

THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re)	Chapter 11
FANSTEEL INC., et al., ¹)	Case No. 02-10109 ()
)	(Jointly Administered)
Debtors.)	

**NOTICE OF ENTRY OF ORDER AUTHORIZING DEBTORS TO PAY
(i) PRE-PETITION COMMISSIONS, CONSULTING FEES, EMPLOYEE WAGES,
SALARIES, AND CONTRIBUTIONS TO 401(k) AND OTHER EMPLOYEE BENEFIT
PLANS, INCLUDING WORKERS COMPENSATION PLANS, (ii) REIMBURSEMENT
OBLIGATIONS ON ACCOUNT OF CERTAIN PRE-PETITION BUSINESS EXPENSES,
AND (iii) ALL COSTS AND EXPENSES INCIDENT TO THE FOREGOING
PAYMENTS AND CONTRIBUTIONS IN THE ORDINARY COURSE OF BUSINESS**

PLEASE TAKE NOTICE that on January 17, 2002, the United States Bankruptcy Court for the District of Delaware entered a Order on the **Motion For Order Authorizing Debtors To Pay (i) Pre-Petition Commissions, Consulting Fees, Employee Wages, Salaries, And Contributions To 401(K) And Other Employee Benefit Plans, Including Workers Compensation Plans, (ii) Reimbursement Obligations On Account Of Certain Pre-Petition Business Expenses, And (iii) All Costs And Expenses Incident To The Foregoing Payments And Contributions In The Ordinary Course Of Business** (the "Order"). A true and correct copy of the Order is attached hereto.

¹ The Debtors are the following entities: Fansteel, Inc., Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., American Sintered Technologies, Inc., and Fansteel Schulz Products, Inc.
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PLEASE TAKE NOTICE that all banks and other financial institutions (listed on Exhibit A) are required to honor all outstanding checks on employee wages and salaries, contractual compensation, benefits, commissions for independent contractors, consulting fees, and reimbursement obligations for employees.

Dated: January 18, 2002

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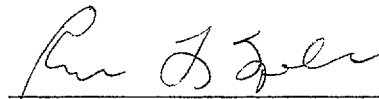
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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
FANSTEEL INC., et al.,¹) Case No. 02-10109 ()
) (Jointly Administered)
Debtors.)
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ORDER AUTHORIZING DEBTORS TO PAY (i) PRE-PETITION COMMISSIONS, CONSULTING FEES, EMPLOYEE WAGES, SALARIES, AND CONTRIBUTIONS TO 401(k) AND OTHER EMPLOYEE BENEFIT PLANS, INCLUDING WORKERS' COMPENSATION PLANS, (ii) REIMBURSEMENT OBLIGATIONS ON ACCOUNT OF CERTAIN PRE-PETITION BUSINESS EXPENSES, AND (iii) ALL COSTS AND EXPENSES INCIDENT TO THE FOREGOING PAYMENTS AND CONTRIBUTIONS IN THE ORDINARY COURSE OF BUSINESS

Upon the motion ("Motion"),² of Fansteel Inc., a Delaware corporation, and its direct and indirect subsidiaries ("Subsidiaries"), Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., American Sintered Technologies, Inc., and Fansteel Schulz Products, Inc., debtors and debtors-in-possession herein (each a "Debtor" and, collectively, the "Debtors"), for an order under 11 U.S.C. §§ 105(a), 363, 364, and 507, (i) authorizing Fansteel to pay and to incur certain intercompany indebtedness for the payment of (a) pre-petition employee wages, salaries, contractual compensation, and benefits, (b) pre-petition commissions for independent contractors, (c) pre-petition consulting fees, (d) reimbursement obligations on account of certain

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² Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Motion.

pre-petition employee and/or independent contractors business expenses, and (e) all costs and expenses incident to the foregoing (including payroll-related taxes and processing costs), and (ii) authorizing and directing the Payroll Banks and other financial institutions to receive, process, honor, and pay all related checks drawn on the Debtors' operating account; and this Court having determined that granting the relief requested in the Motion is in the best interests of Debtors, their estate, and their creditors; and it appearing that notice of the Motion was good and sufficient under the circumstances and that no other or further notice is necessary; and upon the record of the case; and after due deliberation; and good and sufficient cause appearing therefor, it is hereby

ORDERED, that the Motion is granted; and it is further

ORDERED, that Debtors are authorized and empowered, but not directed, to pay and to incur post-petition intercompany indebtedness on an unsecured administrative basis, for the payment of Pre-Petition Compensation Claims that accrued but remained unpaid as of the Petition Date, in accordance with Debtors' stated policies with respect thereto, and, to the extent set forth in the Motion, and it is further

ORDERED, that the employees shall be paid for accrued vacation time as of the Petition Date that is used by such employees post-petition in accordance with Debtors' stated policies with respect thereto, but shall not be paid for accrued but unused vacation time, as set forth in the Motion; and it is further

ORDERED, that Debtors are authorized and empowered to pay and to incur intercompany post-petition indebtedness on an unsecured administrative basis for the payment of Pre-Petition Payroll Incidental Costs; and it is further

ORDERED, that Debtors are authorized and empowered to pay and to incur intercompany post-petition indebtedness on an unsecured administrative basis for the maintenance of Debtors' Workers' Compensation Policy and programs; and it is further

ORDERED, that the Payroll Bank is authorized to receive, process, honor, and pay any and all checks, wires, and drafts drawn on Debtors' payroll and operating accounts in respect of Pre-Petition Compensation Claims and Pre-Petition Payroll Incidental Costs, as identified by Debtors, whether such checks, wires, and drafts were presented prior to or after the Petition Date, provided that sufficient funds are available in the applicable accounts to make such payments.

Dated: Jan. 12, 2002



Judge

EXHIBIT A

The DEBTORS' BANK ACCOUNTS

<u>NAME/ADDRESS OF BANK</u>	<u>NAME</u>	<u>ACCOUNT NUMBER</u>
THE NORTHERN TRUST COMPANY 50 SOUTH LA SALLE STREET CHICAGO, IL 60675		
	MAIN ACCOUNT	74764
	LOCKBOX	75183 for Wellman 91124 for AST 91298 Hydro Carbide 91303 Plantsville 91341 Lexington
	DISBURSEMENTS	301-74764 for Corporate A&S 302-74764 for Fansteel, Inc. Corporate Headquarter's AP 306-74764 for Wellman AP 307-74764 for AST AP 308-74764 for Plantsville AP 309-74764 for Hydro AP 310-74764 for Plantsville P/R Direct Deposit 311-74764 for Lexington AP 312-74764 for Metals AP 313-74764 for CDF P/R

		Direct Deposit 314-74764 for GBU Health Insurance 315-74764 for Washington Mfg. P/R Direct Deposit 316-74764 for Corporate P/R Direct Deposit
AMERICAN NATIONAL BANK 1201 S. MILWAUKEE AVENUE LIBERTYVILLE, IL 60048		
	MAIN ACCOUNT	18080308
	LOCKBOX	2646 for CDF 7995 for Escast 7996 for Washington Mfg. 72063 for Schulz
	DISBURSEMENTS	18080278 for Escast AP 18080294 for Washington AP 18081290 for Washington Sal P/R 18081304 for Washington Hrly P/R 18081568 for CDF A/P 18081576 for CDF P/R 18082912 for Schulz A/P

		5300011495 for Schulz P/R
M & I BANK 770 N. WATER STREET MILWAUKEE, WI 53202		
	MAIN ACCOUNT	001-49-7859
	LOCKBOX	0010804
	DISBURSEMENTS	0014-97870 for Escast 0014-97903 for Washington 00014-97881 for CDF 00014-97892 for Schultz
	Money Market Account	Marshall Money Market Fund
BANK OF WAUKEGAN 1601 N. LEWIS AVENUE WAUKEGAN, IL 60085		
	MAIN ACCOUNT	01955426
	LOCKBOX	None
	DISBURSEMENTS	Payroll – Muskogee and Corporate
	Receipts, disbursements and payroll	019766026
	Receipts and disbursements	01976026 01975978 01975986 01975994 01976018 01976000
	Health insurance disbursements	01976083
Mellon Bank 2841 Ligonier Street Latrobe, PA 15650		

	Payroll	1465820 for Hydro Carbide
Hancock Bank P.O. Box 4019 Gulfport, MS 39502		
	Payroll	01-0101494 for Hydro Carbide
Bank of Mississippi 760 Howard Avenue Biloxi, MS 39530		
	Petty Cash	06582837 for Hydro Carbide
Bank One Lesstown Rd 103 Lexington, KY 40575		
	Payroll	261379147 for Lexington
		2135-439-0104 for Escast
Iowa State Savings Bank Creston, IA 50801		
	Payroll	152595 for Wellman
National City Bank of PA 116 Allegheny Center Mall Pittsburgh, PA 15212-5356		
	Payroll	239732043 for AST
Chase Bank 200 S. 10 th St. McAllen TX 78501		
	Petty Cash	85808720641 for Escast
Wilmington Trust Rodney Square North 1100 N. Market Street Wilmington, DE 19890-0001		
	Disbursements	27344 for Fansteel Holdings, Inc.