

EXHIBIT 2

LAWSUIT

D.A. Elia wins \$4.6 million settlement

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A Buffalo construction company that lost its bonding and had to go out of business three years ago will receive \$4.6 million under a lawsuit settlement in U.S. District Court.

The amount that will be paid by the United States Fidelity & Guaranty insurance firm to the D.A. Elia Construction Corp. is among the largest settlements ever reached in Buffalo's U.S. Bankruptcy Court.

The settlement, filed last week by Bankruptcy Judge Michael J. Kaplan, settles a \$105 million breach-of-contract lawsuit.

A construction company cannot bid on public works jobs without bonding. Elia's 1994 lawsuit against USF&G claimed that the insurance firm wrongly withheld construction bonds, thus depriving Elia of any chance of winning new contracts and forcing the firm out of business. USF&G denied any wrongdoing.

Court sources said the settlement is good news for many smaller construction businesses in the Buffalo area because it will enable the Elia company to pay off \$2.5 million it owes to dozens of bankruptcy creditors.

D.A. Elia, a public works construction company that was based on Vulcan Street and once employed 200 people, has been out of business since filing for bankruptcy in March 1994.

David A. Elia, chief executive officer of the company, said Monday that he hopes to revive the business, but has not made a firm decision yet.

"I can't have any comment on the terms of the settlement, but I will say that our hope and intention, since filing for bankruptcy, has been to get back into the business," Elia said. "We're still making our decisions."

William F. Savino and Lawrence C. DiGiulio, attorneys for Elia, declined to comment on the settlement. Neil J. Diloff, a Baltimore attorney for the bonding company, could not be reached for comment.

Under the settlement, USF&G also forgives a \$2.4 million debt it was owed by the Elia firm.

A federal court jury ruled last year that USF&G did breach its agreement with Elia, but no damages award was made at that time.