

IN THE UNITED STATES BANKRUPTCY COURT

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FOR THE DISTRICT OF DELAWARE

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

40-7580

**ORDER, UNDER 11 U.S.C. §§ 105(a), 503(b) AND 546(c), (A)
ESTABLISHING PROCEDURE FOR TREATMENT OF VALID
RECLAMATION CLAIMS AND (B) PROHIBITING THIRD
PARTIES FROM INTERFERING WITH DELIVERY OF DEBTORS' GOODS**

Upon the motion (the "Motion")² of the above-captioned debtors and debtors in possession in the chapter 11 cases seeking entry of an order (A) establishing procedure for treatment of valid reclamation claims and (B) prohibiting third parties from interfering with delivery of Debtors' goods; and it appearing that the Court has jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and this Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been given; and it appearing that the relief requested in the Motion is in the best interests of Debtors and their estates and creditors; and after due deliberation and sufficient cause appearing therefor, it is hereby

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.

² Unless otherwise indicated herein, all capitalized terms shall have the meaning provided for in the Motion.

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ORDERED that the Motion is granted; and it is further

ORDERED that the procedures outlined in the Motion for the treatment and processing of reclamation claims, including the following procedures, are hereby approved as follows:

a. any vendor asserting a claim for reclamation must satisfy all requirements entitling it to a right of reclamation under applicable state law and section 546(c)(1) of the Bankruptcy Code.

b. Debtors will file a motion, on notice to parties in interest, listing those reclamation claims, if any, which they deem to be valid pursuant to the Order requested herein.

c. absent further order of the Court, such motion shall be brought by Debtors within 90 days of the Court's entry of an order approving this Motion.

d. if Debtors fail to bring such a motion within the required period of time, any holder of a reclamation claim may bring such a motion on its own behalf, but may not bring such a motion earlier than 90 days after the Court's entry of an order approving this Motion.

e. all parties in interest shall have the right and opportunity to object to the inclusion or omission of any asserted reclamation claim in connection with such motion; and

ORDERED that except to the extent Debtors determine otherwise, Debtors are hereby authorized, but not directed, to refuse all demands for actual reclamation and return of goods; and it is further

ORDERED that any right of reclamation for all such claims is hereby denied under the terms set forth in the Motion, effective as of the Petition Date; and it is further

ORDERED that Debtors, in their sole and absolute discretion, may make goods available for pick-up by any reclaiming seller (a) who timely demands in writing reclamation of goods pursuant to section 546(c) of the Bankruptcy Code and section 2-702 of the UCC, (b)

whose goods Debtors have accepted for delivery, and (c) who properly identifies the goods to be reclaimed; and it is further

ORDERED that reclamation claimants and others are enjoined from seeking to reclaim or interfering with the delivery of goods to or by Debtors; and it is further

ORDERED that in accordance with section 362 of the Bankruptcy Code, vendors and all other third parties are not permitted to, and are hereby prohibited from, interfering in any way with the postpetition shipment or delivery of goods to or by Debtors; and it is further

ORDERED that nothing contained herein or in the Motion shall limit Debtors' ability to make payments to creditors in accordance with any other orders of this Court; and it is further

ORDERED that nothing contained herein or in the Motion shall constitute a finding, or be deemed or interpreted as an admission of any kind, that Debtors have been, or are currently, insolvent; and it is further

ORDERED, that this Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of this Order; and it is further

ORDERED, that notwithstanding the possible applicability of Fed. R. Bankr. P. 6004(g), 7062, 9014, or otherwise, the terms and conditions of this order shall be immediately effective and enforceable upon its entry.

Dated: February 21, 2002

Joseph J. Fano J
Judge