

UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA)	Filed: March 20, 2003
)	
v.)	Criminal No. 1:03 CR 81
)	
BLUESTAR METAL RECYCLING CO.,)	Violations: 15 U.S.C. § 1;
)	18 U.S.C. § 371
Defendant.)	

PLEA AGREEMENT

The United States of America and BLUESTAR METAL RECYCLING CO.
(the “Defendant”) hereby enter into the following Plea Agreement pursuant to Rule
11(c)(1)(B) of the Federal Rules of Criminal Procedure (“Fed. R. Crim. P.”):

RIGHTS OF THE DEFENDANT

1. The Defendant understands its rights:
 - (a) to be represented by an attorney;
 - (b) to be charged by Indictment;
 - (c) to plead not guilty to any criminal charge brought against it;
 - (d) to have a trial by jury, at which it would be presumed not guilty of the charges and the United States would have to prove every

essential element of the charged offenses beyond a reasonable doubt for it to be found guilty;

- (e) to confront and cross-examine witnesses against it and to subpoena witnesses in its defense at trial;
- (f) to appeal its conviction if it is found guilty at trial; and
- (g) to appeal the imposition of a sentence against it.

**AGREEMENT TO PLEAD
GUILTY AND WAIVE CERTAIN RIGHTS**

2. The Defendant waives the rights set out in Paragraph 1(b)-(e) above. Further, pursuant to Fed. R. Crim. P. 7(b), the Defendant will waive indictment and plead guilty at arraignment, pursuant to Fed. R. Crim. P. 11(c)(1)(B), to a two-count criminal Information, a copy of which will be attached to this Plea Agreement, to be filed in the United States District Court for the Northern District of Ohio. The Information will charge the Defendant with (1) participating in a conspiracy to suppress and eliminate competition by allocating suppliers of ferrous and nonferrous scrap metal in Northeast Ohio, beginning at least as early as December 1993 and continuing at least through October 2001, in violation of the Sherman Antitrust Act, 15 U.S.C. § 1; and (2) conspiring to transport property obtained by fraud in interstate commerce and to commit mail fraud, beginning at least as early as 1986 and continuing at least through October 2001, in violation of 18 U.S.C. § 371.

3. The Defendant, pursuant to the terms of this Plea Agreement, will plead guilty to the criminal charges described in Paragraph 2 above and will make a factual admission of guilt to the Court in accordance with Fed. R. Crim. P. 11, as set forth in Paragraph 4 below.

FACTUAL BASIS FOR THE CHARGED OFFENSES

4. Had this case gone to trial, the United States would have presented evidence to prove, among other things, the following facts:

Count I: Sherman Antitrust Act Conspiracy

(a) For purposes of Count I of the Information, the “relevant period” is that period beginning at least as early as December 1993 and continuing at least until October 2001. During the relevant period, the Defendant was a corporation organized and existing under the laws of the State of Ohio, with its headquarters in Elyria, Ohio, and its principal place of business in Northeast Ohio. During the relevant period, the Defendant and its co-conspirators were engaged in the purchase and sale of ferrous and nonferrous scrap metal, both inside and outside the State of Ohio. The Defendant and its co-conspirators purchased and sold ferrous and nonferrous scrap metal for resale to customers such as mills and foundries, sometimes processing or re-manufacturing the scrap to fit a particular customer’s specifications. The Defendant and its co-conspirators sold the scrap metal that they purchased, or caused such scrap metal to be sold, to customers located both inside and outside the State of Ohio.

(b) During the relevant period, the Defendant, through its officers and employees, knowingly participated in a conspiracy with other scrap metal companies to allocate suppliers in the purchase of ferrous and nonferrous scrap metal. In furtherance of this conspiracy, the Defendant and co-conspirators engaged in discussions and communications with representatives of these other scrap metal companies in an effort to eliminate or reduce competition. Pursuant to these discussions and communications, the Defendant and its conspirators agreed to, and did, allocate scrap metal suppliers between themselves, thereby eliminating competition in the purchase of ferrous and nonferrous scrap metal.

(c) During the relevant period, the business activities of the Defendant and co-conspirators that are the subject of the attached Information were within the flow of, and substantially affected, interstate trade and commerce.

(d) The charged Sherman Antitrust Act conspiracy was formed and carried out, in part, within the Northern District of Ohio within five years preceding the filing of the Information. Acts in furtherance of the conspiracy carried out in this District include, but are not limited to, discussions and meetings between the Defendant and its co-conspirators allocating suppliers of scrap metal.

**Count II: Conspiracy to Transport Interstate
Fraudulently Obtained Property and to Commit Mail Fraud**

(e) For purposes of Count II of the Information, the “relevant period” is that period beginning at least as early as 1986 and continuing at least until October 2001. During the relevant period, the Defendant was a corporation

organized and existing under the laws of the State of Ohio, with its headquarters in Elyria, Ohio, and its principal place of business in Northeast Ohio.

(f) During the relevant period, the Defendant and a co-conspirator conspired to, and did, commit offenses against the United States, to wit, 18 U.S.C. § 2314 (Interstate Transportation of Stolen Property) and 18 U.S.C. § 1341 (Mail Fraud), all in violation of 18 U.S.C. § 371. During the relevant period, the Defendant and a co-conspirator did such acts as were necessary to effect the object of the conspiracy.

(g) During the relevant period, the Defendant and a co-conspirator did unlawfully, willfully and knowingly conspire, combine, confederate and agree to devise a scheme or artifice to defraud and obtain property by means of false and fraudulent pretenses, representations or promises from certain of the Defendant's suppliers of ferrous and nonferrous scrap metal, which scheme or artifice was executed by and through the use of the United States mails, in violation of 18 U.S.C. § 1341. The object and result of this scheme or artifice to defraud was to deprive certain of the Defendant's scrap metal suppliers of their property and proceeds therefrom. Pursuant to this illegal scheme or artifice to defraud, the Defendant and a co-conspirator conspired to, and did, knowingly and intentionally underweigh loads of scrap metal purchased from certain of the Defendant's scrap metal suppliers, resulting in these scrap metal suppliers systematically and arbitrarily getting paid less than what their scrap was worth. This fraudulent practice is commonly known in the industry as "shortweighting" a scrap metal

supplier. During the relevant period, the Defendant conspired to, and did, on numerous occasions, knowingly transport in interstate commerce the fraudulently obtained scrap metal (i.e., goods, wares and merchandise), of the value of \$5,000 or more, knowing the same to have been taken by fraud, for sale to customers (e.g., mills), in violation of 18 U.S.C. § 2314. In furtherance of the conspiracy and to effect the objects thereof, the Defendant, on numerous occasions and in the course of its routine business practice, sent via the United States mail, from its offices in Elyria, Ohio, to the defrauded scrap metal suppliers, invoices and checks based on the short-weighted amounts, known to be fraudulent, in violation of 18 U.S.C. § 1341. In addition, on numerous occasions during the relevant period, the Defendant sent invoices via the United States mail to customers located outside the State of Ohio, or received payments via the United States mail from customers located outside the State of Ohio, knowing the invoices and payments to be based on the fraudulently obtained scrap metal that the Defendant shipped interstate.

(h) The charged conspiracy was formed and carried out, in part, within the Northern District of Ohio within the five years preceding the filing of the Information. Acts in furtherance of the conspiracy carried out in this District include, but are not limited to, purchases of scrap metal fraudulently made in this District and then shipped interstate, as well as all mailings related to the Defendant's payment for these fraudulent scrap metal purchases, all of which originated in this District.

**POSSIBLE MAXIMUM SENTENCE
FOR A SHERMAN ACT VIOLATION**

5. The Defendant understands that the maximum penalty that may be imposed against it by the Court upon conviction for a violation of the Sherman Antitrust Act, 15 U.S.C. § 1, is a fine in an amount equal to the greatest of:

- (a) \$10 million (15 U.S.C. § 1);
- (b) twice the gross pecuniary gain the conspirators derived from the crime (18 U.S.C. § 3571(c) and (d)); or
- (c) twice the gross pecuniary loss caused to the victims of the crime (18 U.S.C. § 3571(c) and (d)).

6. In addition, the Defendant understands that:

- (a) pursuant to § 8B1.1 of the United States Sentencing Guidelines (“U.S.S.G.”), the Court may order it to pay restitution to the victims of the offense;
- (b) pursuant to 18 U.S.C. § 3013(a)(2)(B) and U.S.S.G. § 8E1.1, the Court is required to order the Defendant to pay a \$400 special assessment upon conviction of the charged crime; and
- (c) pursuant to 18 U.S.C. § 3561(c)(1), the Court may impose a term of probation of at least one year, but not more than five years.

**POSSIBLE MAXIMUM SENTENCE
FOR A § 371 CONSPIRACY VIOLATION**

7. The Defendant understands that the maximum penalty that may be imposed against it upon conviction for a violation of 18 U.S.C. § 371 is a fine in an amount equal to the greatest of:

(a) \$500,000 fine (18 U.S.C. § 3571(c)(3));

(b) twice the gross pecuniary gain derived from the crime (18 U.S.C. § 3571(c) and (d)); or

(c) twice the gross pecuniary loss caused to the victims of the crime (18 U.S.C. § 3571(c) and (d)).

8. In addition, the Defendant understands that:

(a) pursuant to U.S.S.G. 18 U.S.C. § 3663A and U.S.S.G. § 5E1.1, the Court shall order it to pay restitution to the victims of the offense;

(b) pursuant to 18 U.S.C. § 3013(a)(2)(B) and U.S.S.G. § 8E1.1, the Court is required to order the Defendant to pay a \$400 special assessment upon conviction of the charged crime; and

(c) pursuant to 18 U.S.C. § 3561(c)(1), the Court may impose a term of probation of at least one year, but not more than five years.

SENTENCING GUIDELINES

9. Sentencing for the offenses to be charged will be conducted pursuant to the U.S.S.G. Manual in effect on the day of sentencing.

10. With respect to the Sherman Act violation charged in Count I of the Information, the United States and the Defendant agree and stipulate to the following: (1) the volume of commerce affected by the conspiracy is approximately \$25 million; (2) the base fine is \$5 million (20% of the volume of commerce), pursuant to U.S.S.G. §§ 2R1.1(d)(1) and 8C2.4(b); and (3) the Guideline fine range is at least \$3.75 million, pursuant to U.S.S.G. § 2R1.1(d)(2). With respect to the § 371

conspiracy charged in Count II of the Information, the United States and the Defendant agree and stipulate that the loss resulting from this conspiracy is \$302,164.00. Pursuant to U.S.S.G. § 8C2.2(b), no precise determination of the Guideline fine range is required because it is readily ascertainable that the Defendant cannot and is not likely to become able to pay the minimum of the Guideline fine.

JOINT SENTENCING AGREEMENT

11. Pursuant to Fed. R. Crim. P. 11(e)(1)(B), the United States and the Defendant agree to jointly recommend as the appropriate disposition of this case that the Court impose a sentence requiring the Defendant to pay a criminal fine of \$372,836.00, payable in installments as set forth below in Paragraph 12 with interest accruing under 18 U.S.C. § 3612(f)(1)-(2). In addition, the United States and the Defendant agree to jointly recommend that, pursuant to 18 U.S.C. § 3663A, the Court order the Defendant to pay restitution in the amount of \$302,164.00, payable as set forth below in Paragraph 12, to scrap metal suppliers that have been identified by the United States as victims of the crime charged in Count II of the Information to transport property obtained by fraud in interstate commerce and to commit mail fraud. The parties further agree that the United States will not seek a restitution order with respect to the charged Sherman Act offense (see 18 U.S.C. § 3663(a)(1)(B)(ii)). The Defendant agrees that the fine is to be paid to the United States and agrees not to propose or advocate that any payment be made or service rendered to any person, organization, institution or agency in lieu of the fine or any

part of the fine. The Defendant agrees that it will not, absent a written agreement with the United States, or except as provided below in Paragraph 20, file any motion to reduce, modify or alter the fine imposed by the Court.

12. The Defendant understands that the Court will order it to pay a \$400 special assessment for each count, pursuant to 18 U.S.C. § 3013(a)(2)(B) and U.S.S.G. § 8E1.1, in addition to any fine or restitution imposed. The United States and the Defendant agree to recommend, in the interest of justice pursuant to 18 U.S.C. § 3572(d)(2) and U.S.S.G. § 8C3.2(b), that the agreed-upon restitution and fine be paid in the following five installments: the Defendant shall make its restitution payment of \$302,164.00 no later than 14 days after the date of sentencing; the initial fine installment payment of \$50,000.00 (plus accrued interest) shall be paid on the first anniversary of the date of sentencing; the second fine installment payment of \$50,000.00 (plus accrued interest) shall be paid on the second anniversary of the date of sentencing; the third fine installment payment of \$100,000.00 (plus accrued interest) shall be paid on the third anniversary of the date of sentencing; the fourth fine installment payment of \$100,000.00 (plus accrued interest) shall be paid on the fourth anniversary of the date of sentencing; the fifth fine installment payment of \$72,836.00 (plus accrued interest) shall be paid on the fifth anniversary date of the date of sentencing. As provided in 18 U.S.C. § 3612(f)(1)-(2), interest will accrue on the unpaid principal balance of the fine until the principal amount of \$372,836.00 is paid in full, and appropriate interest payments, calculated according to 18 U.S.C. § 3612(f)(2), will be paid by the

Defendant on each installment payment. The Defendant shall have the option at any time before the five-year anniversary of prepaying the remaining balance (plus any accrued interest) then owing on the fine. The Defendant agrees that in the event it shall fail to make any payment within 30 days of the due date, the entire unpaid balance of the fine (plus accrued interest) shall be immediately due and payable should the United States so elect.

13. The United States and the Defendant agree that the applicable Guideline fine range exceeds the fine contained in the recommended sentence set out in Paragraph 11 above. The United States and the Defendant further agree that the recommended fine is appropriate, pursuant to U.S.S.G. §§ 8C3.3(a) and (b), due to the inability of the Defendant to pay a fine greater than that recommended without impairing its ability to make restitution to victims of the crime charged in Count II of the Information or substantially jeopardizing its continued viability.

GUARANTEE OF PAYMENT OF FINE AND RESTITUTION

14. In consideration of this Plea Agreement, and due to the financial condition of the Defendant, EBM Group Corp., the Defendant's parent company, knowingly and voluntarily agrees, through its authorized representative, that it shall be jointly and severally liable to the United States for payment of the criminal fine and restitution imposed on the Defendant pursuant to this Plea Agreement. Acknowledgment of the aforesaid joint and several liability of EBM Group Corp. and guaranty of payment is confirmed by its authorized representative signing this Plea Agreement. EBM Group Corp. agrees that, in the event of bankruptcy or

dissolution of the Defendant, or any other event that would prevent payment of the fine or restitution imposed by the Court, it is jointly and severally liable for paying any sums due to be paid by the Defendant in accordance with the sentence imposed pursuant to this Plea Agreement, notwithstanding the fact that it did not engage in any of the conduct described in this document.

15. The United States and the Defendant understand that the Court retains complete discretion to accept or reject the recommended sentence provided for in Paragraph 11 of this Plea Agreement. The Defendant understands that the United States cannot and does not make any promise or representation as to what sentence the Defendant will receive. The United States reserves the right to make any statement to the Court or the United States Probation Office concerning the nature of the criminal violations charged in the attached Information, the Defendant's participation therein, and any other facts or circumstances that it deems relevant. The Defendant understands that it shall not make any argument or recommendation to the Court seeking to pay a criminal fine or restitution other than as provided above in Paragraph 11. The Defendant understands that any stipulation or joint recommendation made by the parties is not binding on the Court. The Defendant understands that, as provided in Fed. R. Crim. P. 11(c)(2) and (3), if the Court does not impose the recommended sentence contained in this Plea Agreement, or if the Court refuses to consider or rejects any recommendation or request made by the United States or the Defendant concerning its sentence, the Defendant nevertheless has no right to withdraw its plea of guilty.

THE DEFENDANT'S COOPERATION

16. The Defendant, including its related entities, EBM Group Corp., Aztec Steel Corporation, Royal Supply, Inc., and The Metal Exchange, Inc. (collectively “related entities”), agrees that it will cooperate fully and truthfully with the United States in the prosecution of this case, the conduct of the current federal investigation of violations of federal antitrust and related criminal laws in the scrap metal industry, any other federal investigation resulting therefrom, and any litigation or other proceeding arising or resulting from any such investigation to which the United States is a party (“Federal Proceeding”). The ongoing, full and truthful cooperation of the Defendant shall include, but not be limited to:

(a) producing to the United States, without requirement of subpoena, all documents, information and other materials, wherever located, in the possession, custody or control of the Defendant or any of its related entities, requested by the United States in connection with any Federal Proceeding;

(b) securing the ongoing, full and truthful cooperation, as defined in Paragraph 17 of this Plea Agreement, of Leon S. Altfeld, the president of the Defendant, and Theodore S. Altfeld, the secretary and treasurer of the Defendant, including making such persons available, at the Defendant's expense and upon reasonable notice, for interviews at the office of the Antitrust Division in Cleveland, Ohio, and the provision of testimony in grand jury, trial and other judicial proceedings in connection with any Federal Proceeding; and

(c) using its best efforts to secure the ongoing, full and truthful cooperation, as defined in Paragraph 17 of this Plea Agreement, of any current or former director, officer or employee of the Defendant, including its related entities, as may be requested by the United States, including making any such officer, director or employee available, at the Defendant's expense, for interviews and the provision of testimony in grand jury, trial, and other judicial proceedings in connection with any Federal Proceeding.

17. The ongoing, full, and truthful cooperation of each person described in Paragraph 16(b) and (c) above will be subject to the procedures and protections of this paragraph, and shall include, but not be limited to:

(a) producing all documents and other materials, including claimed personal documents, wherever located, requested by attorneys and agents of the United States;

(b) making himself or herself available for interviews, not at the expense of the United States, upon the request of attorneys and agents of the United States;

(c) responding fully and truthfully to all inquiries of the United States in connection with any Federal Proceeding, without falsely implicating any person or intentionally withholding any information, subject to the penalties of making false statements (18 U.S.C. § 1001) and obstruction of justice (18 U.S.C. § 1503);

(d) otherwise voluntarily providing the United States with any material or information not requested in (a)-(c) of this Paragraph that he or she may have that is related to any Federal Proceeding;

(e) when called to do so by the United States in connection with any Federal Proceeding, testifying in grand jury, trial, and other judicial proceedings fully, truthfully, and under oath, subject to the penalties of perjury (18 U.S.C. § 1621), making false statements or declarations in grand jury or court proceedings (18 U.S.C. § 1623), contempt (18 U.S.C. §§ 401-402), and obstruction of justice (18 U.S.C. § 1503); and

(f) agreeing that, if the agreement not to prosecute him or her in this Plea Agreement is rendered void under Paragraph 19(c), the statute of limitations period for any Relevant Offense as defined in Paragraph 19(a) will be tolled as to him or her for a period between the date of the signing of this Plea Agreement and one year after the date that the United States gave notice of its intent to void its obligations to that person under the Plea Agreement.

THE UNITED STATES' AGREEMENT

18. Upon acceptance of the guilty plea called for by this Plea Agreement, and subject to fulfillment of the cooperation requirements of Paragraph 16 and 17 of this Plea Agreement, as well as all of the other terms and conditions of this Plea Agreement, the United States agrees that it will not bring further criminal charges against the Defendant or any of its related entities for any act or offense committed before the date of this Plea Agreement that was undertaken in furtherance of an

attempted or completed antitrust conspiracy involving the purchase or sale of scrap metal or in furtherance of a conspiracy to transport fraudulently obtained property and commit mail fraud by shortweighting scrap metal suppliers. The nonprosecution terms of this Paragraph do not apply to civil matters of any kind, to any violation of the federal tax or securities laws, or to any crime of violence.

19. The United States further agrees to the following:

(a) Upon the Court's acceptance of the guilty plea called for by this Plea Agreement, and subject to fulfillment of the cooperation requirements provided in Paragraphs 16 and 17 of this Plea Agreement, as well as all of the other terms and conditions of this Plea Agreement, the United States agrees that it will not bring criminal charges against any current or former director, officer or employee of the Defendant, including its related entities, for any act or offense committed before the date of this Plea Agreement and while that person was acting as a director, officer, or employee of the Defendant, including its related entities, that was undertaken in furtherance of an attempted or completed antitrust conspiracy involving the purchase or sale of scrap metal or undertaken in furtherance of a conspiracy to transport interstate fraudulently obtained property and commit mail fraud by shortweighting scrap metal suppliers ("Relevant Offenses");

(b) Should the United States determine that any current or former director, officer, or employee of the Defendant, including its related entities, may have information relevant to any Federal Proceeding, the United States may request that person's cooperation under the terms of this Plea Agreement by

written request delivered to counsel for the individual (with a copy to the undersigned counsel for the Defendant) or, if the individual is not known by the United States to be represented, to the undersigned counsel for the Defendant;

(c) If any person requested to provide cooperation under Paragraph 19(b) fails to comply with his or her obligations as described in Paragraph 17, or otherwise fail to fulfill any other term or condition of this Plea Agreement, then the terms and conditions of this Plea Agreement as they pertain to that person, and the agreement not to prosecute them as granted in this Plea Agreement, shall be rendered void;

(d) Except as provided in Paragraph 19(e) below, information provided by a person described in Paragraph 19(b) to the United States under the terms of this Plea Agreement pertaining to the Relevant Offenses, or any information directly or indirectly derived from this information, may not be used to prosecute that person in a criminal case, except in a prosecution for perjury (18 U.S.C. § 1621), making a false statement or declaration (18 U.S.C. §§ 1001, 1623), or obstruction of justice (18 U.S.C. § 1503);

(e) If any person provides information to the United States under this Plea Agreement but fails to comply fully with his or her cooperation obligations under Paragraph 17 of this Plea Agreement, or otherwise fails to fulfill any other term or condition of this Plea Agreement, the agreement in Paragraph 19(d) not to use that information or any information directly or indirectly derived from it against that person in a criminal case shall be rendered void; and

(f) The nonprosecution terms of this Paragraph do not apply to civil matters of any kind, to any violation of the federal tax or securities laws, or to any crime of violence.

WAIVER OF RIGHT TO APPEAL CONVICTION OR SENTENCE

20. The Defendant acknowledges having been advised by counsel of its rights, in limited circumstances, to appeal the conviction or sentence in this case, including the appeal right conferred by 18 U.S.C. § 3742, and to challenge the conviction or sentence collaterally through a post-conviction proceeding, including a proceeding under 28 U.S.C. § 2255. The Defendant expressly waives those rights except as reserved below. The Defendant reserves the right to appeal: (a) any punishment in excess of the statutory maximum; (b) any punishment to the extent it constitutes an upward departure from the Sentencing Guideline range deemed most applicable by the Court. Nothing in this paragraph shall act as a bar to the Defendant perfecting any legal remedies it may otherwise have on appeal or collateral attack respecting claims of ineffective assistance of counsel or prosecutorial misconduct.

REPRESENTATION OF COUNSEL

21. The Defendant, including its related entities, and Leon S. Altfeld and Theodore S. Altfeld, have thoroughly reviewed all legal and factual aspects of this case with the Defendant's attorney and with their respective attorneys and each is fully satisfied that their attorneys have provided competent legal representation. The Defendant, including its related entities, and Leon S. Altfeld and Theodore S.

Altfeld, have thoroughly reviewed this Plea Agreement and each has received explanations satisfactory to them from their attorneys concerning each paragraph of this Plea Agreement, including but not limited to the nature of the charges, any possible defenses to the charges, and the nature and range of possible sentences. After conferring with their counsel, the Defendant, including its related entities, and Leon S. Altfeld and Theodore S. Altfeld, have concluded that it is in each of their best interests to enter into this Plea Agreement and to waive the rights set out above in Paragraphs 1(b)-(e), 2 and 20.

VOLUNTARY PLEA

22. The Defendant's decision to enter into this Plea Agreement and to tender a plea of guilty is freely and voluntarily made and is not the result of force, threats, assurances, promises, or representations other than the representations contained in this Plea Agreement. The United States has made no promise or representation to the Defendant as to whether the Court will accept or reject the recommendations contained within this Plea Agreement or as to what sentence this Court will impose.

VIOLATION OF PLEA AGREEMENT

23. The Defendant, its related entities, Leon S. Altfeld and Theodore S. Altfeld agree that, should the United States determine in good faith, during the period that any Federal Proceeding is pending, that the Defendant, its related entities, Leon S. Altfeld or Theodore S. Altfeld have failed to provide full and truthful cooperation, as described in Paragraphs 16 and 17 of this Plea Agreement,

or have otherwise violated any provision of this Plea Agreement, the United States will notify counsel for the Defendant in writing of its intention to void any of its obligations under this Plea Agreement (except its obligations under this Paragraph), and the Defendant, its related entities, Leon S. Altfeld and Theodore S. Altfeld shall be subject to prosecution for any federal crime of which the United States has knowledge including, but not limited to, the substantive offenses relating to the investigation resulting in this Plea Agreement. The Defendant, its related entities, Leon S. Altfeld and Theodore S. Altfeld agree that, in the event the United States is released from its obligations under this Plea Agreement and brings criminal charges against any of them for any offense referred to in Paragraph 18 or 19 of this Plea Agreement, the statute of limitations period for such offense will be tolled for the period between the date of the signing of this Plea Agreement and one year after the United States gave notice of its intention to void its obligations under this Plea Agreement.

24. The Defendant, including its related entities, Leon S. Altfeld and Theodore S. Altfeld understand and agree that in any further prosecution of them resulting from the release of the United States from its obligations under this Plea Agreement, because of the Defendant's, its related entities', Leon S. Altfeld's or Theodore S. Altfeld's violation of the Plea Agreement, any documents, statements, information, testimony, or evidence provided by the Defendant, its related entities, Leon S. Altfeld, Theodore S. Altfeld, or any other director, officer, or employee of the Defendant, including its related entities, to attorneys or agents of the United

States, federal grand juries, or courts, and any leads derived therefrom, may be used against the Defendant, its related entities, Leon S. Altfeld or Theodore S. Altfeld in any such further prosecution. In addition, the Defendant, its related entities, Leon S. Altfeld and Theodore S. Altfeld each unconditionally waive their right to challenge the use of such evidence in any further prosecution, notwithstanding the protections of Fed. R. Crim. P. 11(f) or Fed. R. Evid. 410.

ENTIRETY OF AGREEMENT

25. This Plea Agreement constitutes the entire agreement between the United States and the Defendant concerning the disposition of the criminal charges in this case. This Plea Agreement cannot be modified except in writing, signed by the United States and the Defendant.

26. The undersigned is authorized to enter this Plea Agreement on behalf of the Defendant as evidenced by the Resolution of the Board of Directors of the Defendant attached to, and incorporated by reference in, this Plea Agreement.

27. The undersigned attorneys for the United States have been authorized by the Attorney General of the United States to enter this Plea Agreement on behalf of the United States.

Agreed to and signed this 26th day of February 2003.

“/s/”
LEON S. ALTFELD
Authorized representative
Director
Bluestar Metal Recycling, Inc.
and EBM Group Corp.

“/s/”
THEODORE S. ALTFELD
Authorized representative
Director
Bluestar Metal Recycling, Inc.
and EBM Group Corp.

“/s/”
STEPHEN M. RYAN, Esq.
Manatt, Phelps & Phillips, LLP
1501 M Street NW, Suite 700
Washington, DC 20005-1702
Attorney for Defendant,
Bluestar Metal Recycling, Inc.

“/s/”
RICHARD T. HAMILTON, JR.
[0042399 – OH]

IAN D. HOFFMAN
[14831 – IA]

SARAH L. WAGNER
[24013700 – TX]

BRIAN J. STACK
[069796 – OH]

ANN M. OLEK
[69594 – DC]

PAUL L. BINDER
[0002819 – OH]

Attorneys, Antitrust Division
U.S. Department of Justice
Plaza 9 Building
55 Erieview Plaza, Suite 700
Cleveland, OH 44114-1816
Tel: (216) 522-4107
Fax: (216) 522-8332
E-mail: richard.hamilton@doj.gov