

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

FORM S-8
 REGISTRATION STATEMENT
 UNDER
 THE SECURITIES ACT OF 1933

ALPHA INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

04-2302115

(State or other jurisdiction of
 incorporation or organization)

(I.R.S. Employer Identification No.)

20 SYLVAN ROAD, WOBURN, MASSACHUSETTS 01801

(Address of Principal Executive Offices) (Zip Code)

ALPHA INDUSTRIES, INC.
 1994 NON-QUALIFIED STOCK OPTION PLAN FOR NON-EMPLOYEE DIRECTORS

(Full title of the plan)

MR. MARTIN J. REID, PRESIDENT
 ALPHA INDUSTRIES, INC.
 20 SYLVAN ROAD, WOBURN, MASSACHUSETTS 01801

(Name and address of agent for service)

(617) 935-5150

(Telephone number, including area code, of agent for service)

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock, \$.25 par value	50,000(2)	\$16.31	\$815,500	\$281.21
Rights to Purchase Common Stock(3)	50,000(2)	0(4)	0(4)	0(4)
Total Registration Fee				\$281.21

(footnotes on next page)

(1) Estimated solely for the purpose of determining the registration fee pursuant to Rule 457 under the Securities Act of 1933, on the basis of the average high and low prices for the Registrant's Common Stock on October 17, 1995, as reported by the American Stock Exchange, Inc.

(2) Such presently indeterminable number of additional shares of Common Stock and Rights (see below) are also registered hereunder as may be issued in the event of a merger, consolidation, reorganization, recapitalization, stock dividend, stock split or other similar change in Common Stock.

(3) On November 20, 1986, the Board of Directors of the Company declared a dividend distribution of one right (the "Rights") for each outstanding share of Common Stock. The 50,000 Rights registered hereby consist of 50,000 Rights which may be issued with shares of Common Stock issuable upon exercise of options granted or to be granted under the Company's 1994 Non-Qualified Stock Option Plan for Non-Employee Directors.

(4) The Rights are not separately transferable apart from the Common Stock, nor are they exercisable until the occurrence of certain events. Accordingly, no independent value has been attributed to the Rights.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 3. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE.

The following documents are hereby incorporated by reference into this Registration Statement.

(a) The Company's Annual Report on Form 10-K for the fiscal year ended April 2, 1995.

(b) All other reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "1934 Act") since the end of the fiscal year covered by the annual report referred to in (a) above.

(c) The description of the Company's Common Stock contained in the Company's Registration Statement on Form S-7, Registration No. 2-67752, and the description of the Company's Rights to purchase Common Stock contained in the Company's Registration Statement on Form 8-A, filed pursuant to the 1934 Act on November 28, 1986 and Current Reports on Form 8-K dated July 3, 1990 and October 18, 1990, including any amendment or report filed for the purpose of updating such descriptions.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the 1934 Act, subsequent to the date hereof and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed hereby incorporated by reference in this Registration Statement and to be a part hereof from the date of filing of such documents.

ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

The legality of the Common Stock and Rights to be issued upon exercise of the options granted or to be granted under the 1994 Non-Qualified Stock Option Plan for Non-Employee Directors will be passed upon for the Company by Brown, Rudnick, Freed & Gesmer, One Financial Center, Boston, Massachusetts 02111. Donald E. Paulson, Secretary of the Company, is a member of Brown, Rudnick, Freed & Gesmer. Mr. Paulson and other members and associates of such firm own a nominal number of shares of Common Stock of the Company.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of the State of Delaware ("Section 145") authorizes a corporation to indemnify directors, officers, employees or agents of the corporation in civil suits if such party acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, as determined in accordance with the Delaware General Corporation Law. Section 145 requires indemnification if the party in question is successful on the merits or otherwise. With respect to derivative suits, a person may not be indemnified if she or he has been adjudged to be liable to the corporation, unless a court determines that such person is entitled to indemnification.

Section 145 permits the advancement of advances upon receipt of an undertaking to repay such amount if it shall ultimately be determined that such parties are not entitled to be indemnified.

As permitted under Section 145, the Company's Certificate of Incorporation, as amended, and By-Laws, as amended, authorize the Company to indemnify directors and officers against "Expenses" incurred in connection with the defense or disposition of any "Proceeding" by or in the name of the Company or any stockholder if the

director or officer acted in good faith, and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Company, except that the Company may not indemnify a director or officer with respect to any matters as to which such director or officer has been adjudicated liable for negligence or misconduct in the performance of his duty to the Company, unless, and only to the extent that, the court deciding the action determines that such a director or officer is entitled to indemnification. The term "Expenses" is defined in the Company's By-Laws as liabilities, including but not limited to amounts paid in satisfaction of judgments, in compromises or as fines or penalties, and expenses, including reasonable attorneys' and accounting fees. "Proceeding" is defined to include any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and any claim which could be the subject of such proceeding.

The Company's Certificate of Incorporation, as amended, also provides that a director shall be liable to the extent provided by applicable law (i) for breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. Except as set forth in the foregoing sentence, however, no director shall be personally liable to the Company or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable.

ITEM 8. EXHIBITS.

- (4) Instruments defining the rights of security holders, including indentures.
 - (a) Specimen Certificate of Common Stock (Filed as Exhibit 4(a) to Registration Statement on Form S-1 (Registration No. 2-25197)).*
 - (b) Composite Certificate of Incorporation dated May 26, 1966 as amended March 21, 1967 and October 27, 1967 (Filed as Exhibits 3(a), (b) and (c) to Registrant's Registration Statement on Form S-1 (Registration No. 2-27685))* , October 6, 1978 (Filed as Exhibit A to Proxy Statement dated July 27, 1978)*, October 22, 1979 (Filed as Exhibit (a)(3)(3) to Annual Report on Form 10-K for fiscal year ended March 31, 1981)*, September 30, 1981 (Filed as Exhibit 20(b) to Quarterly Report on Form 10-Q for quarter ended September 30, 1981)*, February 8, 1983 (Filed as Exhibit 19(a) to Quarterly Report on Form 10-Q for quarter ended December 31, 1983)*, December 3, 1985 (Filed as Exhibit 3(a) to Annual Report on Form 10-K for the year ended March 31, 1986)* and October 20, 1986 (Filed as Exhibit 3(a) to Annual Report on Form 10-K for the year ended March 31, 1987)*.
 - (c) Amended and Restated By-Laws of the Registrant dated April 30, 1992 (Filed as Exhibit 3(b) to the Annual Report on Form 10-K for the year ended March 29, 1992)*.

*Not filed herewith. In accordance with Rule 411 promulgated pursuant to the Securities Act of 1933, as amended, reference is made to the documents previously filed with the Commission, which are incorporated by reference herein.

(d) Amended and Restated Rights Agreement dated as of November 24, 1986, as amended and restated July 3, 1990 and as further amended September 9, 1990 and September 24, 1990, between Registrant and The First National Bank of Boston, as Rights Agent (the July 3, 1990 restatement and the September 9, 1990 and September 24, 1990 amendments were filed as Exhibit 4 to the Current Report on Form 8-K dated July 3, 1990 and Exhibits 4(a) and 4(b) to the Current Report on Form 8-K dated September 18, 1990, respectively).*

(5) Opinion regarding legality.

(a) Legal Opinion of Brown, Rudnick, Freed & Gesmer.

(23) Consent of experts and counsel

(a) Consent of Independent Auditors.

(b) Consent of Brown, Rudnick, Freed & Gesmer is contained within their legal opinion filed as Exhibit (5)(a) hereof.

(24) Power of Attorney

(99) The Registrant's 1994 Non-Qualified Stock Option Plan for Non-Employee Directors.

ITEM 9. UNDERTAKINGS.

A. The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement.

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change in such information in the Registration Statement.

Provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the Registration Statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

*Not filed herewith. In accordance with Rule 411 promulgated pursuant to the Securities Act of 1933, as amended, reference is made to the documents previously filed with the Commission, which are incorporated by reference herein.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described under "Item 6-- Indemnification of Directors and Officers" above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

THE REGISTRANT

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned thereunto duly authorized in the City of Woburn, Commonwealth of Massachusetts on the 17th day of October, 1995.

Alpha Industries, Inc.
(Registrant)

BY: /s/Martin J. Reid

Martin J. Reid, President and
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated:

Signature -----	Title -----	Date -----
/s/George S. Kariotis ----- George S. Kariotis	Director	October 17, 1995
/s/Arthur Pappas ----- Arthur Pappas	Director	October 17, 1995
/s/Martin J. Reid ----- Martin J. Reid	Director, President and Chief Executive Officer (Principal Executive Officer)	October 17, 1995
/s/Raymond Shamie ----- Raymond Shamie	Director	October 17, 1995
/s/Sidney Topol ----- Sidney Topol	Director	October 17, 1995
/s/David Aldrich ----- David Aldrich	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	October 17, 1995
/s/Paul E. Vincent ----- Paul E. Vincent	Controller (Principal Accounting Officer)	October 17, 1995

EXHIBIT INDEX

EXHIBIT NO.

PAGE NO.

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 - (d) Amended and Restated Rights Agreement dated as of November 24, 1986, as amended and restated July 3, 1990 and as further amended September 9, 1990 and September 24, 1990, between Registrant and The First National Bank of Boston, as Rights Agent (the July 3, 1990 restatement and the September 9, 1990 and September 24, 1990 amendments were filed as Exhibit 4 to the Current Report on Form 8-K dated July 3, 1990 and Exhibits 4(a) and 4(b) to the Current Report on Form 8-K dated September 18, 1990, respectively).*
- (5) Opinion regarding legality.
- (a) Legal Opinion of Brown, Rudnick, Freed & Gesmer.

*Not filed herewith. In accordance with Rule 411 promulgated pursuant to the Securities Act of 1933, as amended, reference is made to the documents previously filed with the Commission, which are incorporated by reference herein.

(23) Consent of experts and counsel

(a) Consent of Independent Auditors.

(b) Consent of Brown, Rudnick, Freed & Gesmer
is contained within their legal opinion
filed as Exhibit (5)(a) hereof.

(24) Power of Attorney

(99) The Registrant's 1994 Non-Qualified Stock Option Plan for
Non-Employee Directors.

*Not filed herewith. In accordance with Rule 411 promulgated pursuant to the Securities Act of 1933, as amended, reference is made to the documents previously filed with the Commission, which are incorporated by reference herein.

October 18, 1995

Alpha Industries, Inc.
20 Sylvan Road
Woburn, MA 01801

RE: Alpha Industries, Inc.
Registration Statement on Form S-8

Ladies and Gentlemen:

We have acted as legal counsel to Alpha Industries, Inc., a Delaware corporation (the "Company"), in connection with the preparation and filing with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act"), of a Registration Statement on Form S-8 (the "Registration Statement") relating to 50,000 shares (the "Shares") of the Company's Common Stock, \$.25 par value ("Common Stock") and 50,000 Rights (as defined below).

The Shares are issuable upon exercise of options granted or to be granted pursuant to the Alpha Industries, Inc. 1994 Non-Qualified Stock Option Plan for Non-Employee Directors (the "Plan"), and the Rights are issuable pursuant to that certain Amended and Restated Rights Agreement, dated as of November 20, 1986, as amended and restated July 3, 1990 and as amended through Amendment No. 2 dated September 24, 1990 (the "Rights Agreement"), providing for the delivery of a right (a "Right") to purchase one share of Common Stock, along with each share of Common Stock issued by the Company pursuant to, among other things, the Plan.

In connection with this Opinion Letter, we have examined the documents listed on Schedule A attached hereto (collectively, the "Documents").

We have not made any independent review or investigation of orders, judgments, rules or other regulations or decrees by which the Company or any of its property may be bound, nor have we made any independent investigation as to the existence of actions, suits, investigations or proceedings, if any, pending or threatened against the Company.

With your concurrence, the opinions hereafter expressed, whether or not qualified by language such as "to our knowledge," are based solely upon (1) our review of the Documents and (2) such review of published sources of law as we have deemed necessary.

Alpha Industries, Inc.
October 18, 1995
Page 2

This firm, in rendering legal opinions, customarily makes certain assumptions which are described in Schedule B hereto. In the course of our representation of the Company in connection with the Registration Statement, nothing has come to our attention which causes us to believe reliance upon any of those assumptions is inappropriate and, with your concurrence, the opinions hereafter expressed are based upon those assumptions. For purposes of those assumptions, the Enumerated Party referred to in Schedule B is the Company.

Our opinions hereafter expressed are limited to the laws of the Commonwealth of Massachusetts, Federal law and the General Corporation Law of the State of Delaware.

We express no legal opinion upon any matter other than as explicitly addressed in numbered paragraphs 1 and 2 below, and our express opinions therein contained shall not be interpreted to be implied opinions upon any other matter.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Shares have been duly authorized, and when issued in accordance with the terms of the Plan, will be validly issued, fully paid and nonassessable.
2. The Rights have been duly authorized, and when issued in accordance with the Rights Agreement, will be validly issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion as Exhibit 5(a) to the Registration Statement and to the reference to this firm wherever it appears in the Registration Statement.

Very truly yours,

BROWN, RUDNICK, FREED & GESMER

By: Brown, Rudnick, Freed
& Gesmer, P.C., a partner

By: /s/ Steven R. London

Steven R. London, a member duly authorized

SRL/DHM/JGN/mc

SCHEDULE A

LIST OF DOCUMENTS

In connection with the Opinion Letter to which this Schedule A is attached, we have reviewed the Documents set forth below. However, except as otherwise expressly indicated, we have not reviewed any other documents, instruments or agreements referred to in or listed upon any of the following Documents.

(i) the Certificate of Incorporation of the Company, as amended, as certified by the Secretary of State of the State of Delaware, and a certificate of the Secretary of the Company to the effect that there have been no further amendments thereto;

(ii) a copy of the Amended and Restated By-laws of the Company, certified by the Secretary of the Company as presently being in effect;

(iii) copies of certain votes of the board of directors of the Company, certified by the Secretary of the Company as presently being in effect;

(iv) a certificate dated as of a recent date of the Secretary of State of the State of Delaware as to the good standing of the Company;

(v) the Plan;

(vi) the Rights Agreement;

(vii) the Registration Statement; and

(viii) a letter dated October 17, 1995 from The First National Bank of Boston, the Company's registrar and transfer agent, as to the issued and outstanding shares of the Company.

SCHEDULE B

BROWN, RUDNICK, FREED & GESMER
STANDARD ASSUMPTIONS

In rendering legal opinions in third party transactions, Brown, Rudnick, Freed & Gesmer makes certain customary assumptions described below:

- 1.. Each natural person executing any of the Documents has sufficient legal capacity to enter into such Documents.
- 2.. Each person other than the Enumerated Party has all requisite power and authority and has taken all necessary corporate or other action to enter into the Documents to which it is a party or by which it is bound, to the extent necessary to make the Documents enforceable against it.
- 3.. Each person other than the Enumerated Party has complied with all legal requirements pertaining to its status as such status relates to its rights to enforce the Documents against the Enumerated Party.
- 4.. Each Document is accurate, complete and authentic, each original is authentic, each copy conforms to an authentic original and all signatures are genuine.
- 5.. All official public records are accurate, complete and properly indexed and filed.

The Board of Directors
Alpha Industries, Inc.:

We consent to the use of our report incorporated herein by reference. Our report refers to the adoption of Financial Accounting Standard Board's Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" in fiscal 1994.

/s/ KPMG Peat Marwick LLP

Boston, Massachusetts
October 13, 1995

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Martin J. Reid and David Aldrich, and each of them (with full power to each of them to act alone), his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in- fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Signature -----	Title -----	Date -----
/s/George S. Kariotis ----- George S. Kariotis	Director	October 17, 1995
/s/Arthur Pappas ----- Arthur Pappas	Director	October 17, 1995
/s/Martin J. Reid ----- Martin J. Reid	Director, President and Chief Executive Officer (Principal Executive Officer)	October 17, 1995
/s/Raymond Shamie ----- Raymond Shamie	Director	October 17, 1995
/s/Sidney Topol ----- Sidney Topol	Director	October 17, 1995
/s/David Aldrich ----- David Aldrich	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	October 17, 1995
/s/Paul E. Vincent ----- Paul E. Vincent	Controller (Principal Accounting Officer)	October 17, 1995

ALPHA INDUSTRIES, INC.

1994 NON-QUALIFIED STOCK OPTION PLAN

FOR NON-EMPLOYEE DIRECTORS

1. Purpose. The appropriate purpose of this 1994 Non-Qualified Stock

Option Plan for Non-Employee Directors is to attract and retain the services of experienced and knowledgeable independent directors of the Corporation for the benefit of the Corporation and its stockholders and to provide additional incentives for such independent directors to continue to work for the best interests of the Corporation and its stockholders through continuing ownership of its common stock.

2. Definitions. As used herein, each of the following terms has the

indicated meaning:

"Annual Meeting" means the Corporation's annual meeting of stockholders or special meeting in lieu of annual meeting of stockholders at which one or more directors are elected.

"Board" means the Board of Directors of the Corporation.

"Commencement Date" means the date of the first Annual Meeting following the approval of the Plan by the Board.

"Corporation" means Alpha Industries, Inc.

"Fair Market Value" means the closing sale price quoted on the American Stock Exchange or such other national securities exchange or automated quotation system on which the Shares may be traded or quoted on the date of the granting of the Option.

"Non-Employee Director" means a person who, as of any applicable date, is a member of the Board and is not an officer or employee of the Corporation or any subsidiary of the Corporation.

"Option" means the contractual right to purchase Shares upon the specific terms set forth in this Plan.

"Option Exercise Period" means the period commencing one (1) year after the date of grant of an Option pursuant to this Plan and ending ten years from the date of grant.

"Plan" means this Alpha Industries, Inc. 1994 Non-Qualified Stock Option Plan for Non-Employee Directors.

"Shares" means the Common Stock, \$.25 par value, of the Corporation.

"Subsidiary" means any corporation in an unbroken chain of corporations beginning with the Corporation if, at the time of grant of the Option, each of the corporations other than the last in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

3. Stock Subject to the Plan. The aggregate number of Shares that may be

issued and sold under the Plan shall be 50,000. The Shares to be issued upon exercise of Options granted under this Plan shall be made available, at the discretion of the Board, from (i) treasury Shares and Shares reacquired by the Corporation for such purposes, including Shares purchased in the open market, (ii) authorized but unissued Shares, and (iii) Shares previously reserved for issuance upon exercise of Options which have expired or been terminated. If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, the unpurchased Shares covered thereby shall become available for grant under additional Options under the Plan so long as it shall remain in effect.

4. Administration of the Plan. The Plan shall be administered by the

Board. The Board shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of the Plan and any Option issued under the Plan (and any agreement relating thereto) and to otherwise supervise the administration of the Plan.

5. Eligibility; Grant of Option. On the Commencement Date, each Non-

Employee Director shall be granted an Option to purchase 5,000 Shares. In addition, upon initial election or appointment as a Non-Employee Director, immediately following the Annual Meeting at which such Non-Employee Director is first elected by the stockholders, each Non-Employee Director shall be granted an Option to purchase 5,000 Shares.

6. Terms of Options and Limitations Thereon.

(a) Option Agreement. Each Option granted under this Plan shall be

evidenced by an Option agreement between the Corporation and the Option holder and shall be upon such terms and conditions, not inconsistent with this Plan, as the Board may determine.

(b) Price. The price at which any Shares may be purchased pursuant

to the exercise of an Option shall be the greater of the Fair Market Value of the Shares on the date of grant or four dollars (\$4.00).

(c) Exercise of Option. Each Option granted under this Plan may be

exercised as follows:

(i) beginning on the first anniversary of the date of grant, for up to 20% of the Shares covered by the Option; and

(ii) beginning on each anniversary of the date of grant thereafter, for up to an additional 20% of such Shares for each additional year, until, on the fifth anniversary of the date of grant, the Option may be exercised as to 100% of the Shares covered by the Option, until the expiration of the Option Exercise Period.

Options may be exercised in whole, or in part, from time to time, only during the Option Exercise Period, by the giving of written notice, signed by the holder of the Option, to the Corporation stating the number of Shares with respect to which the Option is being exercised, accompanied by full payment for such Shares pursuant to section 7(a) hereof; provided however, (i) if a person to whom an Option has been granted ceases to be a Non-Employee Director during the Option Exercise Period by reason of retirement, death or any reason, other than termination for cause, such Option shall be exercisable by him or her or by the executors, administrators, legatees or distributees of his or her estate until the earlier of (A) the end of the Option Exercise Period or (B) 36 months following his or her retirement or death or the date on which he or she ceased to be a Non-Employee Director; and (ii) if a person to whom an Option has been granted ceases to be a Non-Employee Director of the Corporation by reason of termination for cause, such Option shall terminate as of the date such person ceased to be a Non-Employee Director. Termination for cause shall be defined as termination on account of any act of (i) fraud or intentional misrepresentation, or (ii) embezzlement, misappropriation or conversion of assets or opportunities of the Corporation or any Subsidiary.

(d) Non-Assignability. No Option, or right or interest in an Option,

shall be assignable or transferable by the holder, except by will, the laws of descent and distribution or pursuant to a qualified domestic relations order (as defined in the Internal Revenue Code of 1986, as amended, or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder), and during the lifetime of the holder shall be exercisable only by him or her.

7. Payment.

(a) The purchase price of Shares upon exercise of an Option shall be paid by the Option holder in full upon exercise, and may be paid (i) in cash, (ii) by delivery of Shares, or (iii) any combination of cash and Shares, as the Board may determine.

(b) No Shares shall be issued or transferred upon exercise of any Option under this Plan unless and until all legal requirements applicable to the issuance or transfer of such Shares, and such other requirements as are consistent with the Plan, have been complied with to the satisfaction of the Board, including without limitation those described in Paragraph 10 hereof.

8. Stock Adjustments.

(a) If the Corporation is a party to any merger or consolidation, any purchase or acquisition of property or stock, or any separation, reorganization or liquidation, the Board (or,

if the Corporation is not the surviving corporation, the board of directors of the surviving corporation) shall have the power to make arrangements, which shall be binding upon the holders of unexpired Options, for the substitution of new options for, or the assumption by another corporation of, any unexpired Options then outstanding hereunder.

(b) If by reason of recapitalization, reclassification, stock split, combination of shares, separation (including a spin-off) or dividend on the stock payable in Shares, the outstanding Shares of the Corporation are increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Corporation, the Board shall conclusively determine the appropriate adjustment in the exercise prices of outstanding Options and in the number and kind of shares as to which outstanding Options shall be exercisable.

(c) In the event of a transaction of the type described in paragraphs (a) and (b) above, the total number of Shares on which Options may be granted under this Plan shall be appropriately adjusted by the Board.

9. Change of Control Provisions.

(a) Notwithstanding any other provision of the Plan to the contrary, in the event of a Change of Control, any Options outstanding as of the date such Change of Control is determined to have occurred and not then exercisable shall become fully exercisable to the full extent of the original grant.

(b) A "Change in Control" shall mean:

(i) there shall have been consummated (a) any consolidation or merger of the Corporation in which the Corporation is not the continuing or surviving entity pursuant to which the Shares are converted into cash, securities or other property, other than a merger of the Corporation in which the ownership by the Corporation's stockholders of the securities in the surviving entity is in the same proportion as the ownership by the Corporation's stockholders of the stock in the Corporation immediately prior to the merger or (b) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation; or

(ii) the stockholders of the Corporation have approved any plan or proposal for the liquidation or dissolution of the Corporation; or

(iii) any person (as that term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) has become the beneficial owner (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of 30% or more of the Corporation's outstanding Shares; or

(iv) that during any period of two consecutive years, individuals who, at the beginning of such period, constitute the entire Board shall cease, for any reason, to constitute a majority thereof, unless the election, or the nomination for election by the Corporation's

stockholders, of each new director was approved by a vote of at least three-quarters of the directors then still in office who were directors at the beginning of the period.

10. No Rights Other Than Those Expressly Created. No person affiliated

with the Corporation or any Subsidiary or other person shall have any claim or right to be granted an Option hereunder. Neither this Plan nor any action taken hereunder shall be construed as (i) giving any Option holder any right to continue to be affiliated with the Corporation, (ii) giving any Option holder any equity or interest of any kind in any assets of the Corporation, or (iii) creating a trust of any kind or a fiduciary relationship of any kind between the Corporation and any such person. No Option holder shall have any of the rights of a stockholder with respect to Shares covered by an Option, until such time as the Option has been exercised and Shares have been issued to such person.

11. Miscellaneous.

(a) Withholding of Taxes. Pursuant to applicable Federal, state,

local or foreign laws, the Corporation may be required to collect income or other taxes upon the grant of an Option to, or exercise of an Option by, a holder. The Corporation may require, as a condition to the exercise of an Option, that the recipient pay the Corporation, at such time as the Board determines, the amount of any taxes which the Board may determine is required to be withheld.

(b) Securities Law Compliance. Upon exercise of an Option, the

holder shall be required to make such representations and furnish such information as may, in the opinion of counsel for the Corporation, be appropriate to permit the Corporation to issue or transfer the Shares in compliance with the provisions of applicable federal or state securities laws. The Corporation, in its discretion, may postpone the issuance and delivery of Shares, upon any exercise of an Option, until completion of such registration or other qualification of such Shares under any federal or state laws, or stock exchange listing, as the Corporation may consider appropriate. The Corporation intends to register or qualify the Shares under federal and state securities laws, but is not obligated to register or qualify the Shares under such laws and may refuse to issue such Shares if neither registration nor exemption therefrom is practical. The Board may require that prior to the issuance or transfer of any Shares upon exercise of an Option, the recipient enter into a written agreement to comply with any restrictions on subsequent disposition that the Board or the Corporation deems necessary or advisable under any applicable federal and state securities laws. Certificates representing the Shares issued hereunder may be legended to reflect such restrictions.

(c) Compliance with Rule 16b-3. With respect to a person subject to

Section 16 of the 1934 Act, transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors ("Rule 16b-3") under the 1934 Act, including maintaining the status of the Non-Employee Directors as "disinterested persons" under Rule 16b-3. To the extent any provision of the Plan or action by the administrators of the Plan fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the administrators of the Plan.

(d) Indemnity. The Board shall not be liable for any act, omission,

interpretation, construction or determination made in good faith in connection with their responsibilities with respect to the Plan, and the Corporation hereby agrees to indemnify the members of the Board, in respect of any claim, loss, damage, or expense (including counsel fees) arising from any such act, omission, interpretation, construction or determination, to the full extent permitted by law.

(e) Options Not Deemed Incentive Stock Options. Options granted

under the Plan shall not be deemed incentive stock options as that term is defined in Section 422 of the Internal Revenue Code of 1986, as amended.

12. Effective Date; Amendment; Termination.

(a) The effective date of this Plan shall be the date of the approval of stockholders of the Corporation holding at least a majority of the voting stock of the Corporation present or represented and entitled to vote at a meeting of the stockholders.

(b) The date of grant of any Option granted hereunder shall be the date upon which such Option shall be voted by the Board, unless the vote expressly otherwise provides.

(c) The Board may at any time, and from time to time, amend, suspend or terminate this Plan in whole or in part. Provided, however, that so long as there is a requirement under Rule 16b-3 for stockholder approval of the Plan and certain amendments thereto, any such amendment which (i) materially increases the number of Shares which may be subject to Options granted under the Plan, (ii) materially increases the benefits accruing to participants in the Plan, or (iii) materially modifies the requirement for eligibility to participate in the Plan, shall be subject to stockholder approval; and provided, further, that the provisions of this Plan relating to the amount and price of securities to be awarded and the timing of such awards may not be amended more than once every six months, other than to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, or the rules thereunder. However, except as provided herein, no amendment, suspension or termination of this Plan may affect the rights of any person to whom an Option has been granted without such person's consent.

(d) This Plan shall terminate ten years from its effective date, and no Option shall be granted under this Plan thereafter, but such termination shall not affect the validity of Options granted prior to the date of termination.

Date of Board of Directors Adoption: July 14, 1994

Date of Stockholders Approval: September 12, 1994