

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

ANNMARIE MALLOZZI, individually and
on behalf of all others similarly situated,

Plaintiffs,

v.

INDUSTRIAL ENTERPRISES OF AMERICA, INC.;
JOHN MAZZUTO; JORGE YEPES; DENNIS O'NEILL; and
JAMES MARGULIES,

Defendants.

CASE No.: 07-CV-10321 (GBD)

NOTICE OF PENDENCY AND SETTLEMENT OF CLASS ACTION

IF YOU PURCHASED or otherwise acquired the common stock ("Stock") of Industrial Enterprises of America, Inc. ("IEAM" or the "Company") during the period from December 4, 2006 through and including November 7, 2007, and suffered losses, you could get a payment from a class action settlement (the "Settlement").

Under law, a federal court has authorized this notice.

- If approved by the Court, the Settlement will provide \$3,400,000.00, plus interest (the "Settlement Amount"), to pay claims of investors who purchased IEAM Stock during the period from December 4, 2006 through and including November 7, 2007 (the "Class Period"). The Settlement Amount (less \$100,000 for previously incurred notice costs that were paid by Defendants' Insurer) shall be comprised of \$2,300,000 in a Payment Fund and \$1,000,000 in a Holdback Fund.
- The Settlement supersedes the settlement preliminarily approved by the Court in April 2009 and in order to be eligible to receive a payment from the Settlement you must submit a proof of claim as described in this notice. **Prior proofs of claims submitted in connection with the superseded settlement are not valid.**
- The Settlement represents an average recovery of up to \$0.15 per share of IEAM Stock for the estimated 26 million shares outstanding and available for purchase during the Class Period. This estimate solely reflects average recovery per outstanding share of IEAM. This is not an estimate of the actual recovery per share you should expect. Your actual recovery will depend on the aggregate losses of all Class Members and the number of claims filed.
- A portion of the Settlement Amount—the Holdback Fund of \$1,000,000.00—will be held in a separate fund to be drawn upon only if Holdover Proceedings (as defined in the Stipulation) are filed against one or more of the Defendants. If this occurs, the Holdback Fund (as defined in the Stipulation) may be used to pay the reasonable attorneys' fees and other defense costs which any of Defendants incur in defending, litigating, or otherwise resisting the Holdover Proceedings. The Holdback Fund will also be used in good faith to pay any settlements, judgments, or awards in the Holdover Proceedings. If no Holdover Proceedings are brought against any Defendant, or, if such proceedings are brought and are finally terminated without exhausting the Holdback Fund, the Holdback Fund will be deposited into the Payment Fund for supplemental distribution to the Class.
- Attorneys for the Lead Plaintiffs ("Class Counsel") intend to ask the Court to award them fees of up to one-third of the Payment Fund, reimbursement of litigation expenses not to exceed \$75,000, and awards to each of the Lead Plaintiffs not to exceed \$1,500. Collectively, the attorneys' fees and expenses and awards to Lead Plaintiffs are estimated to average \$0.05 per share of IEAM Stock. If approved by the Court, these amounts will be paid from the Payment Fund. Class Counsel also retains the right to seek payment of supplemental attorneys' fees and costs as the Court may award.
- The approximate recovery, after deduction of attorneys' fees and expenses and awards to Lead Plaintiffs approved by the Court, is an average of \$0.10 per share of IEAM Stock. This estimate is based on the assumptions set forth in the preceding paragraph. Your actual recovery will depend on the aggregate losses of all Class Members, the date(s) you purchased and sold IEAM Stock and the total number of claims filed.
- The settlement resolves the lawsuit involving whether, in violation of federal laws, IEAM and five of its principal officers caused the disclosure of statements that misled investors through the overstatement of revenue in the Company's publicly filed financial statements and other public announcements. Defendants deny the allegations in the lawsuit and deny any wrongdoing. Defendants and Lead Plaintiffs disagree on liability and damages.
- If you purchased or otherwise acquired the Stock of IEAM during the Class Period, your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM NO LATER THAN APRIL 27, 2011	The only way to get a payment.
EXCLUDE YOURSELF NO LATER THAN MAY 4, 2011	Get no payment. This is the only option that allows you to be part of any other lawsuit against Defendants about the legal claims in this case.
OBJECT NO LATER THAN MAY 4, 2011	Write to the Court about why you do not like the settlement.
GO TO A HEARING ON MAY 18, 2011	Speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

WHAT THIS CLASS NOTICE CONTAINS

BASIC INFORMATION	2
1. Why did I get this Notice?	2
2. What is this lawsuit about?	2
3. Why is this a class action?	3
4. Why is there a Settlement?	3
5. How do I know if I am part of the Class Settlement?	3
6. Are there exceptions to being included?	3
THE SETTLEMENT BENEFITS — WHAT YOU GET	3
7. What does the <i>Settlement</i> provide?	3
8. How can I get a payment?	5
9. What am I giving up to get a payment or stay in the Class?	5
10. How do I get out of the Settlement?	5
11. If I do not exclude myself, can I sue Defendants for the same thing later?	5
THE LAWYERS REPRESENTING YOU	5
12. Do I have a lawyer in this case?	5
13. How will the lawyers be paid?	6
14. How do I tell the Court that I do not like the Settlement?	6
15. What is the difference between objecting and requesting exclusion?	6
THE COURT’S FAIRNESS HEARING	6
16. When and where will the <i>Court</i> decide whether to approve the <i>Settlement</i> ?	6
17. Do I have to come to the hearing?	6
IF YOU DO NOTHING	6
18. What happens if I do nothing at all?	6

INQUIRIES

Please do not contact the Court regarding this notice. All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class Members should be directed to:

Industrial Enterprises of America, Inc. Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063
Tel: (866) 274-4004

A copy of the Stipulation is also available at the following website: www.strategicclaims.net
Copies of papers in support of final approval of the settlement and Plaintiffs’ Counsel’s request
for reasonable attorneys’ fees, reimbursement of expenses, and awards to lead plaintiff will also
be available for review once they are filed with the Court.

COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

BASIC INFORMATION

1. Why did I get this Notice?

You or someone in your family may have acquired IEAM Stock during the Class Period.

2. What is this lawsuit about?

The case is known as *Mallozzi, et al. v. Industrial Enterprises of America, Inc., et al.*, Case No. 07-CV-10321 (the “Litigation”), and the Court in charge of the case is the United States District Court for the Southern District of New York.

The Class Action includes the issue of whether, in violation of §10(b) and §20(a) of the Securities Exchange Act of 1934, IEAM and five of its principal officers overstated its revenue in the Company’s publicly filed financial statements and other public announcements. IEAM, John Mazzuto, Jorge Yepes, Dennis O’Neill, Robert Redmond and James Margulies are the Defendants. All Defendants deny they did anything wrong. The Lead Plaintiffs representing Class members are Carl Meisner, Ronald Goldenberg and Carl Haeussler. The Settlement resolves all of the claims in this Class Action.

QUESTIONS? VISIT WWW.STRATEGICCLAIMS.NET OR CALL 1-866-274-4004

3. Why is this a class action?

In a class action, one or more persons and/or entities, called Lead Plaintiffs, sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to collectively as a Class, and these individual persons and/or entities are known as Class Members. One court resolves all of the issues for all Class Members, except for those Class Members who exclude themselves from the Class.

4. Why is there a Settlement?

Lead Plaintiffs and Defendants do not agree regarding the merits of Plaintiffs' allegations with respect to liability or the average amount of damages per share that would be recoverable if Lead Plaintiffs were to prevail at trial on each claim. The issues on which the Lead Plaintiffs and Defendants disagree include: (1) whether Defendants made any materially false and misleading statements; (2) whether Defendants made the statements with the requisite knowledge; (3) whether the statements were the cause of the investors' alleged damages; and (4) the amount of damages, if any, suffered by investors.

This matter has not gone to trial and the Court has not decided in favor of either Plaintiffs or Defendants. Instead, Plaintiffs and Defendants have agreed to settle the Class Action. The Lead Plaintiffs and Class Counsel believe the settlement is best for all Class Members because of the risks associated with continued litigation and the nature of the defenses raised by the Defendants. Moreover, even if Plaintiffs win at trial, and also withstand Defendants' inevitable challenge on appeal, Plaintiffs would likely not be able to collect some, or all, of the Judgment due, in substantial part, to IEAM's bankruptcy.

5. How do I know if I am part of the Class settlement?

To be a Class Member, you must have purchased or otherwise acquired IEAM Stock during the period from December 4, 2006 through and including November 7, 2007, and suffered losses in your investment.

6. Are there exceptions to being included?

Yes. The following entities are not members of the Class: (1) Defendants, (2) members of Defendants' immediate families, (3) Defendants' legal representatives, heirs, predecessors, successors and assigns, and any entity in which any Defendant has or had a controlling interest, (4) Trinity Bui, with respect to the Bui Shares, defined as those shares of IEAM stock that were the subject of the litigation captioned *Trinity Bui v. IEAM*, 08 Civ. 0583 (S.D.N.Y. Jan. 23, 2008) that was decided adversely to plaintiffs on the merits on January 15, 2009, (5) Peter Vanucci, (6) Catherine Tamme, (7) River Valley Asset Management, LLC, (8) any entity in which Peter Vanucci, Catherine Tamme, or River Valley Asset Management, LLC, has or had a controlling interest, (9) those persons who file valid and timely requests for exclusion in accordance with the Court's preliminary approval order, and (10) each person or entity that timely requested exclusion from the settlement class certified by the Court's Order filed and entered as of April 17, 2009, as set forth in Exhibit A to the Second Amended Complaint (the "Previous Opt-Outs").

This Settlement permits the Previous Opt-Outs, to participate in this Settlement by timely submitting a Proof of Claim form in accordance with this Notice and the Stipulation. Copies of the Stipulation and Second Amended Complaint, are available for review at the Claims Administrator's website: www.strategicclaims.net.

THE SETTLEMENT BENEFITS — WHAT YOU GET

7. What does the Settlement provide?

a. What is the Settlement Fund?

The proposed Settlement calls for Defendants to pay a Gross Settlement Amount of \$3,400,000. The Gross Settlement Amount means the sum of settlement consideration, in the amount of three million four hundred thousand dollars (\$3,400,000), less \$100,000 for previously incurred notice costs that were paid by Defendants' Insurer, and shall be comprised of \$2,300,000 in the Payment Fund and \$1,000,000 in the Holdback Fund. Also, subject to the Court's approval, a portion of the Payment Fund will be used to pay Lead Plaintiffs' attorneys' fees and reasonable litigation expenses and any award to Lead Plaintiffs. A portion of the Payment Fund will also be used to pay taxes due on interest earned by the Payment Fund, if necessary, and any notice and claims administration expenses permitted by the Court or the Settlement. After the foregoing deductions from the Payment Fund have been made, the amount remaining (the "Net Settlement Fund") will be distributed to Class Members who submit valid claims. As set forth above, if no Holdover Proceedings are brought against any Defendant, or, if such proceedings are brought and are finally terminated without exhausting the Holdback Fund, the Holdback Fund will be deposited into the Payment Fund for subsequent distribution to the Class. Class Counsel also retain the right to seek payment of supplemental attorneys' fees and costs as the Court may award.

b. What can you expect to receive under the proposed Settlement?

The amount of your share of the Net Settlement Fund will depend on: (i) the number of claims filed; (ii) the dates you purchased and sold IEAM Stock; (iii) the prices of your purchases and sales; (iv) the amount of administrative costs, including the costs of notice; (v) the amount awarded by the Court to Lead Plaintiffs and Class Counsel for attorneys' fees, costs and expenses; and (vi) whether any Holdover Proceedings are filed and the success of any such proceedings.

The compensable loss per share (“Recognized Loss”) for each claimant shall be determined based on the inflation in the share price allegedly caused by the alleged fraud at the date of purchase minus the alleged inflation in share price at the date of sale. The inflation amount is based on that portion of the declines in the share price of IEAM Stock that are alleged to be explained by identified events that revealed corrective information (October 14, 2007 and November 8, 2007) as determined by Plaintiffs’ damages expert in consultation with Class Counsel.

The Recognized Loss of each Authorized Claimant shall be calculated according to the following formula:¹

1. For Shares purchased during the period December 4, 2006 through and including October 14, 2007, recognized per share loss is calculated as follows:
 - i) For each Share sold prior to October 15, 2007, the recognized loss is zero.
 - ii) For each Share sold between October 15, 2007 and November 7, 2007 (inclusive), recognized loss per share is the lesser of (a) the price paid less the price received, (b) the price paid less \$3.37, and (c) \$0.62.
 - iii) For each Share sold between November 8, 2007 and February 5, 2008, recognized loss per share is the lesser of (a) the price paid less the price received, (b) the price paid less the mean closing Share price for each of the trading days from November 8, 2007 to the date of sale, (c) the price paid less \$0.80, and (d) \$2.11.
 - iv) For each Share held on February 5, 2008, recognized loss per share is the lesser of (a) the price paid less \$0.80, and (b) \$2.11.
2. For Shares purchased during the period October 15, 2007 through and including November 7, 2007, recognized per share loss is calculated as follows:
 - i) For each Share sold prior to November 8, 2007, the recognized loss is zero.
 - ii) For each Share sold on or between November 8, 2007 and February 5, 2008, recognized loss per share is the lesser of (a) the price paid less the price received, (b) the price paid less the mean closing Share price for each of the trading days from November 8, 2007 to the date of sale, (c) the price paid less \$0.80, and (d) \$1.49.
 - iii) For each Share held on February 5, 2008, recognized loss per share is the lesser of (a) the price paid less \$0.80, and (b) \$1.49.

c. Are there any further limitations on the amount I may receive?

- i) To the extent there are sufficient funds in the Net Settlement Fund, each Class Member with a Recognized Loss that satisfies the requirements approved by the Court (“Authorized Claimant”) will receive an amount equal to the Authorized Claimant’s Recognized Loss described above. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant’s Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants.
- ii) For Class members who conducted multiple transactions in IEAM Stock during the Class Period, the earliest subsequent sale shall be matched first against those shares in that Claimant’s opening position on the first day of the Class Period, and then matched chronologically thereafter against each purchase made during the Class Period.
- iii) Transactions during the Class Period resulting in a gain shall be netted against the Class Members transactions resulting in a loss to arrive at the Recognized Loss.
- iv) Any Class members whose collective transactions in IEAM Stock during the Class Period resulted in a net gain shall not be entitled to share in the Net Settlement Fund.
- v) The purchase and sales prices exclude any brokerage commissions, transfer taxes or other fees.
- vi) The covering purchase of a short sale is not an eligible purchase. Gifts and transfers are not eligible purchases.
- vii) Shares of stock sold at a loss before October 15, 2007 are not entitled to or allocated any payment from the Net Settlement Fund for any such shares.

¹The Plan of Allocation was created by Lead Plaintiffs’ Counsel with the assistance of a financial consultant. Defendants were not involved in developing the Plan of Allocation and take no position related to it.

8. How can I get a payment?

To qualify for a payment, you must send in the form entitled “Proof of Claim and Release form.” This claim form is attached to this Notice. **You must send the claim form even if you previously submitted a claim form in connection with the superseded settlement.** You may also obtain a claim form on the Internet at www.strategicclaims.net. Read the instructions carefully, fill out the form, sign it as indicated, and mail the claim form together with all documentation as requested in the form, postmarked no later than April 27, 2011, to:

Industrial Enterprises of America, Inc. Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

The Claims Administrator will process your claim and determine whether you are an “Authorized Claimant.”

9. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you will remain in the Class. That means that if the Settlement is approved, you and all Class Members will release all claims (agreeing never to sue, continue to sue, or be part of any other lawsuit) against Defendants and all other persons and entities in connection with your acquisition of IEAM Stock during the Class Period. It also means that all of the Court’s orders will apply to you and legally bind you.

Pursuant to the Stipulation, the Lead Plaintiffs and all Class members shall also assign to IEAM any and all claims not released by the Settlement that they have or may have against persons other than Defendants which arose out of or relate to the issuance or transfer of IEAM stock, assets or property. If you sign the claim form, you are agreeing to a “Release of Claims,” which will bar you from ever filing a lawsuit against any person or entity to recover losses from the acquisition of IEAM Stock during the Class Period. That means you will accept a share in the Net Settlement Fund as sole compensation for any losses you have suffered in the acquisition of IEAM Stock during the Class Period.

10. How do I get out of the Settlement?

If you do not want to receive a payment from this Net Settlement Fund, and you want to keep the right to sue or continue to sue Defendants on your own based on the legal claims raised in this Class Action, then you must take steps to get out of the Settlement. This is called excluding yourself from—or “opting out” of—the Settlement. To exclude yourself from the Settlement, you must mail a letter stating you want to be excluded as a Class Member from *Mallozzi, et al. v. Industrial Enterprises of America, Inc., et al.*, Case No. 07-CV-10321. Be sure to include your name, address, telephone number and your signature, along with an accurate list of all of your purchases and sales of IEAM Stock. You must mail your exclusion request, postmarked no later than May 4, 2011, to:

Industrial Enterprises of America, Inc. Securities Litigation
Claims Administrator
c/o Strategic Claims Services
Exclusion Request
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not receive a settlement payment, and you cannot object to the Settlement. If you ask to be excluded, you will not be legally bound by anything that happens in this Class Action.

11. If I do not exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue any Defendant or Defendants for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately, since you may have to exclude yourself from this Class to continue your own lawsuit.

THE LAWYERS REPRESENTING YOU

12. Do I have a lawyer in this case?

The Court appointed the Rosen Law Firm, P.A. and Wolf Haldenstein Adler Freeman & Herz LLP to represent you and the other Class Members. These lawyers are called Lead Plaintiffs’ Counsel or Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

Class Counsel have expended considerable time litigating this Class Action on a contingent fee basis, and have paid the expenses of the litigation themselves and have not been paid attorneys' fees in advance of this Settlement with the expectation that if they are successful in recovering money for the Class, they will receive attorneys' fees and be reimbursed for their expenses from the Payment Fund, as is customary in this type of litigation. Class Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Payment Fund. Therefore, Class Counsel will file a motion asking the Court at the Fairness Hearing to make an award of attorneys' fees in an amount not to exceed one-third of the Payment Fund, for reimbursement of reasonable litigation expenses not to exceed \$75,000, and awards to each of the Lead Plaintiffs in an amount not to exceed \$1,500 per award. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Payment Fund. Class Counsel may also make additional applications for payment for fees and expenses incurred after the Settlement Hearing in connection with, but not limited to, a subsequent distribution of funds currently held in the Holdback Fund.

14. How do I tell the Court that I do not like the Settlement?

You can tell the Court you do not agree with the Settlement, any part of the Settlement, or Class Counsel's motion for attorneys' fees, and that you think the Court should not approve the Settlement, by mailing a letter stating you object to the Settlement in *Mallozzi, et al. v. Industrial Enterprises of America, Inc., et al.*, Case No. 07-CV-10321. Be sure to include your name, address, telephone number, your signature, a list of your purchases and sales of IEAM Stock in order to show your membership in the Class, and all of the reasons you object to the Settlement. Be sure to mail the objections to the three different places listed below, postmarked no later than May 4, 2011, so the Court will consider your views:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court United States District Court Southern District of New York 500 Pearl Street New York, NY 10007-1312	Phillip Kim, Esq. THE ROSEN LAW FIRM, P.A. 275 Madison Avenue, 34 th Floor New York, NY 10016	Jeffrey G. Weil, Esq. COZEN O'CONNOR 1900 Market Street Philadelphia, PA 19103

15. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court you do not like something about the Settlement. You can object only if you stay in the Class. Requesting exclusion is telling the Court you do not want to be part of the Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you.

THE COURT'S FAIRNESS HEARING

16. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing on May 18, 2011, at 10:00 a.m., at the United States District Court for the Southern District of New York, 500 Pearl Street, New York, NY 10007-1312. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel for attorneys' fees and expenses.

17. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it.

IF YOU DO NOTHING

18. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against any Defendant or Defendants based on the claims made in this case ever again.

DATED: FEBRUARY 3, 2011

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE SOUTHERN
DISTRICT OF NEW YORK

TO ALL INDUSTRIAL ENTERPRISES OF AMERICA, INC. CLASS MEMBERS:

I. GENERAL INFORMATION AND INSTRUCTIONS

A. Settlement of Class Action Regarding Industrial Enterprises of America, Inc.: There has been a settlement in a case entitled "*Mallozzi, et al. v. Industrial Enterprises of America, Inc., et al.*," Case No. 07-CV-10321, pending in the United States District Court for the Southern District of New York (the "Litigation"). The case was brought on behalf of a Class consisting of:

All persons who purchased or otherwise acquired the common stock ("Stock") of Industrial Enterprises of America, Inc. ("IEAM") during the period from December 4, 2006 through and including November 7, 2007, and suffered losses.

B. You May Be Entitled to a Recovery; What to Do to Get It: If you are a member of the Class, you are entitled to a recovery. In order to obtain your recovery, you must:

1. Complete and sign a Proof of Claim (provided below), and submit it on a timely basis. If you fail to do so, your claim may be rejected and you may be precluded from any recovery.

2. Mail your completed and signed Proof of Claim postmarked on or before April 27, 2011, addressed as follows:

Industrial Enterprises of America, Inc. Securities Litigation
Claims Administrator
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

C. How to Exclude Yourself from the Settlement: If you are a Class Member and you do not want to participate in the settlement, you must submit a timely request for exclusion (the "Notice of Exclusion"). The Notice of Exclusion must state the following: the name, address, telephone number and signature of the individual or entity who wishes to be excluded from the Class, as well as information concerning his, her, or its purchases, sales and current holdings of IEAM Stock acquired during the period of December 4, 2006 through February 5, 2008. The Notice of Exclusion must be postmarked no later than May 4, 2011, and mailed by first-class mail. If you do not file a Notice of Exclusion, you will be bound by the terms of any judgment entered in the case, even if you do not submit a proof of claim and release.

II. CLAIMANT IDENTIFICATION

This information concerns Part I of the Proof of Claim.

A. Explanation as to Whether You Are a Beneficial Purchaser or Record Purchaser: If you purchased or otherwise acquired IEAM Stock and held it in your name, you are the beneficial purchaser as well as the record purchaser. If you purchased or otherwise acquired IEAM Stock and it was registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.

B. Beneficial Purchaser or His/Her Legal Representative Must Submit Claim: Only the actual beneficial purchaser or purchasers, or the legal representative of such purchaser or purchasers, can submit a claim.

C. Requirements for Joint Purchasers, Executors, Etc.: All joint purchasers must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of persons represented by them, their authority must accompany this claim, and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim.

III. DETAILS OF AND SUPPORT FOR YOUR CLAIM

This information concerns Part II of the Proof of Claim.

A. In Part II of the Proof of Claim, you should supply all required details of your transaction(s) in IEAM Stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

B. On the schedules, provide all of the requested information with respect to **all** of your purchases or acquisitions and **all** of your sales of IEAM Stock that took place at **any** time regardless of whether such transactions resulted in a profit or a loss.

C. List each transaction separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each transaction you list.

D. The term "Purchase Price" means the amount paid for the securities (excluding commissions and transfer taxes), and the term "Sales Price" means the amount realized on the sale of the securities (before commissions and transfer taxes). The date of the purchase or sale is the "contract" or "trade" date as distinguished from the "settlement" date.

E. Broker confirmations or other documentation of your transactions in IEAM Stock must be attached to your claim.

IV. PROOF OF CLAIM AND RELEASE FORM

*Industrial Enterprises of America, Inc. Securities Litigation,
Case No. 07-CV-10321 (S.D.N.Y.)*

Must Be Postmarked No Later Than:
April 27, 2011

Please Type or Print

PART I: CLAIMANT IDENTIFICATION

Beneficial Owner's Name (First, Middle, Last):

[Grid for Beneficial Owner's Name]

Record Owner's Name (if different from Beneficial Owner listed above):

[Grid for Record Owner's Name]

Address:

[Grid for Address]

City: [Grid] State: [Grid] Zip Code: [Grid] - [Grid]

Foreign Province: [Grid] Foreign Country: [Grid]

Email: [Grid]

[Grid] [Grid] - [Grid] [Grid] [Grid] - [Grid] [Grid] [Grid] - [Grid]
Area Code Telephone No. (day) Area Code Telephone No. (evening) Area Code Facsimile Number

Social Security Number (for individuals) OR Tax Identification Number (for estates, trusts, corporations, etc)
[Grid] - [Grid] - [Grid] [Grid] - [Grid]

PART II: SCHEDULE OF TRANSACTIONS IN INDUSTRIAL ENTERPRISES OF AMERICA, INC. STOCK

- A. Number of shares of Industrial Enterprises of America, Inc. Stock held at the beginning of trading on December 4, 2006: [Grid]
- B. Purchases or Acquisitions of IEAM Stock during the period from December 4, 2006 through February 5, 2008, inclusive:

	<u>Trade Date</u> (Month/Day/Year)	<u>Number of Shares</u> <u>Purchased or Acquired</u>	<u>Total Purchase Price</u>
1.	[Grid]/[Grid]/[Grid]	[Grid]	\$ [Grid]. [Grid]
2.	[Grid]/[Grid]/[Grid]	[Grid]	\$ [Grid]. [Grid]
3.	[Grid]/[Grid]/[Grid]	[Grid]	\$ [Grid]. [Grid]
4.	[Grid]/[Grid]/[Grid]	[Grid]	\$ [Grid]. [Grid]

IMPORTANT: Identify by number listed above all purchases in which you covered a "short sale": [Grid]

C. Sales of IEAM Stock during the period from December 4, 2006 through February 5, 2008, inclusive:

	Trade Date (Month/Day/Year)	Number of Shares Sold	Total Sale Price
1.	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>
2.	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>
3.	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>
4.	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>
5.	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>
6.	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>
7.	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>
8.	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	\$ <input type="text"/> . <input type="text"/>

D. Number of shares of IEAM Stock held at close of trading on February 5, 2008:

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

YOU MUST READ THE FOLLOWING AGREEMENT TO SUBMIT TO JURISDICTION/ACKNOWLEDGMENTS AND RELEASE AND SIGN ON PAGE 11

V. AGREEMENT TO SUBMIT TO JURISDICTION OF COURT/ACKNOWLEDGMENTS

I (we) submit this Proof of Claim and Release under the terms of the Stipulation of Settlement (“Stipulation”) described in the Notice of Pendency and Settlement of Class Action. I (we) also submit to the jurisdiction of the United States District Court for the Southern District of New York, with respect to my (our) claim as a Class Member and for purposes of enforcing the release set forth herein. I (we) further acknowledge that I am (we are) bound by and subject to the terms of any judgment that may be entered in the Litigation. I (we) agree to furnish additional information to support this claim if required to do so. I (we) have not submitted any other claim covering the same purchases or acquisitions of IEAM Stock and know of no other Person having done so on my (our) behalf.

VI. RELEASE

A. I (we), on behalf of myself (ourselves), and my (our) current and former heirs, executors, administrators, successors, attorneys, insurers and assigns, and any person I (we) represent, hereby release, and shall forever be enjoined from prosecuting, any and all known and unknown claims against any person or entity arising out of or relating in any way to the subject matter of *Mallozzi, et al. v. Industrial Enterprises of America, Inc., et al.*

B. This release shall be of no force or effect unless and until the Court approves the Stipulation and the Stipulation becomes effective on the Effective Date (as defined in the Stipulation).

C. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

D. I (We) hereby warrant and represent that I (we) have included information about all of my (our) transactions in IEAM Stock that occurred between December 4, 2006 and February 5, 2008, inclusive as well as the number of shares of IEAM Stock held by me (us) at the close of trading on February 5, 2008.

Substitute Form W-9

Request for Taxpayer Identification Number ("TIN") and Certification

PART I

NAME: _____

Check appropriate box: Individual/Sole Proprietor Corporation Partnership Trust
 IRA Pension Plan Other (specify) _____

Enter TIN below. For individuals, this is your Social Security Number ("SSN"). For sole proprietors, you must show your individual name, but you may also enter your business or "doing business as" name. You may enter either your SSN or your Employer Identification Number ("EIN"). For other entities, it is your EIN.

Social Security Number (for individuals) <div style="border: 1px solid black; display: inline-block; width: 100%; height: 20px; margin-top: 5px;"></div>	or	Taxpayer Identification Number (for estates, trusts, corporations, etc.) <div style="border: 1px solid black; display: inline-block; width: 100%; height: 20px; margin-top: 5px;"></div>
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PART II

For Payees Exempt from Backup Withholding

If you are exempt from backup withholding, enter your correct TIN in Part I and write "exempt" on the following line:

PART III

Certification

UNDER THE PENALTY OF PERJURY, I (WE) CERTIFY THAT:

1. The number shown on this form is my (our) correct TIN; and
2. I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1) (C) of the Internal Revenue Code because: (a) I am (we are) exempt from backup withholding; or (b) I (we) have not been notified by the Internal Revenue Service that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the Internal Revenue Service has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out Item 2 above.

SEE ENCLOSED FORM W-9 INSTRUCTIONS

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

I (we) declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this _____ day of _____, in _____, _____.

(Month/Year)

(City)

(State/Country)

(Sign your name here)

(Joint Owner Signature)

(Type or print your name here)

(Type or print your name here)

(Capacity of person(s) signing,
e.g., Beneficial Purchaser, Executor or Administrator)

(Capacity of person(s) signing,
e.g., Beneficial Purchaser, Executor or Administrator)

Industrial Enterprises of America, Inc. Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 3
Media, PA 19063

FIRST CLASS MAIL
U.S. POSTAGE
PAID
PERMIT NO. 138
PHILADELPHIA, PA

PLEASE FORWARD

FIRST CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above release and declaration.
2. Remember to attach supporting documentation.
3. Do not send original stock certificates.
4. Keep a copy of your claim form for your records.
5. If you desire an acknowledgment of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move, please send us your new address.