SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
(Amendment No. 1)
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
COMMISION FILE NUMBER 0-19687

Synalloy

Date of Report (Date of earliest event reported): August 1, 2013

Synalloy Corporation
(Exact name of registrant as specified in its charter)

Delaware	**57-0426694**
(State or other jurisdiction of incorporation)	*(IRS Employer Identification No.)*
775 Spartan Blvd., Suite 102, P.O. Box 5627, Spartanburg, SC	**29304**
(Address of principal executive offices)	*(Zip Code)*

(864) 585-3605
(Registrant's telephone number, including area code)

INAPPLICABLE
(Exact name of registrant as specified in its charter)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):
[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EXPLANATORY NOTE

This Form 8-K/A is being filed as an amendment to the Current Report on Form 8-K filed on August 29, 2013 (the "Original 8-K") solely for the purpose of providing the financial statements and pro forma financial information required by Regulation S-X with respect to Synalloy Corporation's purchase of substantially all of the assets and assumption of certain operating liabilities of Color Resources, LLC ("CRI"), a Delaware limited liability company. This Form 8-K/A does not amend or modify the Original Form 8-K in any other respect.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(a) *Financial Statements of Business Acquired*

The following audited financial statements of CRI (with the report of independent auditors) is attached hereto as Exhibit 99.1 and incorporated by reference herein:

- Balance Sheet as of December 31, 2011.
- Statement of Operations for the year ended December 31, 2011.
- Statement of Changes in Redeemable Members' Equity for the year ended December 31, 2011.
- Statement of Cash Flows for the year ended December 31, 2011.
- Notes to Financial Statements.

The following audited financial statements of CRI (with the report of independent auditors) is attached hereto as Exhibit 99.2 and incorporated by reference herein:

- Balance Sheet as of December 31, 2012.
- Statement of Operations for the year ended December 31, 2012.
- Statement of Changes in Redeemable Members' Equity (Deficit) for the year ended December 31, 2012.
- Statement of Cash Flows for the year ended December 31, 2012.
- Notes to Financial Statements.

The following unaudited financial statements of CRI are attached hereto as Exhibit 99.3 and incorporated by reference herein:

- Balance Sheets as of June 30, 2013 and December 31, 2012.
- Statements of Operations for the six months ended June 30, 2013 and 2012.
- Statement of Changes in Redeemable Members' Deficit for the six months ended June 30, 2013.
- Statements of Cash Flows for the six months ended June 30, 2013 and 2012.
- Notes to Financial Statements.

(b) *Pro Forma Financial Information*

The following unaudited pro forma financial information of Synalloy Corporation is attached hereto as Exhibit 99.4 and incorporated by reference herein:

- Unaudited Pro Forma Condensed Combined Consolidated Balance Sheet as of June 29, 2013.
- Unaudited Pro Forma Condensed Combined Consolidated Statements of Operations for the six months ended June 29, 2013 and June 30, 2012, respectively.
- Unaudited Pro Forma Condensed Combined Consolidated Statement of Operations for the year ended December 29, 2012.
- Notes to Unaudited Pro Forma Condensed Combined Consolidated Financial Statements.

(c) *Exhibits*

The following are filed as exhibits to this Current Report on Form 8-K:

Exhibit No,	Description of Exhibit
23.1	Consent of Dixon Hughes Goodman LLP.
23.2	Consent of Rosen Seymour Shapss Martin & Company LLP.
99.1	Audited financial statements of Color Resources, LLC for the year ended December 31, 2011.
99.2	Audited financial statements of Color Resources, LLC for the year ended December 31, 2012.
99.3	Unaudited financial statements of Color Resources, LLC for the six months ended June 30, 2013 and 2012.
99.4	Unaudited pro forma financial information of Synalloy Corporation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on behalf by the undersigned hereunto duly authorized.

SYNALLOY CORPORATION

By: /S/ RICHARD D. SIERADZKI
Richard D. Sieradzki
Chief Financial Officer and Principal Accounting Officer

Dated: September 11, 2013

EXHIBIT INDEX

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99.4	Unaudited pro forma financial information of Synalloy Corporation.

Exhibit 23.1

CONSENT OF INEPENDENT AUDITORS

We consent to the use of our report dated August 23, 2013 (except for Notes 1, 9, 11, and 12 as to which the date is September 11, 2013), with respect to the financial statements of Color Resources, LLC included in the Current Report (Amendment No. 1) (Form 8-K/A) dated September 11, 2013. Our report included reference to retrospective adjustments made to comply with Regulation S-X.

/s/ Dixon Hughes Goodman LLP

Greenville, South Carolina
September 11, 2013

Exhibit 23.2

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the use of our report dated February 23, 2012 (except for Notes 1, 9, and 11 as to which the date is September 11, 2013), included in the Amendment No. 1 to Form 8-K/A filed September 11, 2013, relating to the financial statements of Color Resources, LLC**.** Our report included reference to retrospective reclassifications made to comply with Regulation S-X.

/s/ Rosen Seymour Shapss Martin & Company LLP

New York, New York
September 11, 2013

Color Resources, LLC

Financial Statements
and
Supplementary Information

Year Ended December 31, 2011

with
Independent Auditors' Report

CONTENTS

December 31, 2011

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Color Resources, LLC:

We have audited the accompanying balance sheet of Color Resources, LLC as of December 31, 2011, and the related statements of operations, changes in redeemable members' equity, and cash flows for the year then ended. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Color Resources, LLC as of December 31, 2011, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matter Regarding Retrospective Reclassifications

As As discussed in Note 1 to the financial statements, certain retrospective reclassifications have been recorded to previously issued financial statements to classify members' equity (deficit) as redeemable members' equity (deficit) in accordance with the provisions of Securities and Exchange Commission Regulation S-X.

/s/ Rosen Seymour Shapss Martin & Company LLP
Rosen Seymour Shapss Martin & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
February 23, 2012
(Except for Notes 1, 9 and 11 as to which the date is September 11, 2013)

Color Resources, LLC
Balance Sheet
December 31, 2011

Assets	
Current assets:	
Cash	$ 224,246
Accounts receivable	1,019,985
Inventory	594,146
Prepaid expenses and other current assets	155,059
Total current assets	1,993,436
Property and equipment, net	854,347
Other assets:	
Deferred financing costs, net	181,200
Goodwill	3,844,928
Intangible assets, net	2,292,774
Total other assets	6,318,902
Total assets	$ 9,166,685
Liabilities and Redeemable Members' Equity	
Current liabilities:	
Accounts payable	$ 359,279
Accrued expenses and other current liabilities	206,324
Current portion of long-term debt	1,397,225
Total current liabilities	1,962,828
Long-term liabilities:	
Long-term debt, net of current portion	4,935,457
Accrued management and board fees	606,250
Deferred compensation payable	52,407
Deferred rent payable	341,452
Total long-term liabilities	5,935,566
Total liabilities	7,898,394
Commitments and contingencies	
Redeemable members' equity	1,268,291
Total liabilities and redeemable members' equity	$ 9,166,685

The accompanying notes are an integral part of these financial statements.

Color Resources, LLC
Statement of Operations
Year Ended December 31, 2011

Net sales	$ 7,200,215
Cost of sales	4,849,071
Gross profit	2,351,144
Operating expenses:	
Selling	113,521
General and administrative	1,584,437
Depreciation and amortization	371,172
Total operating expenses	2,069,130
Income from operations	282,014
Other expenses:	
Interest expense	442,094
Management and board fees	200,000
Total other expenses	642,094
Net loss	$ (360,080)

The accompanying notes are an integral part of these financial statements.

COLOR RESOURCES, LLC

Statement of Changes in Redeemable Members' Equity*

Year Ended December 31, 2011

	Redeemable Members' Equity
Balance at January 1, 2011	$ 1,128,371
Issuance of membership units	500,000
Net loss	(360,080)
Balance at December 31, 2011	$ 1,268,291

* All members' equity is redeemable, therefore there is no non-redeemable members' equity.

The accompanying notes are an integral part of these financial statements.

Color Resources, LLC
Statement of Cash Flows
December 31, 2011

Cash flows from operating activities:		
Net loss	$	(360,080)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization		371,172
Deferred rent payable		65,369
Changes in operating assets and liabilities:		
Accounts receivable		294,580
Inventory		284,771
Prepaid expenses and other current assets		(84,859)
Accounts payable		(433,377)
Accrued management and board fee		200,000
Accrued expenses and other current liabilities		42,554
Deferred compensation payable		(1,096)
Net cash provided by operating activities		379,034
Cash flows from investing activities:		
Purchases of property and equipment		(154,172)
Net cash used in investing activities		(154,172)
Cash flows from financing activities:		
Proceeds from issuance of senior series A preferred units		500,000
Deferred financing costs		(134,089)
Repayments of long-term debt		(513,422)
Net cash used in financing activities		(147,511)
Net increase in cash		77,351
Cash:		
Beginning of year		146,895
End of year	$	224,246
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$	444,377
Non-cash investing activities:		
Equipment acquired under financing agreements	$	104,612

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

Nature of Operations

Color Resources, LLC (the "Company") is a toll manufacturer and custom processor of dyes, pigments and chemicals for use in a wide range of specialty chemical industries. The Company sells its products and services primarily to multinational dyestuff and colorant companies. Most of the Company's products are sold in the United States.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company maintains cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation up to $250,000. The bank balances, at times, exceed federal insured limits.

The Company has not experienced any losses to date on such accounts and management believes that there is very little risk of loss.

Accounts Receivable

Accounts receivable is reported net of an allowance for doubtful accounts. The allowance is based on management's estimate of the amount of receivables that will actually be collected after analyzing the credit worthiness of its customers and historical experience, as well as the prevailing business and economic environment. Accounts are written off when significantly past due and after exhaustive efforts at collection. There was no allowance of doubtful accounts recorded at December 31, 2011, based upon management's assessment of collectability.

Inventory

Inventory is valued at the lower of cost or market. Cost is determined on a first-in first-out basis by using moving weighted average cost.

Property and Equipment

Property and equipment is stated at cost. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from five to fifteen years. Improvements to leased premises are amortized over the lesser of their estimated useful lives or the remaining lease terms. Expenditures for maintenance and repairs are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and the resulting gain or loss is recognized.

Deferred Financing Costs

Deferred financing costs are being amortized ratably over the life of the respective debt.

Goodwill and Other Intangible Assets

Goodwill and intangible assets with indefinite lives are not amortized, but instead are reviewed for impairment at least annually. Management determined that there has been no impairment of the carrying values after performing its most recent annual review.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the net carrying amount may not be recoverable. When such events occur, the Company measures impairment by comparing the carrying value of each group of assets that generates cash flows, with the estimated present value of the corresponding cash flows. If the expected present value of the future cash flows is less than the carrying amount of the asset group, the Company would recognize an impairment loss. Management has reviewed the Company's long-lived assets and believes that there has been no impairment.

Deferred Rent Payable

Deferred rent payable represents the excess of recognized rental expense over scheduled operating lease facility payments. This amount will be credited to future operations.

Revenue Recognition

The Company recognizes service based revenue in the period services are performed under tolling arrangements. The Company recognizes revenue on dye, pigment, and chemical products upon delivery to the customer in accordance with shipping terms.

Shipping and Handling

Shipping and handling expenses, included in general and administrative expenses, were approximately $8,000 for the year ended December 31, 2011.

Advertising Costs

Advertising costs are charged to expense as incurred. For the year ended December 31, 2011, advertising expense was approximately $26,000.

Research and Development Costs

Research and development expenditures, which are expensed as incurred, totaled approximately $1,000 during the year ended December 31, 2011.

Income Taxes

The Company is organized as a limited liability company and has elected to be treated as a partnership for federal and state income tax purposes. Accordingly, the results of operations of the Company are reported on the individual tax returns of the members.

Although the Company's income or loss is taxed directly to the members, the effects of an uncertain tax position, if any, may have an impact on the tax return of the member. Therefore, generally accepted accounting principles in the United States (“GAAP”) require that any such effects be recognized based on the outcome that is more likely than not to occur. Under this criterion the most likely resolution of an uncertain tax position should be analyzed based on technical merits and on the outcome that will likely be sustained under examination. As of December 31, 2011, the Company does not believe it has any uncertain tax positions that would qualify for either recognition or disclosure in the financial statements.

The Company's income tax returns for the years 2009 through 2011 are subject to federal and state income tax examination by the authorities.

Retrospective Reclassifications

Previously issued financial statements prepared in accordance with GAAP treated members' equity (deficit) as equity, however, the Securities and Exchange Commission Regulation S-X requires that equity with redemption features outside of the control of the Company be classified as redeemable equity. Changes to the financial statements have been made to retrospectively reclassify members' equity (deficit) as redeemable members' equity (deficit) in accordance with the provisions of Regulation S-X.

2. Inventory

Inventory at December 31, 2011 is summarized as follows:

Raw materials		412,240
Work in process		13,935
Finished Goods		167,971
	$	594,146

3. Property and Equipment

Property and equipment at December 31, 2011 is summarized as follows:

Leasehold improvements	$	371,500
Furniture and fixtures		25,106
Equipment		721,474
		1,118,080
Less accumulated depreciation and amortization		263,733
	$	854,347

4. Deferred Financing Costs

Deferred financing costs related to the long-term debt at December 31, 2011 are being amortized over the terms of the loans and are as follows:

Deferred financing costs	$	413,790
Less accumulated amortization		232,590
	$	181,200

5. Intangible Assets

Intangible assets and goodwill at December 31, 2011 are summarized as follows:

Intangible assets subject to amortization:		
Customer list	$	3,237,200
Less accumulated amortization		944,426
		2,292,774
Intangible assets not subject to amortization:		
Goodwill		3,844,928
	$	6,137,702

The Company has determined that its goodwill and customer list did not become impaired during the year ended December 31, 2011.

The useful life of the customer list is estimated to be fifteen years. Estimated amortization expense (based on existing intangible assets) for each of the years ending December 31, 2012, 2013, 2014, 2015, and 2016 amounts to $182,207.

6. Long-Term Debt

At December 31, 2011 long-term debt is summarized as follows:

Revolving credit facility (i)	$ 655,000
Term loan (i)	5,583,316
Equipment note payable (ii)	71,685
Term loan – related party (iii)	22,681
	6,332,682
Less current portion	1,397,225
	$ 4,935,457

(i) In July 2008, the Company entered into a five-year loan and security agreement with a financial institution. The agreement provided for (a) a three-year revolving line of credit of up to $1,000,000, and (b) a five-year term loan of $8,250,000. On September 30, 2011, the Company entered into a forbearance agreement with the same financial institution due to the failure to pay certain monthly installments under the term loan arrangement. The agreement, which specifies a forbearance period commencing on July 1, 2011 and ending on August 15, 2012, amends the loan and security agreement as follows:

1. The revolving credit commitment expired, effective July 23, 2011. The outstanding balance is to be paid on the last day of the forbearance period. Interest is charged at the annual rate of 6% during the forbearance period. Any unpaid balance at the end of the forbearance period is subject to an annual interest rate equal to the greater of (i) the Base Rate plus 1% percent, or (ii) 6%.

   If, at the end of the forbearance period, the Company is in compliance with all terms of the agreement, the revolving commitment will be automatically reinstated and be effective until July 24, 2013, whereupon any outstanding balance is to be repaid.

2. The outstanding term loan balance is to be repaid in installments, as follows:

   a. Three installments of principal, paid on the first day of February, March and April 2012, in the amount of $25,000 each, plus unpaid interest.

   b. Two installments of principal, paid on the first day of May and June 2012, in the amount of $50,000 each, plus unpaid interest.

   c. One installment of principal, paid on the first day of July 2012, in the amount of $75,000, plus unpaid interest.

   d. Eleven consecutive monthly installments of principal and interest, paid on the first day of each month, commencing with August 2012, in the amount of $121,115.

   e. A final installment, paid in June 2013 (the term loan maturity date) for the remaining principal balance, plus unpaid interest.

   Interest on the term loan is charged at the annual rate of 7%.

3. The Company is required to make an additional cash investment of at least $500,000, as either a capital contribution or a subordinated loan.

4. The forbearance agreement requires the Company to meet certain financial covenants, as defined. In addition, the Company is restricted from making payments related to member distributions, management and board fees and subordinated indebtedness.

5. The members are required to pledge 100% of the voting capital stock to the financial institution, as collateral.

(ii) In June 2011, the Company entered into an agreement with a finance company to purchase equipment. The note, which has a maturity date of June 2014, bears an annual interest rate of 13.6% and requires monthly principal and interest payments of $2,716. The note is collateralized by the purchased equipment.

(iii) In December 2011, the Company entered into a two year term loan with a related party in the amount of $22,681. The loan carries an interest rate of 6% per annum. Repayment consists of twenty four equal monthly payments of principal and interest of approximately $1,000.

Future maturities of long-term debt are as follows for the years ending December 31:

2012	$ 1,397,225
2013	4,935,457
	$ 6,332,682

Interest expense on long-term debt for the year ended December 31, 2011 amounted to $442,094.

7. Commitments

Operating Leases

The Company entered into a five year lease agreement in July 2008 for its manufacturing facility with a Company owned by a related party. The lease agreement provides for two optional extension terms of five years each, which renew automatically unless the Company gives at least 180 days' written notice prior to the expiration of the lease. The Company is required to pay a portion of the real estate taxes under the terms of the lease. The lease currently requires payments of approximately $400,000 per annum, payable monthly.

The following is a schedule of future minimum lease payments required under the Company's non-cancellable operating leases as of December 31, 2011:

Year Ending December 31,	Amount
2012	$ 406,777
2013	427,115
2014	448,471
2015	470,895
2016	494,439
Thereafter	1,980,082
	$ 4,227,779

Rent expense amounted to $454,867 for the year ended December 31, 2011.

8. Related Party Transactions

Employment Agreements

The Company entered into five-year employment agreements with two members of the Company. Agreements for the Company's Chief Executive Officer and Chief Financial Officer provide for annual base salaries, bonuses and certain benefits, perquisites, and expense reimbursements, as defined.

The Company owes deferred compensation totaling approximately $52,000 as of December 31, 2011, to the above two members of the Company. These members elected to defer payment of compensation earned for several periods during 2010 and 2009 until a future date yet to be determined by the Company.

Management and Board Fees

Compensation arrangements for management and Board of Directors services were entered into with several individuals who are also equity owners of the Company. The arrangements provide for aggregate annual compensation of $200,000 per year, to be paid on a quarterly basis. The Board elected to defer payment of compensation earned for 2011 until a future date yet to be determined by the Company. Management and board fee expense for the year ended December 31, 2011 was $200,000.

9. Redeemable Members' Equity

As of December 31, 2011, members' equity consisted of the following classes:

Class	Units Authorized	Units Issued
Class A Common Units	9,500	9,500
Class B Restricted Common Units	500	30
Series A Preferred Units	4,250	4,250
Senior Series A Preferred Units	500	500

Class A Common Units

Class A Common Units have full voting rights.

Beginning July 23, 2013 and for a two year period thereafter, the previous owners may petition the Company to redeem Class A Common Units held by them, upon written notice to the Company (“Put Notice”). The “Put Price” to redeem the Class A Common Units is the numerator which is the difference between (i) the sum of (A) the product of five multiplied by the Company's adjusted EBITDA for the trailing 12-month period ending on such redemption date, and (ii) the sum of (A) all indebtedness of the Company as of the redemption date, and (B) all amounts owed on accounts of the Series A Preferred units and accrued Preferred Dividends on the redemption date; and the denominator of which is the aggregate number of Common Units outstanding.

Any redemption request that is approved by a majority of the Board of Directors is to be fulfilled within nine months of the delivery of the Put Notice to the Company. However, redemptions must also be approved by the lending institution. In the event of such a deferral the aggregate Put Price payable that is related to the redemption requested is to be accrued at an annual rate of 12%, compounded quarterly, for the period from nine months after delivery of the Put Notice until the related Class A Common Units are redeemed in full.

Class B Restricted Common Units

Class B Restricted Common Units have no voting rights and are reserved for issuance to managers, officers, directors, employees, consultants and advisors of the Company. Units are shown as issued when vested. Vesting is determined on an individual grant basis.

Series A Preferred Units

Series A Preferred Units have no voting rights and its holders are entitled to preferential distributions. Dividends accrue cumulatively at an annual rate of 8% of each $1,000 Series A Preferred Unit with interest compounding annually. Series A Preferred Dividends shall be payable quarterly in arrears, when as declared by the Board of Managers, on the last business day of March, June, September and December (“Dividend Payment Date”). In the event that Series A Preferred Dividends are not paid, in whole or in part on a Dividend Payment Date and for 10 days thereafter, the dividend rate shall increase to an annual rate of 10%, until the defaulted dividends are paid in full.

Senior Series A Preferred Units

Senior Series A Preferred Units have no voting rights and its holders are entitled to preferential distributions over holders of the Series A Preferred Units and the Common Units. Dividends accrue cumulatively at an annual rate of 15% of each $1,000 Senior Series A Preferred Unit with interest compounding quarterly. Senior Series A Preferred Dividends shall be payable only when and as declared by the Board of Managers and when approved by the holders of a majority of the Senior Series A Preferred units.

Liquidation Preferences

In the event of any liquidation, dissolution or winding up of the Company, including, without limitation, a sale or recapitalization of the Company (a "Liquidation Event"), whether voluntary or involuntary, the holders of Senior Series A Preferred Units shall be entitled to receive, prior and in preference to any payment or distribution of any of the assets of the Company to the holders of Series A Preferred Units and Common Units, by reason of their ownership thereof, and without duplication of any redemption payments, an amount per Senior Series A Preferred Unit equal to (a) $1,000 plus (b) accrued and unpaid Senior Series A Preferred Dividends as of the date of the Liquidation Event (the "Senior Series A Liquidation Preference"). Upon the payment in full of the Senior Series A Liquidation Preference, the holders of Series A Preferred Units shall be entitled to receive, prior and in preference to any payment or distribution of any of the assets of the Company to the holders of Common Units, by reason of their ownership thereof, and without duplication of any redemption payments, an amount per Series A Preferred unit equal to (a) $1,000 plus (b) accrued and unpaid Series A Preferred Dividends as of the date of the Liquidation Event and (c) all accrued and unpaid Default Series A Preferred Dividends as of the date of the Liquidation Event (the "Series A Liquidation Preference") Upon the payment in full of the Senior Series A Liquidation Preference and the Series A Liquidation Preference, all remaining assets available for distribution shall be distributed to the holders of the Common Units based on their pro rata ownership of the issued and outstanding Common Units.

Redemption Rights

Beginning July 23, 2013 or upon a Liquidation Event, the Series A Preferred Units and Senior Series A Preferred Units may be redeemed at any time and from time to time, in whole or in part, by the Company without penalty, provided that an equal proportion of the outstanding Series A Preferred Units and Senior Series Preferred A Units is redeemed as between the members holding the Series A Preferred Units and Senior Series Preferred A Units. Such redemptions must also be approved by the lending institution. The redemption price payable to each holder of Series A Preferred Units and Senior Series Preferred A units shall be equal to the Series A Liquidation Preference.

At December 31, 2011 the amount of the unpaid cumulative dividend relating to Series A Preferred Units and Senior Series A Preferred Units totaled approximately $1,486,000. This amount will be recorded when declared by the Board of Managers.

10. Economic Dependence

Major Customers

For the year ended December 31, 2011, two customers accounted for approximately 61% of the Company's net sales. As of December 31, 2011, one customer accounted for approximately 48% of the Company's outstanding accounts receivable.

Major Vendors

For the year ended December 31, 2011, five vendors accounted for approximately 60% of the Company's purchases. As of December 31, 2011, three vendors accounted for approximately 67% of the Company's accounts payable.

11. Subsequent Events

The Company has evaluated its subsequent events through February 23, 2012 (except for Notes 1 and 9 as to which the date is September 11, 2013) the date that the accompanying financial statements were available to be issued. The Company had no material subsequent events requiring disclosure.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Color Resources, LLC:

Our report on the audit of the basic financial statements of Color Resources, LLC for the year ended December 31, 2011 appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

/s/ Rosen Seymour Shapss Martin & Company LLP
Rosen Seymour Shapss Martin & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

New York, New York
February 23, 2012

COLOR RESOURCES, LLC

SUPPLEMENTARY FINANCIAL DATA

STATEMENT OF INCOME FROM OPERATIONS

YEAR ENDED DECEMBER 31, 2011

	Amount	%
Net sales	$ 7,200,215	100.0
Cost of goods sold	4,849,071	67.2
Gross profit	2,351,144	32.8
Operating expenses:		
Selling	113,521	1.6
General and administrative	1,584,437	22.0
Depreciation and amortization	371,172	5.1
Total operating expenses	2,069,130	28.7
Income from operations	$ 282,014	4.0

See independent auditors' report on supplementary information.

COLOR RESOURCES, LLC

SUPPLEMENTARY FINANCIAL DATA

SUPPORTING SCHEDULES

YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF COST OF GOODS SOLD

	Amount	%
Inventory – beginning	$ 878,917	12.2
Purchases	3,551,849	49.3
Direct labor	694,997	9.6
Insurance – liability and property	74,514	1.0
Equipment repairs and maintenance	95,211	1.3
Waste disposal/inceneration	7,466	0.1
Equipment rental	21,325	0.3
Uniform services	7,219	0.1
Outside contractors	18,221	0.3
Supplies	73,053	1.0
Freight-in	20,445	0.3
	5,443,217	75.5
Less inventory – ending	594,146	8.3
	$ 4,849,071	67.2

SCHEDULE OF DIRECT LABOR

	Amount	%
Salaries – grinding	$ 186,402	2.6
Salaries – customer service	129,763	1.8
Salaries – liquid mixing	124,984	1.7
Salaries – lab	60,946	0.8
Salaries – warehouse	69,112	1.0
Salaries – maintenance	78,000	1.1
Temporary services	45,790	0.6
	$ 694,997	9.6

See independent auditors' report on supplementary information.

COLOR RESOURCES, LLC

SUPPLEMENTARY FINANCIAL DATA

SUPPORTING SCHEDULES

YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF SELLING EXPENSES

	Amount	%
Travel	$ 44,582	0.6
Meals and entertainment	11,846	0.2
Commissions	28,054	0.4
Marketing and advertising	26,376	0.4
Freight-out	2,663	0.0
	$ 113,521	1.6

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

	Amount	%
Salaries – officers	$ 154,798	2.2
Salaries – office	282,058	3.9
Payroll taxes	87,872	1.2
Employee insurance	88,971	1.2
Officers and employee life insurance	10,394	0.1
Professional fees	161,262	2.2
Security services	15,200	0.2
Rent	454,867	6.4
Education and career development	2,518	0.0
Repairs and maintenance	5,953	0.1
Utilities	166,835	2.4
Office expenses	12,773	0.2
Real estate taxes	39,482	0.5
Computer supplies	5,022	0.1
Safety/medical supplies	1,050	0.0
Telephone	16,195	0.2
Safety awards	37,688	0.5
Landscaping	13,020	0.2
Bank charges	2,731	0.0
Postage and freight	8,107	0.1
Dues and subscriptions	11,642	0.2
Licenses and taxes	2,027	0.0
Miscellaneous	3,972	0.1
	$ 1,584,437	22.0

See independent auditors' report on supplementary information.

COLOR RESOURCES, LLC

SUPPLEMENTARY FINANCIAL DATA

STATEMENT OF ADJUSTED EARNINGS BEFORE INTEREST, INCOME TAXES, DEPRECIATION AND AMORTIZATION

YEAR ENDED DECEMBER 31, 2011

Statement of Adjusted EBITDA

Net loss	$	(360,080)
Interest expense		442,094
Depreciation and amortization		371,172
Deferred (non-cash) rent		65,369
Accrued management and board fees		200,000
Capital contribution by members		500,000
Adjusted EBITDA	$	1,218,555

See independent auditors' report on supplementary information.

Exhibit 99.2

COLOR RESOURCES, LLC

Financial Statements

December 31, 2012

(with Independent Auditors' Report thereon)

COLOR RESOURCES, LLC

Table of Contents

December 31, 2012

Independent Auditors' Report

To the Board of Directors
Color Resources, LLC

We have audited the accompanying financial statements of Color Resources, LLC (the "Company"), which comprise the balance sheet as of December 31, 2012, and the related statements of operations, changes in redeemable members' equity (deficit), and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Color Resources, LLC as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter Regarding Retrospective Adjustments

As discussed in Note 1 to the financial statements, certain retrospective adjustments have been recorded to previously issued financial statements to classify members' equity (deficit) as redeemable members' equity (deficit) in accordance with the provisions of Securities and Exchange Commission Regulation S-X.

Emphasis of Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 11 to the financial statements, the Company has suffered recurring losses from operations and has a net working capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 11. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

/s/ Dixon Hughes Goodman LLP
Dixon Hughes Goodman LLP

Greenville, South Carolina
August 23, 2013
(Except for Notes 1, 9, 11, and 12 as to which the date is September 11, 2013)

COLOR RESOURCES, LLC

Balance Sheet

December 31, 2012

Assets		
Current assets:		
Cash	$	129,100
Accounts receivable		637,970
Inventory		428,238
Prepaid expenses and other current assets		137,102
Total current assets		1,332,410
Property and equipment, net		936,808
Other assets:		
Deferred financing costs, net		80,001
Total assets	$	2,349,219
Liabilities and Redeemable Members' Deficit		
Current liabilities:		
Accounts payable	$	518,551
Accrued expenses and other current liabilities		116,277
Current portion of long-term debt		5,913,939
Current portion of capital lease obligations		21,384
Total current liabilities		6,570,151
Long-term liabilities:		
Long-term debt, net of current portion		41,232
Capital lease obligations, net of current portion		49,377
Accrued management and board fees		806,250
Deferred compensation payable		52,417
Deferred rent payable		420,123
Total long-term liabilities		1,369,399
Total liabilities		7,939,550
Redeemable members' deficit		(5,590,331)
Total liabilities and redeemable members' deficit	$	2,349,219

The accompanying notes are an integral part of these financial statements.

COLOR RESOURCES, LLC

Statement of Operations

For the Year Ended December 31, 2012

Net sales	$ 7,191,196
Cost of sales	4,915,804
Gross profit	2,275,392
Operating expenses:	
Selling	157,023
General and administrative	1,898,993
Depreciation and amortization	493,509
Impairment of goodwill and other intangibles	5,955,495
Total operating expenses	8,505,020
Loss from operations	(6,229,628)
Other expenses:	
Interest expense	428,994
Management and board fees	200,000
Total other expenses	628,994
Net loss	$ (6,858,622)

The accompanying notes are an integral part of these financial statements.

COLOR RESOURCES, LLC

Statement of Changes in Redeemable Members' Equity (Deficit)*

For the Year Ended December 31, 2012

	Redeemable Members' Equity (Deficit)
Balance at January 1, 2012	1,268,291
Net loss	(6,858,622)
Balance at December 31, 2012	$ (5,590,331)

* All members' equity (deficit) is redeemable, therefore there is no non-redeemable members' equity (deficit).

The accompanying notes are an integral part of these financial statements.

COLOR RESOURCES, LLC

Statement of Cash Flows

For the Year Ended December 31, 2012

Cash flows from operating activities:	
Net loss	$ (6,858,622)
Adjustments to reconcile net loss to net cash	
provided by operating activities:	
Goodwill impairment	3,844,928
Intangible assets impairment	2,110,567
Depreciation and amortization	493,509
Deferred rent payable	78,671
Changes in operating assets and liabilities:	
Accounts receivable	382,015
Inventories	165,908
Prepaid expenses and other current assets	17,957
Accounts payable	159,272
Accrued management and board fee	200,000
Accrued expenses and other current liabilities	(90,047)
Deferred compensation payable	10
Net cash provided by operating activities	504,168
Cash flows from investing activities:	
Purchases of property, plant and equipment	(142,873)
Net cash used by investing activities	(142,873)
Cash flows from financing activities:	
Deferred financing costs incurred	(46,212)
Repayments of long-term debt	(509,743)
Issuance of long-term debt	99,514
Net cash used by financing activities	(456,441)
Net decrease in cash	(95,146)
Cash, at beginning of year	224,246
Cash, at end of year	$ 129,100
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	$ 364,887
Non-cash investing activities:	
Equipment acquired under financing agreements	$ 103,479

The accompanying notes are an integral part of these financial statements.

COLOR RESOURCES, LLC

Notes to Financial Statements

December 31, 2012

1. **Summary of Significant Accounting Policies**

Nature of Operations - Color Resources, LLC (the "Company") is a toll manufacturer and custom processor of dyes, pigments and chemicals for use in a wide range of specialty chemical industries. The Company sells its products and services primarily to multinational dyestuff and colorant companies. Most of the Company's products are sold in the United States.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk - The Company maintains cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation up to $250,000. The bank balances, at times, exceed federal insured limits.

The Company has not experienced any losses to date on such accounts and management believes that there is very little risk of loss.

Accounts Receivable - Accounts receivable is reported net of an allowance for doubtful accounts. The allowance is based on management's estimate of the amount of receivables that will actually be collected after analyzing the credit worthiness of its customers and historical experience, as well as the prevailing business and economic environment. Accounts are written off when significantly past due and after exhaustive efforts at collection. There was no allowance of doubtful accounts recorded at December 31, 2012, based upon management's assessment of collectability.

Inventories - Inventories are valued at the lower of cost or market. Cost is determined on a first-in first-out basis by using moving weighted average cost. The Company provides a reserve for obsolescence based upon a review of the inventory again and existing industry conditions. The reserve for obsolescence was approximately $126,000 as of December 31, 2012.

Property and Equipment - Property and equipment is stated at cost. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from three to fifteen years. Improvements to leased premises are amortized over the lesser of their estimated useful lives or the remaining lease terms. Expenditures for maintenance and repairs are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and the resulting gain or loss is recognized.

Deferred Financing Costs - Deferred financing costs are being amortized ratably over the life of the respective debt.

Goodwill and Other Intangible Assets - Goodwill and intangible assets with indefinite lives are not amortized, but instead are reviewed for impairment at least annually. Management determined that goodwill and intangible assets were fully impaired after performing its most recent review. The amount of goodwill impairment recognized for GAAP purposes was approximately $3,845,000 for the year ended December 31, 2012.

Impairment of Long-Lived Assets - Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the net carrying amount may not be recoverable. When such events occur, the Company measures impairment by comparing the carrying value of each group of assets that generates cash flows, with the estimated present value of the corresponding cash flows. If the expected present value of the future cash flows is less than the carrying amount of the asset group, the Company would recognize an impairment loss. Management has reviewed the Company's long lived assets and believes that the intangible assets are fully impaired. The amount of intangible asset impairment recognized for GAAP purposes was approximately $2,111,000 for the year ended December 31, 2012.

Deferred Rent Payable - Deferred rent payable represents the excess of recognized rental expense over scheduled operating lease facility payments. This amount will be credited to future operations.

Revenue Recognition - The Company recognizes service based revenue in the period services are performed under tolling arrangements. The Company recognizes revenue on dye, pigment, and chemical products upon delivery to the customer in accordance with shipping terms.

Shipping and Handling - Shipping and handling expenses, included in general and administrative expenses, were approximately $3,000 for the year ended December 31, 2012.

Advertising Costs - Advertising costs are charged to expense as incurred. For the year ended December 31, 2012, advertising expense was approximately $53,000.

Research and Development Costs - Research and development expenditures, which are expensed as incurred, totaled approximately $6,000 during the year ended December 31, 2012.

Income Taxes - The Company is organized as a limited liability company and has elected to be treated as a partnership for federal and state income tax purposes. Accordingly, the results of operations of the Company are reported on the individual tax returns of the members.

Although the Company's income or loss is taxed directly to the members, the effects of an uncertain tax position, if any, may have an impact on the tax return of the member. Therefore, generally accepted accounting principles in the United States ("GAAP") require that any such effects be recognized based on the outcome that is more likely than not to occur. Under this criterion the most likely resolution of an uncertain tax position should be analyzed based on technical merits and on the outcome that will likely be sustained under examination. As of December 31, 2012, the Company does not believe it has any uncertain tax positions that would qualify for either recognition or disclosure in the financial statements.

The Company's income tax returns for the years 2010 through 2012 are subject to federal and state income tax examination by the authorities.

Retrospective Adjustments - Previously issued financial statements prepared in accordance with GAAP treated members' equity (deficit) as equity, however, the Securities and Exchange Commission Regulation S-X requires that equity with redemption features outside of the control of the Company be classified as redeemable equity. Changes to the financial statements have been made to retrospectively reclassify members' equity (deficit) as redeemable members' equity (deficit) in accordance with the provisions of Regulation S-X.

2. **Inventories**

Inventories at December 31, 2012 are summarized as follows:

Raw materials	$ 183,624
Work in process	56,779
Finished goods	187,835
	$ 428,238

3. **Property and Equipment**

Property and equipment at December 31, 2012 is summarized as follows:

Leasehold improvements	$	412,600
Furniture and fixtures		27,853
Equipment		922,255
		1,362,708
Less accumulated depreciation and amortization		425,900
	$	936,808

4. **Deferred Financing Costs**

Deferred financing costs related to the long-term debt at December 31, 2012 are being amortized over the terms of the loans and are as follows:

Deferred financing costs	$	460,775
Less accumulated amortization		380,774
	$	80,001

5. **Intangible Assets**

Intangible assets and goodwill at December 31, 2012 are summarized as follows:

Intangible assets subject to amortization:		
Customer list	$	3,237,200
Less accumulated amortization		1,126,633
Less impairment		2,110,567
	$	—
Intangible assets not subject to amortization:		
Goodwill		3,844,928
Less impairment		3,844,928
	$	—

The Company has determined that the goodwill and customer list are fully impaired at December 31, 2012.

6. **Long-Term Debt**

At December 31, 2012, long-term debt is summarized as follows:

Revolving credit facility (i)	$	655,000
Term loan (i)		5,154,851
Equipment notes payable (ii)		48,973
Term loans - related party (iii)		40,019
Insurance note payable (iv)		56,328
		5,955,171
Less current portion		5,913,939
	$	41,232

(i) In July 2008, the Company entered into a five-year loan and security agreement with a financial institution. The agreement provided for a three-year revolving line of credit of up to $1,000,000, and a five-year term loan of $8,250,000. On September 30, 2011, the Company entered into an initial forbearance agreement with the same financial institution due to the failure to pay certain monthly installments under the term loan arrangement. The agreement, which specified a forbearance period commencing on July 1, 2011 and ended on August 15, 2012, amended the loan and security agreement as follows:

1. The revolving credit commitment expired, effective July 23, 2011. The outstanding balance is to be paid on the last day of the forbearance period. Interest is charged at the annual rate of 6% during the forbearance period. Any unpaid balance at the end of the forbearance period is subject to an annual interest rate equal to the greater of (i) the Base Rate plus 1% percent, or (ii) 6%.

   If, at the end of the forbearance period, the Company is in compliance with all terms of the agreement, the revolving commitment will be automatically reinstated and be effective until July 24, 2013, whereupon any outstanding balance is to be repaid.

2. The outstanding term loan balance is to be repaid in installments, as follows:

   a. Three installments of principal, paid on the first day of February, March and April 2012, in the amount of $25,000 each, plus unpaid interest.

   b. Two installments of principal, paid on the first day of May and June 2012, in the amount of $50,000 each, plus unpaid interest.

   c. One installment of principal, paid on the first day of July 2012, in the amount of $75,000, plus unpaid interest.

   d. Eleven consecutive monthly installments of principal and interest, paid on the first day of each month, commencing with August 2012, in the amount of $121,115.

   e. A final installment, paid in June 2013 (the term loan maturity date) for the remaining principal balance, plus unpaid interest.

   Interest on the term loan is charged at the annual rate of 7%.

3. The Company is required to make an additional cash investment of at least $500,000, as either a capital contribution or a subordinated loan.

4. The forbearance agreement requires the Company to meet certain financial covenants, as defined. In addition, the Company is restricted from making payments related to member distributions, management and board fees and subordinated indebtedness.

5. The members are required to pledge 100% of the voting capital stock to the financial institution, as collateral.

The Company failed to meet the required covenants during 2012 and entered into another forbearance agreement with the same financial institution subsequent to year end. The agreement is more fully discussed in Note 11.

(ii) In June 2011, the Company entered into an agreement with a finance company to purchase equipment. The note, which has a maturity date of June 2014, bears an annual interest rate of 9.1% and requires monthly principal and interest payments of $2,716. The note is collateralized by the purchased equipment. The outstanding balance as of December 31, 2012 was $43,011.

In May and September 2012, the Company entered into agreements with a company to purchase computer equipment. The notes, which mature in April and August 2015, respectively, bear interest at an annual rate of 19.0% and require monthly principal and interest payments of $191 and $75, respectively. The note is collateralized by the purchased computer equipment. The outstanding balance on the notes as of December 31, 2012 was $5,962.

(iii) In December 2011, the Company entered into a two year term loan with a related party in the amount of $22,681. The loan carries an interest rate of 6% per annum. Repayment consists of twenty four equal monthly payments of principal and interest of approximately $1,000.

In May 2012, the Company entered into a three year term loan with the same related party in the amount of $9,880. The loan carries an interest rate of 5.5% per annum. Repayment consists of thirty six equal monthly payments of principal and interest of approximately $400.

In May 2012, the Company entered into an additional seven year term loan with the same related party in the amount of $20,880. The loan carries an interest rate of 5.5% per annum. Repayment consist of eighty four monthly payments of principal and interest of approximately $300.

The outstanding balance on the notes as of December 31, 2012 was $40,019.

(iv) In October 2012, the Company entered into an agreement with a company to finance insurance. The note, which has a maturity date of July 2013, bears an annual interest rate of 5.5% and requires monthly principal and interest payments of $8,049. The outstanding balance as of December 31, 2012 was $56,328.

Future maturities of long-term debt are as follows: 2013 - $5,913,939; 2014 - $24,458; 2015 - $5,824; 2016 - $3,075; 2017 - $3,249; and thereafter - $4,626.

7. **Commitments**

Operating Leases

The Company entered into a five year lease agreement in July 2008 for its manufacturing facility with a Company owned by a related party. The lease agreement provides for two optional extension terms of five years each, which renew automatically unless the Company gives at least 180 days' written notice prior to the expiration of the lease. The Company is required to pay a portion of the real estate taxes under the terms of the lease. The lease currently requires payments of approximately $400,000 per annum, payable monthly.

The following is a schedule of future minimum lease payments required under the Company's noncancellable operating leases as of December 31, 2012:

Year ending December 31,		
2013	$	427,115
2014		448,471
2015		470,895
2016		494,439
2017		519,161
Thereafter		1,460,920
	$	3,821,001

Rent expense amounted to approximately $453,000 for the year ended December 31, 2012.

Capital Lease Obligations

The Company leases equipment under a capital lease agreement requiring monthly payments of $527 expiring in July 2017. The lease bears interest at 1.1%, and the total principal balance of the lease totaled $15,385 at December 31, 2012.

The Company leases equipment under a capital lease agreement requiring monthly payments of $445 expiring in January 2017. The lease bears interest at 1.3%, and the total principal balance of the lease totaled $19,956 at December 31, 2012.

The Company leases equipment under two capital lease agreement requiring monthly payments of $145 and $699, respectively, expiring in May 2016. The leases are interest free and the total principal balance of the leases totaled $35,420 at December 31, 2012.

Future minimum lease payments under the capital leases are:

Year ending December 31,

2013	$	21,785
2014		21,785
2015		18,622
2016		9,510
Total future minimum lease payments		71,702
Less: amount representing interest		(941)
Capital lease obligations	$	70,761

The net book value of the equipment and software under capital lease obligations amounted to approximately $70,000 at December 31, 2012, respectively.

8. **Related Party Transactions**

Employment Agreements

The Company entered into five-year employment agreements with two members of the Company. Agreements for the Company's Chief Executive Officer and Chief Financial Officer provide for annual base salaries, bonuses and certain benefits, perquisites, and expense reimbursements, as defined.

The Company owes deferred compensation totaling approximately $52,000 as of December 31, 2012, to the above two members of the Company, These members elected to defer payment of compensation earned for several periods during 2010 and 2009 until a future date yet to be determined by the Company,

Management and Board Fees

Compensation arrangements for management and Board of Directors services were entered into with several individuals who are also equity owners of the Company. The arrangements provide for aggregate annual compensation of $200,000 per year, to be paid on a quarterly basis. The Board elected to defer payment of compensation earned for 2012 until a future date yet to be determined by the Company. Management and board fee expense for the year ended December 31, 2012 was $200,000.

9. **Redeemable Members' Equity**

As of December 31, 2012, members' equity consisted of the following classes:

Class	**Units Authorized**	**Units Issued**
Class A Common Units	9,500	9,500
Class B Restricted Common Units	500	35
Series A Preferred Units	4,250	4,250
Senior Series A Preferred Units	500	500

Class A Common Units

Class A Common Units have full voting rights.

Beginning July 23, 2013 and for a two year period thereafter, the previous owners may petition the Company to redeem Class A Common Units held by them, upon written notice to the Company ("Put Notice"). The "Put Price" to redeem the Class A Common Units is the numerator which is the difference between (i) the sum of (A) the product of five multiplied by the Company's adjusted EBITDA for the trailing 12-month period ending on such redemption date, and (ii) the sum of

(A) all indebtedness of the Company as of the redemption date, and (B) all amounts owed on accounts of the Series A Preferred units and accrued Preferred Dividends on the redemption date; and the denominator of which is the aggregate number of Common Units outstanding.

Any redemption request that is approved by a majority of the Board of Directors is to be fulfilled within nine months of the delivery of the Put Notice to the Company. However, redemptions must also be approved by the lending institution. In the event of such a deferral the aggregate Put Price payable that is related to the redemption requested is to be accrued at an annual rate of 12%, compounded quarterly, for the period from nine months after delivery of the Put Notice until the related Class A Common Units are redeemed in full.

Class B Restricted Common Units

Class B Restricted Common Units have no voting rights and are reserved for issuance to managers, officers, directors, employees, consultants and advisors of the Company. Units are shown as issued when vested. Vesting is determined on an individual grant basis.

Series A Preferred Units

Series A Preferred Units have no voting rights and its holders are entitled to preferential distributions. Dividends accrue cumulatively at an annual rate of 8% of each $1,000 Series A Preferred Unit with interest compounding annually. Series A Preferred Dividends shall be payable quarterly in arrears, when as declared by the Board of Managers, on the last business day of March, June, September and December ("Dividend Payment Date"). In the event that Series A Preferred Dividends are not paid, in whole or in part on a Dividend Payment Date and for 10 days thereafter, the dividend rate shall increase to an annual rate of 10%, until the defaulted dividends are paid in full.

Senior Series A Preferred Units

Senior Series A Preferred Units have no voting rights and its holders are entitled to preferential distributions over holders of the Series A Preferred Units and the Common Units. Dividends accrue cumulatively at an annual rate of 15% of each $1,000 Senior Series A Preferred Unit with interest compounding quarterly. Senior Series A Preferred Dividends shall be payable only when and as declared by the Board of Managers and when approved by the holders of a majority of the Senior Series A Preferred units.

Liquidation Preferences

In the event of any liquidation, dissolution or winding up of the Company, including, without limitation, a sale or recapitalization of the Company (a "Liquidation Event"), whether voluntary or involuntary, the holders of Senior Series A Preferred Units shall be entitled to receive, prior and in preference to any payment or distribution of any of the assets of the Company to the holders of Series A Preferred Units and Common Units, by reason of their ownership thereof, and without duplication of any redemption payments, an amount per Senior Series A Preferred Unit equal to (a) $1,000 plus (b) accrued and unpaid Senior Series A Preferred Dividends as of the date of the Liquidation Event (the "Senior Series A Liquidation Preference"). Upon the payment in full of the Senior Series A Liquidation Preference, the holders of Series A Preferred Units shall be entitled to receive, prior and in preference to any payment or distribution of any of the assets of the Company to the holders of Common Units, by reason of their ownership thereof, and without duplication of any redemption payments, an amount per Series A Preferred unit equal to (a) $1,000 plus (b) accrued and unpaid Series A Preferred Dividends as of the date of the Liquidation Event and (c) all accrued and unpaid Default Series A Preferred Dividends as of the date of the Liquidation Event (the "Series A Liquidation Preference") Upon the payment in full of the Senior Series A Liquidation Preference and the Series A Liquidation Preference, all remaining assets available for distribution shall be distributed to the holders of the Common Units based on their pro rata ownership of the issued and outstanding Common Units.

Redemption Rights

Beginning July 23, 2013 or upon a Liquidation Event, the Series A Preferred Units and Senior Series A Preferred Units may be redeemed at any time and from time to time, in whole or in part, by the Company without penalty, provided that an equal proportion of the outstanding Series A Preferred Units and Senior Series Preferred A Units is redeemed as between the members holding the Series A Preferred Units and Senior Series Preferred A Units. Such redemptions must also be approved by the lending institution. The redemption price payable to each holder of Series A Preferred Units and Senior Series Preferred A units shall be equal to the Series A Liquidation Preference.

At December 31, 2012, the amount of the unpaid cumulative dividend relating to Series A Preferred Units and Senior Series A Preferred Units totaled approximately $2,168,000. This amount will be recorded when declared by the Board of Managers.

10. **Economic Dependence**

Major Customers

For the year ended December 31, 2012, three customers accounted for approximately 56% of the Company's net sales. As of December 31, 2012, three customers accounted for approximately 56% of the Company's outstanding accounts receivable.

Major Vendors

For the year ended December 31, 2012, one vendor accounted for approximately 12% of the Company's purchases.

11. **Going Concern**

The Company has suffered recurring losses from operations and has a net working capital deficit that raises doubt about its ability to continue as a going concern. Management intends to sell virtually all tangible assets of the Company. In 2013, the Company entered into two separate agreements.

The first agreement was with a financial institution and provided for the extension of the forbearance agreement until October, 31, 2013 and accepted a reduced payoff of the revolving credit facility and term loan described in Note 6 (i) upon the sale of the Company's assets.

The second agreement was with a company (the “Purchaser”) in 2013 to sell substantially all the assets and ongoing business operations of the Company, excluding cash, and will also assume the Company's accounts payable and certain equipment leases. The sale of these assets closed on August 26, 2013 for a purchase price of $1,100,000 plus the assumption of the liabilities noted above. The Purchaser will not assume any other liabilities of the Company, including but not limited to any short-term or long-term debt and any unpaid real estate rent.

12. **Subsequent Events**

The Company has evaluated its subsequent events through September 11, 2013, the date that the accompanying financial statements were available to be issued.

Exhibit 99.3

COLOR RESOURCES, LLC Financial Statements

For the Six Months Ended June 30, 2013 and 2012
(Unaudited)

COLOR RESOURCES, LLC

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COLOR RESOURCES, LLC

Balance Sheets

	Jun 30, 2013 (Unaudited)	Dec 31, 2012 (Audited)
Assets		
Current assets		
Cash and cash equivalents	$ 31,050	$ 129,100
Accounts receivable	546,596	637,970
Inventories, net	347,432	428,238
Prepaid expenses and other current assets	65,831	137,102
Total current assets	990,909	1,332,410
Property, plant and equipment, net of accumulated depreciation of $517,834 and $425,900, respectively	844,874	936,808
Other assets		
Deferred financing costs, net	223	80,001
Total assets	$ 1,836,006	$ 2,349,219
Liabilities and Redeemable Members' Deficit		
Current liabilities		
Accounts payable	$ 214,712	$ 518,551
Accrued expenses and other current liabilities	382,908	116,277
Current portion of long-term debt	5,842,936	5,913,939
Current portion of capital lease obligations	9,316	21,384
Total current liabilities	6,449,872	6,570,151
Long-term debt, net of current portion	41,232	41,232
Capital lease obligations, net of current portion	49,917	49,377
Accrued management and board fees	906,250	806,250
Deferred compensation payable	31,651	52,417
Deferred rent payable	646,507	420,123
Total long-term liabilities	1,675,557	1,369,399
Total liabilities	8,125,429	7,939,550
Commitments and contingencies		
Redeemable members' deficit	(6,289,423)	(5,590,331)
Total liabilities and redeemable members' deficit	$ 1,836,006	$ 2,349,219

The accompanying notes are an integral part of these financial statements.

COLOR RESOURCES, LLC

Statements of Operations

	Six Months Ended	
	Jun 30, 2013	**Jun 30, 2012**
	(Unaudited)	**(Unaudited)**
Net sales	$ 2,517,958	$ 4,127,209
Cost of sales	2,071,283	2,990,357
Gross profit	446,675	1,136,852
Operating expenses		
Selling	126,904	162,560
General and administrative	711,966	816,493
Total operating expenses	838,870	979,053
Income from operations	(392,195)	157,799
Interest expense	306,897	285,469
Net loss	$ (699,092)	$ (127,670)

The accompanying notes are an integral part of these financial statements.

COLOR RESOURCES, LLC

Statement of Changes in Redeemable Members' Deficit*

Six Months Ended June 30, 2013

	Redeemable Members' Deficit
Balance at January 1, 2013 (audited)	$ (5,590,331)
Net loss	(699,092)
Balance at June 30, 2013 (unaudited)	$ (6,289,423)

* All members' equity (deficit) is redeemable, therefore there is no non-redeemable members' equity (deficit).

The accompanying notes are an integral part of these financial statements.

COLOR RESOURCES, LLC

Statements of Cash Flows

	Six Months Ended	
	Jun 30, 2013 (Unaudited)	Jun 30, 2012 (Unaudited)
Cash flows from operating activities		
Net loss	$ (699,092)	$ (127,670)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation and amortization	190,165	234,315
Deferred rent payable	226,384	33,047
Changes in operating assets and liabilities:		
Accounts receivable	91,374	(190,354)
Inventory	80,806	(238,838)
Prepaid expenses and other current assets	71,271	49,054
Accounts payable	(303,839)	470,547
Accrued management and board fee	100,000	100,000
Accrued expenses and other current liabilities	266,631	(87,720)
Deferred compensation payable	(20,766)	10
Net cash provided by operating activities	2,934	242,391
Cash flows from investing activities		
Purchases of property, plant and equipment	—	(188,208)
Net cash used in investing activities	—	(188,208)
Cash flows from financing activities		
Proceeds from issuance of senior series A preferred units	—	58,549
Deferred financing costs	(18,453)	(18,244)
Repayments of long-term debt	(82,531)	(176,511)
Net cash used in financing activities	(100,984)	(136,206)
Net decrease in cash and cash equivalents	(98,050)	(82,023)
Cash and cash equivalents at beginning of period	129,100	224,246
Cash and cash equivalents at end of period	$ 31,050	$ 142,223
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 6,715	$ 219,703
Non-cash investing activities:		
Equipment acquired under financing agreements	$ —	$ 65,479

The accompanying notes are an integral part of these financial statements.

1. **Summary of Significant Accounting Policies**

Nature of Operations - Color Resources, LLC (the "Company") is a toll manufacturer and custom processor of dyes, pigments and chemicals for use in a wide range of specialty chemical industries. The Company sells its products and services primarily to multinational dyestuff and colorant companies. Most of the Company's products are sold in the United States of America.

On August 9, 2013, Synalloy acquired the building and land in Fountain Inn, South Carolina ("CRI Facility") where the Company is the sole tenant. The purchase price for the CRI Facility was $3,450,000.

On August 26, 2013, Synalloy acquired certain assets and assumed certain operating liabilities of the Company. The assets purchased from the Company included accounts receivable, inventory, certain other assets and equipment, net of assumed payables. The total purchase price was $1,100,000.

The Company has evaluated its subsequent events through September 11, 2013, the date that the accompanying financial statements were available to be issued.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk - The Company maintains cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation up to $250,000. The bank balances, at times, exceed federal insured limits.

The Company has not experienced any losses to date on such accounts and management believes that there is very little risk of loss.

Accounts Receivable - Accounts receivable is reported net of an allowance for doubtful accounts. The allowance is based on management's estimate of the amount of receivables that will actually be collected after analyzing the credit worthiness of its customers and historical experience, as well as the prevailing business and economic environment. Accounts are written off when significantly past due and after exhaustive efforts at collection. There was no allowance for doubtful accounts recorded at June 30, 2013 or December 31, 2012, based upon management's assessment of collectability.

Inventories - Inventories are valued at the lower of cost or market. Cost is determined on a first-in first-out basis by using moving weighted average cost. The Company provides a reserve for obsolescence based upon a review of the inventory again and existing industry conditions. The reserve for obsolescence was approximately $118,000 and $126,000 as of June 30, 2013 and December 31, 2012, respectively.

Property and Equipment - Property and equipment is stated at cost. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from three to fifteen years. Improvements to leased premises are amortized over the lesser of their estimated useful lives or the remaining lease terms. Expenditures for maintenance and repairs are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and the resulting gain or loss is recognized.

Deferred Financing Costs - Deferred financing costs are being amortized ratably over the life of the respective debt.

Goodwill and Other Intangible Assets - Goodwill and intangible assets with indefinite lives are not amortized, but instead are reviewed for impairment at least annually. Management determined that goodwill and intangible assets were fully impaired after performing its review during 2012. The amount of goodwill impairment recognized was approximately$3,845,000 for the year ended December 31, 2012.

Impairment of Long-Lived Assets - Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the net carrying amount may not be recoverable. When such events occur, the Company measures impairment by comparing the carrying value of each group of assets that generates cash flows, with the estimated present value of the corresponding cash flows. If the expected present value of the future cash flows is less than the carrying amount of the asset group, the Company would recognize an impairment loss. Management reviewed the Company's long lived assets during 2012 and believes that the intangible assets were fully impaired. The amount of intangible asset impairment recognized was approximately $2,111,000 for the year ended December 31, 2012.

Deferred Rent Payable - Deferred rent payable represents the excess of recognized rental expense over scheduled operating lease facility payments. This amount will be credited to future operations.

Revenue Recognition - The Company recognizes service based revenue in the period services are performed under tolling arrangements. The Company recognizes revenue on dye, pigment, and chemical products upon delivery to the customer in accordance with shipping terms.

Shipping and Handling - Shipping and handling expenses, included in general and administrative expenses, was approximately$1,000 and $2,000 for the six months ended June 30, 2013 and 2012, respectively.

Advertising Costs - Advertising costs are charged to expense as incurred. Advertising expense was approximately $12,000 and $31,000 for the six months ended June 30, 2013 and 2012, respectively.

Research and Development Costs - Research and development expenditures, which are expensed as incurred, totaled less than$1,000 for the six months ended June 30, 2013. No costs for research and development were incurred during the six months ended June 30, 2012.

Income Taxes - The Company is organized as a limited liability company and has elected to be treated as a partnership for federal and state income tax purposes. Accordingly, the results of operations of the Company are reported on the individual tax returns of the members.

Although the Company's income or loss is taxed directly to the members, the effects of an uncertain tax position, if any, may have an impact on the tax return of the member. Therefore, generally accepted accounting principles in the United States (“GAAP”) require that any such effects be recognized based on the outcome that is more likely than not to occur. Under this criterion the most likely resolution of an uncertain tax position should be analyzed based on technical merits and on the outcome that will likely be sustained under examination. As of June 30, 2013 and December 31, 2012, the Company does not believe it has any uncertain tax positions that would qualify for either recognition or disclosure in the financial statements.

The Company's income tax returns for the years 2010 through 2012 are subject to federal and state income tax examination by the authorities.

2. **Inventories**

Inventories are summarized as follows:

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Raw materials	$ 185,209	$ 183,624
Work in process	108,860	56,779
Finished goods	53,363	187,835
	$ 347,432	$ 428,238

3. **Property and Equipment**

Property and equipment is summarized as follows:

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Leasehold improvements	$ 412,600	$ 412,600
Furniture and fixtures	27,853	27,853
Equipment	922,255	922,255
	1,362,708	1,362,708
Less accumulated depreciation and amortization	517,834	425,900
	$ 844,874	$ 936,808

4. **Deferred Financing Costs**

Deferred financing costs related to the long-term debt are being amortized over the terms of the loans and are as follows:

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Deferred financing costs	$ 479,228	$ 460,775
Less accumulated amortization	479,005	380,774
	$ 223	$ 80,001

5. **Intangible Assets**

Intangible assets and goodwill are summarized as follows:

	December 31, 2012 (Audited)
Intangible assets subject to amortization:	
Customer list	$ 3,237,200
Less accumulated amortization	1,126,633
Less impairment	2,110,567
	$ —
Intangible assets not subject to amortization:	
Goodwill	3,844,928
Less impairment	3,844,928
	$ —

The Company has determined that the goodwill and customer list were fully impaired at December 31, 2012.

6. **Long-Term Debt**

Long-term debt is summarized as follows:

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Revolving credit facility (i)	$ 655,000	$ 655,000
Term loan (i)	5,154,851	5,154,851
Equipment notes payable (ii)	33,947	48,973
Term loans - related party (iii)	31,524	40,019
Insurance note payable (iv)	8,846	56,328
	5,884,168	5,955,171
Less current portion	5,842,936	5,913,939
	$ 41,232	$ 41,232

(i) In July 2008, the Company entered into a five-year loan and security agreement with a financial institution. The agreement provided for a three-year revolving line of credit of up to $1,000,000, and a five-year term loan of $8,250,000. On September 30, 2011, the Company entered into an initial forbearance agreement with the same financial institution due to the failure to pay certain monthly installments under the term loan arrangement. The agreement, which specified a forbearance period commencing on July 1, 2011 and ended on August 15, 2012, amended the loan and security agreement as follows:

1. The revolving credit commitment expired, effective July 23, 2011. The outstanding balance is to be paid on the last day of the forbearance period. Interest is charged at the annual rate of 6% during the forbearance period. Any unpaid balance at the end of the forbearance period is subject to an annual interest rate equal to the greater of (i) the Base Rate plus 1% percent, or (ii) 6%.

   If, at the end of the forbearance period, the Company is in compliance with all terms of the agreement, the revolving commitment will be automatically reinstated and be effective until July 24, 2013, whereupon any outstanding balance is to be repaid.

2. The outstanding term loan balance is to be repaid in installments, as follows:

   a. Three installments of principal, paid on the first day of February, March and April 2012, in the amount of $25,000 each, plus unpaid interest.

   b. Two installments of principal, paid on the first day of May and June 2012, in the amount of $50,000 each, plus unpaid interest.

   c. One installment of principal, paid on the first day of July 2012, in the amount of $75,000, plus unpaid interest.

   d. Eleven consecutive monthly installments of principal and interest, paid on the first day of each month, commencing with August 2012, in the amount of $121,115.

   e. A final installment, paid in June 2013 (the term loan maturity date) for the remaining principal balance, plus unpaid interest.

   Interest on the term loan is charged at the annual rate of 7%.

3. The Company was required to make an additional cash investment of at least $500,000, as either a capital contribution or a subordinated loan.

4. The forbearance agreement required the Company to meet certain financial covenants, as defined. In addition, the Company is restricted from making payments related to member distributions, management and board fees and subordinated indebtedness.

5. The members are required to pledge 100% of the voting capital stock to the financial institution, as collateral.

The Company failed to meet the required covenants during 2012 and 2013 and entered into another forbearance agreement in April 2013 with the same financial institution. The agreement is more fully discussed in Note 11.

(ii) In June 2011, the Company entered into an agreement with a finance company to purchase equipment. The note, which has a maturity date of June 2014, bears an annual interest rate of 9.1% and requires monthly principal and interest payments of $2,716. The note is collateralized by the purchased equipment. The outstanding balance as of June 30, 2013 and December 31, 2012 was $28,674 and $43,011, respectively.

In May and September 2012, the Company entered into agreements with a company to purchase computer equipment. The notes, which mature in April and August 2015, respectively, bear interest at an annual rate of 19.0% and require monthly principal and interest payments of $191 and $75, respectively. The note is collateralized by the purchased computer equipment. The outstanding balance on the notes as of June 30, 2013 and December 31, 2012 was $5,813 $5,962, respectively.

(iii) In December 2011, the Company entered into a two year term loan with a related party in the amount of $22,681. The loan carries an interest rate of 6% per annum. Repayment consists of twenty four equal monthly payments of principal and interest of approximately $1,000.

In May 2012, the Company entered into a three year term loan with the same related party in the amount of $9,880. The loan carries an interest rate of 5.5% per annum. Repayment consists of thirty six equal monthly payments of principal and interest of approximately $400.

In May 2012, the Company entered into an additional seven year term loan with the same related party in the amount of $20,880. The loan carries an interest rate of 5.5% per annum. Repayment consist of eighty four monthly payments of principal and interest of approximately $300.

The outstanding balance on the notes as of June 30, 2013 and December 31, 2012 was$31,707 and $40,019, respectively.

(iv) In October 2012, the Company entered into an agreement with a company to finance insurance. The note, which has a maturity date of July 2013, bears an annual interest rate of 5.5% and requires monthly principal and interest payments of $8,049. The outstanding balance as of June 30, 2013 and December 31, 2012 was $8,846 and $56,328, respectively.

Future maturities of long-term debt are as follows: 2013 - $5,842,936; 2014 - $24,458; 2015 - $5,824; 2016 - $3,075; 2017 - $3,249; and thereafter - $4,626.

7. **Commitments**

Operating Leases

The Company entered into a five year lease agreement in July 2008 for its manufacturing facility with a Company owned by a related party. The lease agreement provides for two optional extension terms of five years each, which renew automatically unless the Company gives at least 180 days' written notice prior to the expiration of the lease. The Company is required to pay a portion of the real estate taxes under the terms of the lease. The lease currently requires payments of approximately $400,000 per annum, payable monthly.

The following is a schedule of future minimum lease payments required under the Company's noncancellable operating leases as of June 30,3013:

Year ending December 31,

2013	$	213,558
2014		448,471
2015		470,895
2016		494,439
2017		519,161
Thereafter		1,460,920
	$	3,607,444

Rent expense amounted to approximately $233,000 for the six months ended June 30, 2013 and 2012.

Capital Lease Obligations

The Company leases equipment under a capital lease agreement requiring monthly payments of $527 expiring in July 2017. The lease bears interest at 1.1%, and the total principal balance of the lease totaled $12,303 and $15,385 at June 30, 2013 and December 31, 2012, respectively.

The Company leases equipment under a capital lease agreement requiring monthly payments of $445 expiring in January 2017. The lease bears interest at 1.3%, and the total principal balance of the lease totaled $17,408 and $19,956 at June 30, 2013 and December 31, 2012, respectively.

The Company leases equipment under two capital lease agreement requiring monthly payments of $145 and $699, respectively, expiring in May 2016. The leases are interest free and the total principal balance of the leases totaled $29,516 and $35,420 at June 30, 2013 and December 31, 2012, respectively.

Future minimum lease payments under the capital leases are:

Year ending December 31,

2013	$	10,892
2014		21,785
2015		18,622
2016		9,510
Total future minimum lease payments		60,809
Less: amount representing interest		(1,576)
Capital lease obligations	$	59,233

The net book value of the equipment and software under capital lease obligations amounted to approximately $59,000 and $70,000 at June 30, 2013 and December 31, 2012, respectively.

8. **Related Party Transactions**

Employment Agreements

The Company entered into five-year employment agreements with two members of the Company. Agreements for the Company's Chief Executive Officer and Chief Financial Officer provide for annual base salaries, bonuses and certain benefits, perquisites, and expense reimbursements, as defined.

The Company owes deferred compensation totaling approximately $32,000 and $52,000 as of June 30, 2013 and December 31, 2012, respectively, to the above two members of the Company, These members elected to defer payment of compensation earned for several periods during 2010 and 2009 until a future date yet to be determined by the Company, Management and Board Fees

Compensation arrangements for management and Board of Directors services were entered into with several individuals who are also equity owners of the Company. The arrangements provide for aggregate annual compensation of $200,000 per year, to be paid on a quarterly basis. The Board elected to defer payment of compensation earned for 2012 until a future date yet to be determined by the Company. Management and board fee expense for the six months ended June 30, 2013 and 2012 was $100,000.

9. Redeemable Members' Equity (Deficit)

As of June 30, 2013 and December 31, 2012, members' equity consisted of the following classes:

Class	Units Authorized	Units Issued
Class A Common Units	9,500	9,500
Class B Restricted Common Units	500	35
Series A Preferred Units	4,250	4,250
Senior Series A Preferred Units	500	500

Class A Common Units

Class A Common Units have full voting rights.

Beginning July 23, 2013 and for a two year period thereafter, the previous owners may petition the Company to redeem Class A Common Units held by them, upon written notice to the Company ("Put Notice"). The "Put Price" to redeem the Class A Common Units is the numerator which is the difference between (i) the sum of (A) the product of five multiplied by the Company's adjusted EBITDA for the trailing 12-month period ending on such redemption date, and (ii) the sum of (A) all indebtedness of the Company as of the redemption date, and (B) all amounts owed on accounts of the Series A Preferred units and accrued Preferred Dividends on the redemption date; and the denominator of which is the aggregate number of Common Units outstanding.

Any redemption request that is approved by a majority of the Board of Directors is to be fulfilled within nine months of the delivery of the Put Notice to the Company. However, redemptions must also be approved by the lending institution. In the event of such a deferral the aggregate Put Price payable that is related to the redemption requested is to be accrued at an annual rate of 12%, compounded quarterly, for the period from nine months after delivery of the Put Notice until the related Class A Common Units are redeemed in full.

Class B Restricted Common Units

Class B Restricted Common Units have no voting rights and are reserved for issuance to managers, officers, directors, employees, consultants and advisors of the Company. Units are shown as issued when vested. Vesting is determined on an individual grant basis.

Series A Preferred Units

Series A Preferred Units have no voting rights and its holders are entitled to preferential distributions. Dividends accrue cumulatively at an annual rate of 8% of each $1,000 Series A Preferred Unit with interest compounding annually. Series A Preferred Dividends shall be payable quarterly in arrears, when as declared by the Board of Managers, on the last business day of March, June, September and December ("Dividend Payment Date"). In the event that Series A Preferred Dividends are not paid, in whole or in part on a Dividend Payment Date and for 10 days thereafter, the dividend rate shall increase to an annual rate of 10%, until the defaulted dividends are paid in full.

Senior Series A Preferred Units

Senior Series A Preferred Units have no voting rights and its holders are entitled to preferential distributions over holders of the Series A Preferred Units and the Common Units. Dividends accrue cumulatively at an annual rate of 15% of each $1,000 Senior Series A Preferred Unit with interest compounding quarterly. Senior Series A Preferred Dividends shall be payable only when and as declared by the Board of Managers and when approved by the holders of a majority of the Senior Series A Preferred units.

Liquidation Preferences

In the event of any liquidation, dissolution or winding up of the Company, including, without limitation, a sale or recapitalization of the Company (a "Liquidation Event"), whether voluntary or involuntary, the holders of Senior Series A Preferred Units shall be entitled to receive, prior and in preference to any payment or distribution of any of the assets of the Company to the holders of Series A Preferred Units and Common Units, by reason of their ownership thereof, and without duplication of any redemption payments, an amount per Senior Series A Preferred Unit equal to (a) $1,000 plus (b) accrued and unpaid Senior Series A Preferred Dividends as of the date of the Liquidation Event (the "Senior Series A Liquidation Preference"). Upon the payment in full of the Senior Series A Liquidation Preference, the holders of Series A Preferred Units shall be entitled to receive, prior and in preference to any payment or distribution of any of the assets of the Company to the holders of Common Units, by reason of their ownership thereof, and without duplication of any redemption payments, an amount per Series A Preferred unit equal to (a) $1,000 plus (b) accrued and unpaid Series A Preferred Dividends as of the date of the Liquidation Event and (c) all accrued and unpaid Default Series A Preferred Dividends as of the date of the Liquidation Event (the "Series A Liquidation Preference") Upon the payment in full of the Senior Series A Liquidation Preference and the Series A Liquidation Preference, all remaining assets available for distribution shall be distributed to the holders of the Common Units based on their pro rata ownership of the issued and outstanding Common Units.

Redemption Rights

Beginning July 23, 2013 or upon a Liquidation Event, the Series A Preferred Units and Senior Series A Preferred Units may be redeemed at any time and from time to time, in whole or in part, by the Company without penalty, provided that an equal proportion of the outstanding Series A Preferred Units and Senior Series Preferred A Units is redeemed as between the members holding the Series A Preferred Units and Senior Series Preferred A Units. Such redemptions must also be approved by the lending institution. The redemption price payable to each holder of Series A Preferred Units and Senior Series Preferred A units shall be equal to the Series A Liquidation Preference.

At June 30, 2013 and December 31, 2012, the amount of the unpaid cumulative dividend relating to Series A Preferred Units and Senior Series A Preferred Units totaled approximately $2,534,000 and $2,168,000, respectively. This amount will be recorded when declared by the Board of Managers.

10. **Economic Dependence**

Major Customers

Three customers accounted for approximately 59% of the Company's net sales for the six months ended June 30, 2013 and two customers accounted for approximately 57% of the Company's net sales for the six months ended June 30, 2012.

As of June 30, 2013 three customers accounted for approximately 56% of the company's outstanding accounts receivable. A different three customers accounted for approximately 56% of the company's outstanding accounts receivable as of December 31, 2012.

Major Vendors

One vendor accounted for approximately 17% and 12% of the Company's purchases for the six months ended June 30, 2013 and 2012, respectively.

11. **Going Concern**

The Company has suffered recurring losses from operations and has a net working capital deficit that raises doubt about its ability to continue as a going concern. Management intends to sell virtually all tangible assets of the Company. In 2013, the Company entered into two separate agreements.

The first agreement was in April 2013 with a financial institution and provided for the extension of the forbearance agreement until October 31, 2013 and accepted a reduced payoff of the revolving credit facility and term loan described in Note 6 (i) upon the sale of the Company's assets.

The second agreement was with Synalloy Corporation ("Synalloy") in August 2013 to sell substantially all the assets and ongoing business operations of the Company, excluding cash, and will also assume the Company's accounts payable and certain equipment leases. The sale of these assets closed on August 26, 2013 for a purchase price of $1,100,000 plus the assumption of liabilities noted above. Synalloy will not assume any other liabilities of the Company, including but not limited to any short-term or long-term debt and any unpaid real estate rent.

Exhibit 99.4

INTRODUCTION

Synalloy Corporation and subsidiaries (the “Company”) completed the purchase of the business assets of Color Resources, LLC ("CRI") and the building and land located in Fountain Inn, South Carolina where CRI was the sole tenant ("CRI Facility"). CRI Tolling, LLC ("CRI Tolling"), a South Carolina limited liability company and wholly-owned subsidiary of Synalloy, will continue CRI's business as that of a toll manufacturer that provides outside manufacturing resources to global and regional chemical companies. On August 9, 2013, Synalloy completed the purchase of the CRI Facility for a total purchase price of $3,450,000. On August 26, 2013, Synalloy completed the purchase of certain assets and assumed certain operating liabilities of CRI through CRI Tolling. The assets purchased from CRI included accounts receivable, inventory, certain other assets, and equipment, net of assumed payables. The total purchase price was $1,100,000.

The unaudited pro forma condensed combined consolidated balance sheet as of June 29, 2013 combines the historical consolidated balance sheet of the Company and the historical consolidated balance sheet of CRI to illustrate the estimated effect of the acquisition on the Company's financial statements as if it had occurred on June 29, 2013. The unaudited pro forma condensed combined consolidated statements of operations combines the historical consolidated statements of operations of the Company for the six months ended June 29, 2013 and June 30, 2012 and the year ended December 29, 2012 with the historical statements of operations of CRI for the six months ended June 30, 2013 and 2012 and for the year ended December 31, 2012. The unaudited pro forma condensed combined consolidated financial statements are based on certain estimates and assumptions made with respect to the combined operations of the Company and CRI, which we believe are reasonable. The unaudited pro forma condensed combined consolidated statements of operations are presented for illustrative purposes only and do not purport to be indicative of the results of operations of the Company or CRI that actually would have been achieved had the acquisition of CRI been completed on the assumed dates, or to project the Company's results of operations for any future date or period. The unaudited pro forma condensed combined consolidated statements of operations give pro forma effect to the acquisition as if it had occurred on the first day of the financial period presented.

The transaction is being accounted for using the acquisition method of accounting for business combinations in accordance with generally accepted accounting principles in the United States of America. Under this method, the total consideration transferred to consummate the acquisition is allocated to the identifiable tangible and intangible assets acquired and liabilities assumed based on their respective fair values as of the closing date of the acquisition. The acquisition method of accounting requires extensive use of estimates and judgments to allocate the consideration transferred to the identifiable tangible and intangible assets, if any, acquired and liabilities assumed. The unaudited condensed combined consolidated pro forma statements of operations do not include the costs that the Company may incur to integrate CRI, and these costs may be material.

The historical consolidated financial statements of the Company have been adjusted in the unaudited pro forma condensed combined consolidated financial statements to give effect to pro forma events that are (i) directly attributable to the acquisition, (ii) factually supportable, and (iii) expected to continually impact the combined results of the Company and CRI. The unaudited pro forma condensed combined consolidated financial statements should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined consolidated financial statements. In addition, the condensed combined consolidated financial statements were derived from, and should be read in conjunction with, the information for the six months ended June 29, 2013 and June 30, 2012 included in the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 2013 and the Annual Report on Form 10-K for the year ended December 29, 2012.

The historical condensed combined financial information regarding CRI that is included in this report has been prepared by and is the responsibility of the Company. In addition, we are in the process of reviewing CRI's financial statement classifications for conformity with the Company's classifications. As a result of this review, it may be necessary to make additional reclassifications to the consolidated information on a prospective basis.

The statements contained in these notes that are not historical facts are forward-looking statements that involve risks and uncertainties. We wish to caution the reader that these forward-looking statements, such as our expectations for future sales results or future expense changes compared with previous periods, are only predictions. These forward-looking statements may be generally identified by the use of forward-looking words and phrases such as “will,” “intends,” “may,” “believes,” “anticipates,” “should” and “expects,” and are based on our current expectations or beliefs concerning future events that involve risks and uncertainties. Actual events or results may differ materially as a result of risks and uncertainties as described in “Item 1A. Risk Factors” in the Company's Quarterly Report on Form 10-Q for the six months ended June 29, 2013 and the Annual Report on Form 10-K for the year ended December 29, 2012, other risks referenced in our Securities and Exchange Commission filings, or other unanticipated risks. We disclaim any obligation to update publicly any forward-looking statement, whether as a result of new information, future events or otherwise.

Synalloy Corporation and Subsidiaries
Unaudited Pro Forma Condensed Combined Consolidated Balance Sheet

	Synalloy	CRI	Pro Forma		
	June 29, 2013	June 30, 2013	Adjustments		Total
Assets					
Current assets					
Cash and cash equivalents	$ 142,808	$ 31,050	$ (31,050)	(1)	$ 142,808
Accounts receivable, less allowance for doubtful accounts	36,381,202	546,596	—		36,927,798
Inventories, net	57,106,370	347,432	(96,704)	(1)	57,357,098
Deferred income taxes	2,944,434	—	—		2,944,434
Prepaid expenses and other current assets	6,287,155	65,831	(54,136)	(1)	6,298,850
Total current assets	102,861,969	990,909	(181,890)		103,670,988
Cash value of life insurance	2,603,219	—	—		2,603,219
			(113,874)	(1)	
			1,562,070	(2)	
Property, plant & equipment, net	29,261,908	844,874	3,450,000	(8)	35,004,978
Goodwill	18,252,678	—	—		18,252,678
Intangible asset, net	7,695,000	—	—		7,695,000
Deferred charges, net and other non-current assets	459,635	223	(223)	(1)	459,635
Total assets	$ 161,134,409	$ 1,836,006	$ 4,716,083		$ 167,686,498
Liabilities, redeemable members' deficit and shareholders' equity					
Current liabilities					
Current portion of long-term debt	$ 2,250,000	$ 5,842,936	$ (5,842,936)	(1)	$ 2,250,000
Accounts payable	17,470,464	214,712	—		17,685,176
Accrued expenses	9,759,204	382,908	(382,908)	(1)	9,759,204
Other current liabilities	140,823	9,316	(9,316)	(1)	140,823
Total current liabilities	29,620,491	6,449,872	(6,235,160)		29,835,203
			(41,232)	(1)	
Long-term debt	41,773,859	41,232	4,550,000	(3)	46,323,859
Long-term contingent consideration	5,794,031	—	—		5,794,031
Deferred income taxes	7,645,119	—	—		7,645,119
Other long-term liabilities	782,372	1,634,325	(1,634,325)	(1)	782,372
Redeemable members' deficit	—	(6,289,423)	6,289,423	(9)	—
Shareholders' equity					
Common stock	8,000,000	—	—		8,000,000
Capital in excess of par value	1,544,893	—	—		1,544,893
Retained earnings	80,214,872	—	1,787,377	(2)	82,002,249
Redeemable members' deficit	—				
Less cost of common stock in treasury	(14,241,228)	—	—		(14,241,228)
Total shareholders' equity	75,518,537	—	1,787,377		77,305,914
Commitments and contingencies					
Total liabilities, redeemable members' deficit, and shareholders' equity	$ 161,134,409	$ 1,836,006	$ 4,716,083		$ 167,686,498

See accompanying notes to unaudited proforma condensed combined consolidated financial statements.

Synalloy Corporation and Subsidiaries
Unaudited Pro Forma Condensed Combined Consolidated Statements of Operations

	For the Six Months Ended				
	Synalloy June 29, 2013	CRI June 30, 2013	Pro Forma Adjustments		Pro Forma
Net sales	$ 114,109,287	$ 2,517,958	$ —		$ 116,627,245
Cost of goods sold	100,075,791	2,071,283	123,429	(6)	102,270,503
Gross profit	14,033,496	446,675	(123,429)		14,356,742
Selling and administrative expense	8,799,461	838,870	—		9,638,331
Operating income (loss)	5,234,035	(392,195)	(123,429)		4,718,411
Other (income) and expense					
			(306,897)	(4)	
Interest expense	714,227	306,897	108,263	(5)	822,490
Change in fair value of interest rate swap	(633,109)	—	—		(633,109)
Other, net	(194)	—	—		(194)
Income (loss) before income taxes	5,153,111	(699,092)	75,205		4,529,224
Provision (benefit) for income taxes	1,775,000	—	(218,000)	(7)	1,557,000
Net income (loss)	$ 3,378,111	$ (699,092)	$ 293,205	(10)	$ 2,972,224
Net income per common share:					
Basic	$ 0.53				$ 0.47
Diluted	$ 0.53				$ 0.46
Weighted average shares outstanding:					
Basic	6,371,013				6,371,013
Dilutive effect from stock options and grants	58,872				58,872
Diluted	6,429,885				6,429,885

See accompanying notes to unaudited proforma condensed combined consolidated financial statements.

Synalloy Corporation and Subsidiaries
Unaudited Pro Forma Condensed Combined Consolidated Statements of Operations

	For the Six Months Ended				
	Synalloy June 30, 2012	CRI June 30, 2012	Pro Forma Adjustments		Pro Forma
Net sales	$ 94,250,210	$ 4,127,209	$ —		$ 98,377,419
Cost of goods sold	83,897,819	2,990,357	140,425	(6)	87,028,601
Gross profit	10,352,391	1,136,852	(140,425)		11,348,818
Selling and administrative expense	6,695,060	979,053	—		7,674,113
Operating income	3,657,331	157,799	(140,425)		3,674,705
Other (income) and expense					
			(285,469)	(4)	
Interest expense	92,023	285,469	108,263	(5)	200,286
Other, net	(135,148)	—	—		(135,148)
Income (loss) before income taxes	3,700,456	(127,670)	36,781		3,609,567
Provision (benefit) for income taxes	1,273,000	—	(32,000)	(7)	1,241,000
Net income (loss)	$ 2,427,456	$ (127,670)	$ 68,781	(10)	$ 2,368,567
Net income per common share:					
Basic	$ 0.38				$ 0.37
Diluted	$ 0.38				$ 0.37
Weighted average shares outstanding:					
Basic	6,335,667				6,335,667
Dilutive effect from stock options and grants	51,043				51,043
Diluted	6,386,710				6,386,710

See accompanying notes to unaudited proforma condensed combined consolidated financial statements.

Synalloy Corporation and Subsidiaries
Unaudited Pro Forma Condensed Combined Consolidated Statement of Operations

	For the Years Ended				
	Synalloy December 29, 2012	CRI December 31, 2012	Pro Forma Adjustments		Pro Forma
Net sales	$ 197,658,874	$ 7,191,887	$ —		$ 204,850,761
Cost of goods sold	175,730,511	5,827,306	266,833	(6)	181,824,650
Gross profit	21,928,363	1,364,581	(266,833)		23,026,111
Selling and administrative expense	14,140,355	1,691,304	—		15,831,659
Operating income (loss)	7,788,008	(326,723)	(266,833)		7,194,452
Other (income) and expense					
			(576,404)	(4)	
Interest expense	600,893	576,404	216,525	(5)	817,418
Change in fair value of interest rate swap	880,583	—	—		880,583
Acquisition related	113,648	—	—		113,648
Non-recurring impairment of goodwill and intangibles	—	5,955,495	—		5,955,495
Other, net	(148,028)		—		(148,028)
Income (loss) before income taxes	6,340,912	(6,858,622)	93,046		(424,664)
Provision (benefit) for income taxes	2,106,000	—	(2,250,000)	(7)	(144,000)
Net income (loss)	$ 4,234,912	$ (6,858,622)	$ 2,343,046	(10)	$ (280,664)
Net income (loss) per common share:					
Basic	$ 0.67				$ (0.04)
Diluted	$ 0.66				$ (0.04)
Weighted average shares outstanding:					
Basic	6,341,856				6,341,856
Dilutive effect from stock options and grants	52,488				52,488
Diluted	6,394,344				6,394,344

See accompanying notes to unaudited proforma condensed combined consolidated financial statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL STATEMENTS

The purchase price for the acquisition was $3,450,000 for the CRI Facility and $1,100,000 for certain assets acquired and certain operating liabilities assumed.

A summary of sources and uses of proceeds for the acquisition is as follows:

Sources of Funds:	
Proceeds of term loan	$ 4,550,000
Total sources of funds	$ 4,550,000
Uses of Funds:	
Acquisition of certain CRI assets, net of assumed liabilities	$ 4,550,000
Total uses of funds	$ 4,550,000

The purchase price for the CRI acquisition was funded through a new term loan with the Company's bank.

The total consideration transferred is allocated to CRI's net tangible and identifiable intangible assets based on their fair value as of August 26, 2013. The excess of the fair value of certain net assets acquired exceeds the consideration transferred and therefore a one-time pre-tax gain will be recorded in the third quarter of 2013. The allocation of the total consideration paid to the fair value of the assets acquired and liabilities assumed as of August 26, 2013 is as follows:

Accounts receivable, net	$ 525,454
Inventories	232,771
Building and land	4,100,000
Prepaid assets	11,695
Fixed assets	1,643,070
Other liabilities assumed	(383,002)
Net fair value	6,129,988
Consideration transferred	(4,550,000)
Excess of fair value of assets acquired	$ 1,579,988

Pro Forma Adjustments and Assumptions

(1) Represents adjustment to record elimination of net assets not acquired by the Company.

(2) Represents the estimated fair value adjustment to the carrying value of CRI's property, plant, and equipment in purchase accounting.

(3) Represents additional borrowings provided by a ten-year term note at consummation of acquisition.

(4) Represents adjustment to eliminate interest expense recorded by CRI.

(5) Represents interest expense incurred on additional borrowings provided by a term note obtained in the amount of $4,033,250 and an increase in the Company's line of credit of $516,750, based on the Company's borrowing rates at time of acquisition.

(6) Represents adjustment to CRI's depreciation expense based on the fair value adjustments using estimated useful lives of property plant, and equipment following the straight-line method of depreciation for financial reporting purposes.

(7) Represents adjustment of income tax expense based upon CRI's addition to the consolidated Synalloy tax provision calculation.

(8) Represents adjustment to record the acquisition of CRI's building and property.

(9) Represents elimination of CRI's historical members' equity (deficit) account balances in purchase accounting.

(10) Represents impact on net income (loss) as a result of pro forma adjustments recognized.

Reclassifications

Certain CRI numbers for the six months ended June 30, 2013 and 2012 and for the year ended December 31, 2012 have been reclassified to conform to the Company's presentation in the accompanying pro forma condensed combined consolidated statements of operations. These reclassifications had no material effect on previously reported results of operations or redeemable members' equity (deficit).