

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
FANSTEEL INC., *et al.*,<sup>1</sup> ) Case No. 02-10109 ( )  
) (Jointly Administered)  
Debtors. )  
)  
)  
)

Objections due by: February 1, 2002 at 4:00 P.M.  
Hearing Date: Only if Objections are timely filed

**NOTICE OF ENTRY OF ORDER ON MOTION OF THE DEBTORS  
FOR AN ORDER (A) AUTHORIZING CONTINUED USE OF EXISTING CASH  
MANAGEMENT SYSTEM, EXISTING BANK ACCOUNTS, AND BUSINESS FORMS  
AND (B) WAIVING CERTAIN INVESTMENT AND DEPOSIT REQUIREMENTS  
UNDER 11 U.S.C. §§ 105, 345(b), 363, 364(a), AND 364(b)**

PLEASE TAKE NOTICE that on January 17, 2001, the United States  
Bankruptcy Court for the District of Delaware entered an order on the **Motion For Order (A)  
Authorizing Continued Use Of Existing Cash Management System, Existing Bank  
Accounts, And Business Forms And (B) Waiving Certain Investment And Deposit  
Requirements Under 11 U.S.C. §§ 105, 345(b), 363, 364(a), and 364(b)** (the "Cash  
Management Order"). A copy of the Cash Management Order is attached hereto as Exhibit A.

<sup>1</sup> 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 responses or objections, if any, to the Cash Management Order must be in writing and be filed with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801 (the "Bankruptcy Court") on or before February 1, 2002 at 4:00 p.m. Eastern Time (the "Objection Deadline"). Objections or other responses, if any, must also be served so that they are received by no later than the Objection Deadline by (i) counsel for the Debtors, Jeffrey Sabin, Esquire, Shulte Roth & Zabel, LLP, 919 Third Avenue, New York, New York 10022 (fax number 212-593-5955); (ii) co-counsel for the Debtors, Laura Davis Jones, Esquire, Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (fax number 302-652-4400); (iii) the Office of the United States Trustee, Attn: David Buckbinder, Esquire, J. Caleb Boggs Federal Building, 844 N. King Street, Suite 2313, Lock Box 35, Wilmington, Delaware 19801 (fax number 302-573-6491); and (iv) counsel to the Official Committee of Unsecured Creditors (if any).

**IF NO OBJECTIONS ARE TIMELY FILED AND SERVED IN ACCORDANCE**

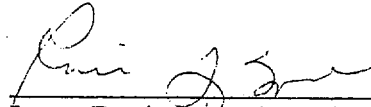
WITH THIS NOTICE THIS ORDER WILL BECOME FINAL WITHOUT FURTHER  
NOTICE OR HEARING.

Dated: January 17, 2002

SCHULTE, ROTH & ZABEL LLP  
Jeffrey S. Sabin (JSS 7600)  
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and

PACHULSKI, STANG, ZIEHL, YOUNG & JONES P.C.



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Laura Davis Jones (Bar No. 2436)  
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[Proposed] Counsel for Fansteel Inc., et al.  
Debtors and Debtors In Possession

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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

**ORDER AUTHORIZING MAINTENANCE OF CASH MANAGEMENT  
SYSTEM, BANK ACCOUNTS, BUSINESS FORMS, AND DEVIATION FROM  
DEPOSIT AND INVESTMENT GUIDELINES SET FORTH IN 11 U.S.C. § 345(b)**

Upon the motion (the "Motion")<sup>2</sup> of Fansteel Inc., a Delaware corporation, and its 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"), by and through their counsel, Schulte Roth & Zabel LLP, hereby move this Court for an order ("Order") (i) permitting continued use of the Debtors' cash management system, (ii) waiving certain requirements of the U.S. Trustee Guidelines to the extent necessary to permit the Debtors continued use of their existing bank accounts and cash management system, and (iii) permitting the Debtors to deviate from the deposit and investment guidelines set forth in 11 U.S.C. § 345(b); and this Court having determined that granting the relief requested in the Motion is in the best interest of the Debtors,

<sup>1</sup> 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.

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

their respective estate, and their respective creditors; and it appearing that notice of the Motion was good and sufficient under the particular 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 the Debtors are authorized to continue the use of their cash management system as described in the Motion, and as may be required for the continued operation of the cash management system; and it is further

ORDERED, that NT and M&I are hereby directed to remit to the Debtors any and all amounts received by NT and/or M&I on behalf of the Debtors on or after the Petition Date; and it is further

ORDERED, that the Debtors are authorized and empowered to incur post-petition intercompany indebtedness on an unsecured administrative basis, as described in the Motion; and it is further

ORDERED, that the Debtors are authorized to maintain, in their discretion, their pre-petition bank accounts as set forth in the Motion (collectively, the "Accounts"); and it is further

ORDERED, that the Accounts shall be treated for all purposes as accounts of the Debtors, in their capacity as debtors in possession; and it is further

ORDERED, that the Debtors are authorized to use, in the same manner and with the same account numbers, styles, and document forms, the checks, documents, and other stock

related to the Accounts as were used during the pre-petition period without the designation "Debtor in Possession" imprinted on them; provided, however, that once the Debtors' existing supplies of checks are exhausted the Debtors shall use checks marked "DIP" or "Debtor in Possession;" and it is further

ORDERED, that all banks providing and maintaining Accounts be (i) authorized and directed to service and administer the Accounts without interruption and in the usual and ordinary course (unless otherwise instructed in writing or orally by the Debtors), (ii) prohibited from exercising any claimed rights of setoff or offset of funds in such Accounts, freezing, or otherwise impeding the use, transfer of, or access to, any funds in the Accounts, subject to further orders of this Court, and (iii) directed to receive, process, honor, and, pay all checks, wires, and drafts drawn on the Accounts on or after the Petition Date, in the ordinary course of business in the same manner as occurred during the pre-petition period; and it is further

ORDERED, that the Debtors are authorized to continue to invest their Investable Funds short term in substantially the same manner such Investable Funds were invested just prior to the Petition Date; and it is further *ORDERED that the Debtors approval of the waiver of §345(b) guidelines is limited to 30 days from entry of this Order,*  
ORDERED, that within three (3) business days of the date of entry of this order, *unless the Court orders otherwise or the U.S. Trustee consents and it is further*  
the Debtors shall serve by first-class United States mail a notice of entry of this Order upon the banks listed on Exhibit A to the Motion.

Dated: *Jan 17*, 2002

*PJA FW*  
\_\_\_\_\_  
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 <sup>th</sup> 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.