UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2001

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From _____ to ____

Commission file number 0-19687

SYNALLOY CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**57-0426694**
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification Number)*

P.O. Box 5627 **Croft Industrial Park** **Spartanburg, South Carolina**	**29304**
(Address of principal executive offices)	*(Zip code)*

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

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

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

The number of shares outstanding of the registrant's common stock as of June 30, 2001 was 5,964,345.

Synalloy Corporation

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PART I. FINANCIAL INFORMATION

Item 1.

PART II. OTHER INFORMATION

PART 1. FINANCIAL STATEMENTS

Synalloy Corporation

Condensed Consolidated Balance Sheets

	Jun 30, 2001 *(Unaudited)*	Dec 30, 2000 *(Note)*
Assets		
Current assets		
Cash and cash equivalents	$ 90,882	$ 467
Accounts receivable, less allowance for doubtful accounts	12,454,881	13,260,204
Inventories		
Raw materials	6,239,020	7,017,023
Work-in-process	4,619,633	5,727,177
Finished goods	13,178,783	16,115,875
Total inventories	24,037,436	28,860,075
Deferred income taxes	597,000	597,000
Prepaid expenses and other current assets	1,078,512	1,282,750

Total current assets	38,258,711	44,000,496
Cash value of life insurance	2,279,709	2,244,739
Investments	1,109,224	1,077,599
Property, plant & equipment, net of accumulated depreciation of $35,081,000 and $33,583,000	22,345,883	22,232,822
Deferred charges and other assets	3,570,591	3,512,424
Total assets	$ 67,564,118	$ 73,068,080
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	$ 1,973,000	$ 8,230,000
Accounts payable	7,501,295	6,113,110
Income taxes	781,518	-
Accrued expenses	1,918,566	2,721,197
Current portion of environmental reserves	1,452,665	1,452,700
Total current liabilities	13,627,044	18,517,007
Long-term debt, less current portion	10,000,000	10,000,000
Environmental reserves	1,677,673	1,859,000
Deferred compensation	1,056,799	1,353,244
Deferred income taxes	1,177,000	1,166,000
Contingencies		
Shareholders' equity		
Common stock, par value $1 per share - authorized 12,000,000 shares; issued 8,000,000 shares	8,000,000	8,000,000
Capital in excess of par value	9,491	9,491
Retained earnings	48,843,798	49,008,090
Accumulated other comprehensive income	259,434	242,251
Less cost of Common Stock in treasury	(17,087,121)	(17,087,003)
Total shareholders' equity	40,025,602	40,172,829
Total liabilities and shareholders' equity	$ 67,564,118	$ 73,068,080

Note: The balance sheet at December 30, 2000 has been derived from the audited financial statements at that date.

See accompanying notes to condensed consolidated financial statements.

Synalloy Corporation

Condensed Consolidated Statements of Operations

(Unaudited)	Three Months Ended		Six Months Ended	
	Jun 30, 2001	**Jul 1, 2000**	**Jun 30, 2001**	**Jul 1, 2000**
Net sales	$ 22,604,723	$ 31,891,371	$ 47,707,486	$ 64,162,371
Cost of sales	19,987,989	26,956,152	41,490,727	54,029,440
Gross profit	2,616,734	4,935,219	6,216,759	10,132,931
Selling, general and administrative expense	2,467,377	2,797,533	5,031,375	6,082,108
Operating income	149,357	2,137,686	1,185,384	4,050,823
Other (income) and expense				
Interest expense	229,812	273,268	511,089	512,078
Other, net	3,575	4,360	7,150	11,663

(Loss) income before taxes	(84,030)	1,860,058	667,145	3,527,082
Provision for income taxes	30,000)	663,000	235,000	1,256,000
(Loss) net income	$ (54,030)	$ 1,197,058	$ 432,145	$ 2,271,082
(Loss) net income per common share				
Basic	($.01)	$.19	$.07	$.36
Diluted	($.01)	$.19	$.07	$.36
Dividends paid per common share	$.05	$.05	$.10	$.10
Average shares outstanding				
Basic	5,964,348	6,254,721	5,964,358	6,272,891
Diluted	5,965,594	6,254,919	5,964,759	6,273,603

See accompanying notes to condensed consolidated financial statements

Synalloy Corporation
Condensed Consolidated Statements of Cash Flows

(Unaudited)	Six Months Ended	
	Jun 30, 2001	**Jul 1, 2000**
Operating activities		
Net income	$ 432,145	$ 2,271,082
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	1,498,747	1,974,141
Amortization of deferred charges	168,218	162,700
Deferred compensation	(296,445)	18,425
Provision for losses on accounts receivable	121,680	(9,091)
Gain on sale of property, plant and equipment	(17,900)	(5,426)
Cash value of life insurance	(34,970)	(36,400)
Environmental reserves	(181,362)	(164,851)
Changes in operating assets and liabilities:		
Accounts receivable	683,643	(1,188,321)
Inventories	4,822,639	(992,198)
Other assets	212,744	(239,598)
Accounts payable and accrued expenses	320,372	249,263
Income taxes payable	1,057,700	(13,242)
Net cash provided by operating activities	8,787,211	2,026,484

Investing activities		
Purchases of property, plant and equipment	(2,082,326)	(2,164,374)
Proceeds from sale of property, plant and equipment	488,418	5,426
Increase in note receivables	(249,333)	(292,000)
Net cash used in investing activities	(1,843,241)	(2,450,948)
Financing activities		
Proceeds from revolving lines of credit	11,758,000	23,684,000
Payments on revolving lines of credit	(18,015,000)	(21,737,000)
Purchases of treasury stock	(119)	(971,951)
Dividends paid	(596,436)	(628,356)
Net cash (used in) provided by financing activities	(6,853,555)	346,693
Increase in cash and cash equivalents	90,415	(77,771)
Cash and cash equivalents at beginning of year	467	120,549
Cash and cash equivalents at end of period	$ 90,882	$ 42,778

See accompanying notes to condensed consolidated financial statements.

Synalloy Corporation

Notes To Condensed Consolidated Financial Statements

(Unaudited)

June 30, 2001

NOTE 1--BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six-month period ended June 30, 2001, are not necessarily indicative of the results that may be expected for the year ending December 29, 2001. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the period ended December 30, 2000.

NOTE 2--INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out method) or market.

NOTE 3--LEGAL MATTERS

The Company is from time to time subject to various claims, other possible legal actions for product liability and other damages, and other matters arising out of the normal conduct of the Company's business. Management believes that based on present information, it is unlikely that liability, if any, exists that would have a materially adverse effect on the consolidated operating results or financial position of the Company.

NOTE 4--COMPREHENSIVE INCOME

Comprehensive (loss) and income was ($45,000) and $449,000 for the three and six months ended June 30, 2001, respectively. Comprehensive income consists of net income less unrealized losses on the Company's foreign equity investment, of $9,000 and $17,000, net of deferred income taxes of $6,000 and $11,000 for the three and six months ended June 30, 2001, respectively, and is recorded in Shareholders' Equity.

NOTE 5--LONG-TERM DEBT

The Company amended the Credit Agreement with its bank to extend the maturity date of the $10,000,000 unsecured commercial note payable by one year to May 1, 2003, modify the existing financial covenants, and increase the interest rate from LIBOR plus .80 percent to LIBOR plus 1.65 percent.

NOTE 6--ASSET ACQUISITION

On July 16, 2001, the Company acquired the assets of Global Chemical Solutions, Inc., a division of Rite Industries for approximately $2,500,000. The assets were purchased at the lower of market or net book value so no goodwill will be recorded. The business will operate as the Dalton Group of Manufacturers Chemicals, L.P., under the Specialty Chemicals Segment, marketing specialty dyes to the carpet and rug industry and also distributing industrial chemicals to a wide variety of industries.

NOTE 7--SEGMENT INFORMATION

	Three Months Ended		Six Months Ended	
(Dollar amounts in thousands)	Jun 30, 2001	Jul 1, 2000	Jun 30, 2001	Jul 1, 2000
Net sales				
Colors Group	$ 6,458	$ 7,341	$ 12,485	$ 13,950
Specialty Chemicals Group	5,211	5,059	10,802	11,184
Chemicals Segment	11,669	12,400	23,287	25,134
Metals Segment	10,936	19,491	24,420	39,028
	$ 22,605	$ 31,891	$ 47,707	$ 64,162
Operating income				
Colors Group	9	90	(53)	130
Specialty Chemicals Group	57	(596)	305	(472)
Chemicals Segment	66	(506)	252	(342)
Metals Segment	340	2,948	1,439	5,131
	406	2,442	1,691	4,789
Unallocated expenses				
Corporate	257	304	506	738
Interest and debt expense, net of interest income	233	278	518	524
(Loss) income before income taxes	$ (84)	$ 1,860	$ 667	$ 3,527

Synalloy Corporation

Management's Discussion and Analysis of Financial Condition

And Results of Operations

The following is management's discussion of certain significant factors that affected the Company during the quarter ended June 30, 2001.

Consolidated sales for the quarter and year to date were down, decreasing 29 and 26 percent, respectively, compared to the same periods one year ago. The Company experienced a $54,000 consolidated net loss for the quarter, or ($.01) per share, compared to net income of $1,197,000, or $.19 per share, reported the same period one year ago. Consolidated net income year to date totaled $432,000, or $.07 per share, compared to net income of $2,271,000 or $.36 per share, one year ago.

Sales in the Colors Group were down twelve and eleven percent for the quarter and year to date, respectively, from a year earlier. Operating income was down 90 percent for the quarter from a year earlier. Year to date, the Group had an operating loss of $53,000 compared to the prior year's income of $130,000. The decline in sales compared to a year earlier resulted from the continued downsizing of the domestic textile industry. The quarter was barely profitable because of the low level of sales. On a sequential basis, sales were up 7 percent from the first quarter and the modest profit was an improvement over the operating losses suffered in the prior three quarters. Management believes that steps taken over the previous nine months, including a reduction in head count and improved efficiency of plant operations, has positioned the Company to compete effectively in this extremely difficult business.

The Specialty Chemicals Group sales were up three percent in the second quarter while operating income of $57,000 showed a significant improvement over the substantial loss suffered in last year's comparable quarter. Sales year to date fell three percent, but operating income was up substantially over the losses incurred for the same period last year. Although chemical markets are currently weak, consolidation of the Company's operations by closing the Augusta plant has positioned this Group to operate profitably in a poor market environment. The pending acquisition of Global Chemical is expected to increase sales of this Group by 25 to 30 percent on an annualized basis from the current level. This, together with the start-up of a new toll product, is expected to lead to better operating results in the second half.

The Global Chemical acquisition will operate as the Dalton Group of Manufacturers Chemicals, L.P., in Cleveland, Tennessee. The Dalton Group will continue to market specialty dyes to the carpet and rug industry and will also continue to distribute industrial chemicals to a wide variety of industries. In addition to the existing specialty chemicals that have been offered by Global, this line will be expanded to include the full range of specialty industrial chemicals produced by Manufacturers Chemicals and certain textile specialty chemicals manufactured by Blackman Uhler Chemical Company in Spartanburg, South Carolina. The new combined capabilities will significantly improve the ability of the company to service the important carpet industry and will also permit diversification into other areas such as enhancement of the Company's metal working chemical product line, additives to surface coating and janitorial compounding. The Company believes that the Dalton presence will significantly improve its capabilities of servicing this important market.

Sales in the Metals Segment were down 44 and 37 percent for the quarter and year to date, respectively, from a year earlier. Operating income was also down 89 and 72 percent for the quarter and year to date, respectively, from a year earlier. A 38 percent decline in unit volumes coupled with nine percent lower prices led to the decrease in dollar sales in the second quarter compared to a year earlier. Unit volumes have declined 40 percent for the first six months compared to the first six months of last year. The unit volume

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decline is the result of the slow economy's effect on capital spending, inventory liquidation and increased imports. The decline in operating income was caused by the big decrease in sales together with inventory losses that accompany lower prices. Several things make the Company optimistic that the negative factors affecting the business will diminish in the future. Recent industry-wide price increases in stainless steel make the Company hopeful that prices have bottomed for this cycle and will trend upward. Management believes that inventory liquidation is substantially completed. Action by the Bush administration to initiate an investigation into steel imports under Section 201 of the Trade Act of 1974 holds promise to alleviate the dumping of steel products into our market. Although it is not possible to know when, the cyclically weak end-use demand will inevitably improve.

Management has determined that the large number of power generation plants expected to be built over the next few years has significant potential for the Company's piping systems business. Management is encouraged by its recent efforts to generate opportunities to participate in this business. Piping systems for two power projects have been delivered and orders for two more projects have been received. The Company will soon install equipment that will expand its capabilities to handle this type of fabrication, and is focused on putting every effort into generating revenue from this source.

Selling and administrative expense for the quarter declined $315,000, or eleven percent, and $1,036,000, or 17 percent year to date, compared to the same periods last year. Incentive bonuses and sales commissions declined in the quarter and year to date compared to last year's amounts. In addition, in the first quarter of last year, selling and administrative expense included $215,000 from the Whiting Metals plant, which was closed at the end of the first quarter last year, and a $158,000 special charge for an unanticipated payment made under a contract related to a pre 1973 employment matter.

Cash flows from operations totaled $8,787,000 during the first six months of 2001 compared to $2,026,000 generated during the same period one year ago. The increase came primarily from a $4,822,000 reduction in inventories. Increases in income taxes payable of $1,057,000 and net income before depreciation and amortization of $2,100,000 also contributed to the increase. The Company expects that available cash and existing lines of credit will be sufficient to meet normal operating requirements, including capital expenditures over the near term.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

The statements contained in this management discussion and analysis that are not historical facts may be forward looking statements. The forward looking statements are subject to certain risks and uncertainties, including without limitation those identified below, which could cause actual results to differ materially from historical results or those anticipated. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The following factors could cause actual results to differ materially from historical results or those anticipated: adverse economic conditions, the impact of competitive products and pricing, product demand and acceptance risks, raw material and other increased costs, customer delays or difficulties in the production of products, and other risks detailed from time to time in Synalloy's Securities and Exchange Commission filings. Synalloy Corporation assumes no obligation to update the information included herein.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes In Securities

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters To A Vote Of Security Holders

None

Item 5. Other Information

A. The Annual Meeting of Shareholders was held April 26, 2001 at the offices of the Company.
B. The following individuals were elected as directors at the Annual Meeting:

Name	Votes For	Votes Withheld
James G. Lane, Jr.	5,384,165	315,129
Sibyl N. Fishburn	5,385,409	313,885
Glenn R. Oxner	5,385,391	313,903
Carroll D. Vinson	5,385,391	313,903
Murray H. Wright	5,385,409	313,885

C. Ernst & Young, LLP, independent certified accountants, were selected as independent auditors for the fiscal year ending December 29, 2001 by at vote of 5,605,420 for, 28,446 against, and 65,428 abstentions.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No. from Item 601 of Regulation S-B	Description
10.5	Employment Agreement, dated June 25, 2001, between Registrant and Ralph Matera

The Company did not file any reports on Form 8-K during the three months ended June 29, 2001.

SIGNATURES

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

SYNALLOY CORPORATION
(Registrant)

Date: August 10, 2001 By: **/s/ James G. Lane, Jr.**
James G. Lane, Jr.
President and Chief Executive Officer

Date: August 10, 2001 By: **/s/ Gregory M. Bowie**

Gregory M. Bowie

Vice President Finance

Exhibit Index

Exhibit No. from Item 601 of Regulation S-B	Description
10.5	Employment Agreement, dated June 25, 2001, between Registrant and Ralph Matera

EMPLOYMENT AGREEMENT

This Agreement is effective upon its execution by and between Synalloy Corporation, a corporation organized under the laws of the State of Delaware (the "'Corporation"'), and Ralph Matera, a resident of Lebanon, Pennsylvania (the "'Employee"').

W I T N E S S E T H:

That in consideration of the agreements hereinafter contained, the parties hereto agree as follows:

1. Employment. The Corporation agrees to employ the Employee and the Employee agrees to serve the Corporation as President for a period of two years from his employment date on or about July 16, 2001, and in such other capacity as the Board of Directors of the Corporation (the "'Board"') may designate from time to time. The initial duties of Employee shall be those of Chief Operating Officer of Bristol Metals, L.P., a subsidiary of the Company located in Bristol Tennessee. Upon the retirement of James G. Lane, Jr., expected to be December 31, 2001, Employee will assume the additional responsibilities of Chief Executive Officer of the Corporation. During the term of his employment, the Employee shall devote his full time, attention, skill and efforts to the performance of his duties for the Corporation.

2. Compensation. The Corporation shall pay the Employee beginning on the date of his employment on or about July 16, 2001, and continuing during the term of his employment hereunder, a base salary of One Hundred Eighty Thousand and 00/100ths Dollars ($180,000.00) per year together with compensation payable as provided in Paragraph 3 below, unless forfeited by the occurrence of any of the events of forfeiture specified in Paragraph 7 below. Salary shall be payable monthly or on a less frequent basis by mutual agreement.

3. Bonus. In addition to the base salary provided for in Paragraph 3 above, for the time employed during 2001, employee will participate in the Divisional Management Incentive Plan covering Bristol Metals, L.P. subject to a minimum bonus of $6,000 for each month employed during 2001, payable in February, 2002. Each fiscal year during which Employee serves as Chief Executive Officer of Corporation and provided Employee is in the employ of the Corporation on the last day of such fiscal year (except as provided in paragraphs 5 and 6 hereof), the Employee shall be entitled to a bonus equal to five percent (5%) of "'net earnings before income taxes"' in excess of ten percent (10%) of average shareholders' equity.

   As used in this Agreement, the term "'net income before income taxes"' shall mean the consolidated net income before income taxes of the Corporation before the bonus-compensation payable under this Agreement and before gains and losses on the sale or other disposition of capital assets. Such net income before income taxes shall be determined by the independent public accountants regularly retained by the Corporation, in accordance with sound accounting principles and consistent with the past accounting practices of the Corporation (except as otherwise expressly provided for herein), within ninety (90) days after the end of its fiscal year (Saturday nearest December 31), and the determination of such accountants shall be final, binding and conclusive upon the parties hereto. The Corporation may at any time or times change or discontinue any or all of its present or future operations, or may close, sell or move any one or more of its plants, facilities or divisions, or may undertake any new or other operations, or may take any and all other steps which the Board, in its exclusive judgment, shall deem advisable or desirable for the Corporation, and if any such action taken by the Corporation or its Board adversely affects net income before income taxes as hereinabove defined, the Employee shall have no claim or recourse by reason of any such action.

4. Vacations. The Employee shall be entitled (each year) to a vacation of four (4) weeks, during which time his compensation shall be paid in full. Said vacation may be taken by the Employee over a consecutive period or in several non-consecutive periods, at the discretion of the Employee.

5. Disability. If because of illness, physical or mental disability, or other incapacity, certified by a physician acceptable to the Corporation, Employee shall fail to render the services provided for by this Agreement, or if Employee contracts an illness or injury, certified by a physician acceptable to the Corporation, which will permanently prevent the performance by him of the services provided for by this Agreement, then the "'base salary"' provided for in Paragraph 2 hereof shall continue to the next anniversary date of the term of this Agreement, but in no event less than three (3) months, with the bonus-compensation for that fiscal year to be prorated to the date Employee's disability commenced; provided, however, should any such disability result from a pre-existing condition of Employee's health on the date of his employment on or about July 16, 2001, then the Corporation, at its option, may terminate the period of employment under this Agreement by notice to Employee, effective ninety (90) days after the giving of such notice, during which ninety-day notice period Employee's "'base salary"' shall continue, any bonus-compensation to which the Employee may be entitled under Paragraph 3 hereof to be prorated to the date such ninety (90) day notice of termination is given Employee.

6. Death. If the Employee dies during the term of this Agreement, then the "'base salary"' provided for in Paragraph 2 hereof shall continue to the next anniversary date of the term of this Agreement, but in no event less than three (3) months, which "'base salary"' shall be paid to the estate of Employee, with the bonus-compensation for that fiscal year to be prorated to the date of Employee's death; provided, however, should the death of Employee result from a pre-existing condition of his health on the date of his employment on or about July 16, 2001, the Corporation may terminate this Agreement upon payment to the estate of Employee of three (3) months "'base salary"' and that portion of the bonus-compensation prorated to the date of Employee's death. In the event of Employee's death and the termination of this Agreement on the terms of this paragraph, all obligations of the Corporation under this Agreement shall cease and terminate.

7. Termination for Cause. Nothing in this Agreement shall be construed to prevent the Corporation from terminating Employee's

employment hereunder at any time for cause. Fraud, dishonesty, gross negligence, willful misconduct, misappropriation, embezzlement, excessive absences from work (except for reasons of health), or the like, or any act or omission deemed by the Board to have been disloyal to the Corporation shall constitute cause for termination. Termination for cause pursuant to this paragraph shall not constitute a breach of this Agreement by the Corporation.

8. Covenant Not to Compete. Employee agrees during the term of employment and for a period of one (1) year after his employment terminates for any reason, the Employee will not, without the prior written approval of the Board, become an officer, employee, agent, partner, or director of any business enterprise which competes with the Corporation and its affiliates for customers, orders, supply sources, or contracts in those businesses in which the Corporation and its affiliates were engaged on the date his employment terminated. Employee acknowledges that the Corporation is a leader in the chemical and metals businesses in which it manufactures and has substantial customer relationships throughout the continental United States.

   Employee further agrees that at no time during his employment or thereafter will he divulge, communicate or use to the detriment of the Corporation any of the Corporation's_confidential information, data, trade secrets, sale methods, customer lists, supply sources, or other proprietary information.

9. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision hereof.`

10. Arbitration. Any controversy or claim arising out of, or relating to this Agreement, or the breach thereof, shall be settled by arbitration in the City of Spartanburg, State of South Carolina, in accordance with the rules then obtaining of the American Arbitration Association, and judgment upon the award rendered may be entered in any Court having jurisdiction thereof.

11. Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing, and if sent by registered or certified mail to his residence in the case of Employee, or to its Executive Offices in the case of the Corporation.

12. Benefit. This Agreement, in accordance with its terms and conditions, shall inure to the benefit of and be binding upon the Corporation, its successors and assigns, including but not limited to any corporation which may acquire all or substantially all of the Corporation's assets and business, or with or into which the Corporation may be consolidated or merged, and Employee, his heirs, executors, administrators, and legal representatives, provided that the obligations of the Employee hereunder may not be delegated. Employee agrees, however, that any such sale or merger shall not be deemed a termination hereunder provided that the Employee's operational duties are not substantially reduced as a result thereof.

13. Situs. This Agreement shall be construed in accordance with and governed by the laws of the State of South Carolina.

14. Entire Agreement. This instrument contains the entire agreement of the parties hereto. It may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year below written.

WITNESSES	SYNALLOY CORPORATION
______________________	By ______________________________
As to Synalloy Corporation	Its: James G. Lane, Jr.
	Chairman & Chief Executive Officer
	Dated_________________
	EMPLOYEE
______________________	______________________________
As to Employee	Ralph Matera
	Dated__________________

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