993 to $2,211,000 at May 31, 1994; the related intangible asset was adjusted from $758,000 to $1,359,000; and stockholders' equity was reduced by $554,000 (net of applicable deferred income taxes of $298,000). The adjustment in the minimum pension liability at May 31, 1994 resulted mainly from an increase in pension fund liabilities due to a decrease in the discount rate and a lower than expected rate of return on plan assets during the current period.

The components of net periodic pension cost for the defined benefit plan are as follows (in thousands):

<TABLE>

<CAPTION>

	1994	1993	1992
Service cost	$ 360	$ 325	$ 415
Interest cost on projected benefit obligation	1,728	1,726	1,648
Actual return on plan assets	(451)	(1,888)	(1,923)
Net amortization and deferral	(1,002)	529	717
Net periodic pension cost	$ 635	$ 692	$ 857
Assumptions for the plan were:			
Discount rate - pension expense	8.25%	8.75%	9%
Expected long-term rate of return on assets	9%	9%	9%
Discount rate - projected benefit obligation	8%	8.25%	9%

</TABLE>

The cost for defined contribution plans was $633,000 in fiscal year 1994. The majority of such plans provide for matching of employee contributions and for discretionary contributions. The defined contribution plans cover hourly and salaried employees.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUDBURY, INC. AND SUBSIDIARIES

NOTE N -- POSTRETIREMENT MEDICAL PLAN

One of the Company's subsidiaries maintains an unfunded postretirement welfare plan which provides certain contributory and non-contributory health care and life insurance benefits for employees who retired on or before December 31, 1991 and their dependents. Future hourly retirees are eligible for life insurance coverage upon retirement at age 55 or later with at least five years of service.

In fiscal 1993 the Company adopted Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions" ("SFAS No. 106"). The Company elected delayed recognition of the transition obligation, which will be amortized over a 20 year period. SFAS No. 106 requires companies to recognize the estimated future costs of providing health and other post-retirement benefits on an accrual basis. These benefits have previously been recognized as incurred.

The following sets forth the plan's funded status (in thousands):

Accumulated postretirement benefit obligation (APBO):

<TABLE>
<CAPTION>

	May 31, 1994	May 31, 1993
Retirees	$12,762	$12,407
Fully eligible active plan participants	313	304
Other active plan participants	324	315
Total APBO	13,399	13,026
Unrecognized transition obligation	(11,720)	(12,089)
Accrued balance sheet liability	$ 1,679	$ 937

Net periodic postretirement benefit cost included the following components:

	1994	1993

Service cost	$ 16	$ 19
Interest cost	1,031	1,222
Amortization of transition obligation	654	779
Total expense	$ 1,701	$ 2,020

</TABLE>

NOTE N -- POSTRETIREMENT MEDICAL PLAN - CONTINUED

The assumed annual rate of increase in the per capita cost of covered health care benefits was 11.75% in 1994 (13% in 1993) and the rate is assumed to decrease by 1% annually to 5.75% in the year 2000. The assumed annual rate of increase in the per capita cost of covered dental care benefits was 9.75% in 1994 (11% in 1993) and the rate is assumed to decrease by 1% annually to 5.75% in the year 1998. A one percentage point increase in the assumed annual cost trend rates would have increased the APBO as of May 31, 1994 by $1,603,000 and the aggregate service and interest cost components of the net periodic postretirement benefit cost for 1994 by $137,000.

The weighted average annual discount rate used in determining the APBO was 8.0% in 1994 and 8.25% in 1993.

NOTE O -- OPERATING LEASES

Rental expense under operating leases was $3,406,000 in 1994 ($3,069,000 in 1993 and $2,867,000 in 1992) for ongoing operations and $1,104,000 in 1993 and $2,852,000 in 1992 for businesses held for sale. Leases are principally for rental of facilities and contain renewal rights to extend the terms from five to fifteen years. At May 31, 1994, future minimum payments under non-cancelable operating leases with initial or remaining terms of more than one year were as follows: 1995 - $1,764,000; 1996 - $1,436,000; 1997 - $1,014,000; 1998 - $858,000; 1999 - $466,000 and $1,397,000 thereafter.

NOTE P -- BUSINESS SEGMENT INFORMATION

The Company operates in one business segment - the manufacture of industrial products.

Net sales to two customers with which the Company has long-standing customer relationships amounted to $35 million and $31 million, respectively, in 1994 ($26 million and $24 million in 1993 and $24 million and $23 million in 1992).

At May 31, 1994 and 1993, accounts receivable from companies in the automotive and truck industries were approximately 56% and 52%, respectively, of total accounts receivable. Credit is extended based on an evaluation of the customer's financial condition, and generally collateral is not required. Credit losses are provided for in the financial statements and consistently have been within management's expectation.

<TABLE>
NOTE Q -- QUARTERLY FINANCIAL DATA (UNAUDITED)

<CAPTION>

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

1994:	(In thousands, except share data)			
Net sales:				
Ongoing operations	$54,444	$60,584	$60,765	$74,536
Businesses held for sale	315			
Total net sales	$54,759	$60,584	$60,765	$74,536
Gross profit:				
Ongoing operations	$ 7,243	$ 9,076	$ 9,038	$13,718
Businesses held for sale	164			
Total gross profit	$ 7,407	$ 9,076	$ 9,038	$13,718
Special charges - Note D			5,956	
Settlement of preconfirmation liabilities			846	
Net income (loss)	$ 1,082	$ 3,232	$(2,653)	$ 5,169
Net income (loss) per share:				
Primary	$ .09	$ .26	$ (.21)	$ .41
Fully diluted	$ .09	$ .26	$ (.21)	$ .41

</TABLE>

<TABLE>
<CAPTION>

1993:	Predecessor FIRST QUARTER	Successor SECOND QUARTER	Successor THIRD QUARTER	Successor FOURTH QUARTER
	(In thousands, except share data)			
Net sales:				
Ongoing operations	$52,100	$55,255	$52,242	$62,813
Businesses held for sale	30,893	16,667	2,046	615
Total net sales	$82,993	$71,922	$54,288	$63,428
Gross profit:				
Ongoing operations	$ 7,706	$ 8,519	$ 6,776	$ 9,245
Businesses held for sale	4,214	2,468	359	(145)
Total gross profit	$11,920	$10,987	$ 7,135	$ 9,100
Special charges - Note D	1,095	494	146	(54)
Extraordinary gain - forgiveness of prepetition liabilities	78,805			
Net income (loss)	$79,105	$ 1,164	$ (205)	$ 1,849
Net income (loss) per share:				
Primary	$ (A)	$ .10	$ (.02)	$ .16
Fully diluted	$ (A)	$ .10	$ (.02)	$ .15

<FN>
(A) Per share amounts are irrelevant due to reorganization.
</TABLE>

REPORT OF INDEPENDENT AUDITORS

Stockholders and Board of Directors
Sudbury, Inc.

We have audited the accompanying consolidated balance sheets of Sudbury, Inc. and subsidiaries (the "Company") as of May 31, 1994 and 1993, and the related consolidated statements of operations, stockholders' equity (deficit) and cash flows for the year ended May 31, 1994, the nine-months ended May 31, 1993, the three-months ended August 31, 1992 and the year ended May 31, 1992. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sudbury, Inc. and subsidiaries at May 31, 1994 and 1993, and the consolidated results of their operations and their cash flows for the year ended May 31, 1994, the nine months ended May 31, 1993, the three months ended August 31, 1992 and the year ended May 31, 1992, in conformity with generally accepted accounting principles.

As discussed in the notes to the consolidated financial statements, effective September 1, 1992, the Company changed its method of accounting for income taxes and post-retirement benefits other than pensions.

Ernst & Young LLP

Cleveland, Ohio
July 18, 1994

EXHIBIT (21)

SUBSIDIARY	STATE OF COUNTRY OF INCORPORATION
Western Capital Corporation	Nebraska
Iowa Mold Tooling Co., Inc.	Iowa
IMT Cranes Canada, Ltd.	Canada
Industrial Powder Coatings, Inc.	Ohio
Cast-Matic Corporation	Michigan
South Coast Terminals, Inc.	Texas
Transnational Indemnity Company	Vermont
Wagner Castings Company	Delaware
Wagner Havana, Inc.	Delaware
Wagner Laser Corporation	Delaware
Zap Investment Co.	Illinois
Frisby P.M.C., Inc.	Illinois

EXHIBIT (23)
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CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Sudbury, Inc. of our report dated July 18, 1994 included in the Annual Report to Shareholders of Sudbury, Inc. for the year ended May 31, 1994.

We also consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-52727) pertaining to the Sudbury Savings and Profit Sharing Plan and in the related Prospectus and in the Registration Statement (Form S-8 No. 33-72234) pertaining to the Sudbury, Inc. 1990 Stock Option Plan and in the related Prospectus of our reports dated July 18, 1994 with respect to the consolidated financial statements and schedules of Sudbury, Inc. incorporated by reference and included in this Annual Report (Form 10-K) for the year ended May 31, 1994.

ERNST & YOUNG LLP

Cleveland, Ohio
August 25, 1994