

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

13-7580

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

**ORDER AUTHORIZING DEBTORS TO MAKE ADDITIONAL
PAYMENTS TO CONGRESS FINANCIAL CORPORATION
TO BE USED AS LEGAL FEES FOR DRAFTING
DOCUMENTATION OF A DEBTOR IN POSSESSION FINANCING FACILITY**

Upon consideration of the motion seeking entry of an order authorizing the captioned debtors and debtors in possession ("Debtors") to make payments to Congress Financial Corporation ("Congress") necessary for diligence, negotiation, preparation and documentation of a debtor in possession financing facility ("Motion"); and it appearing that the relief requested is in the best interests of Debtors' estates, their creditors and other parties in interest; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and due and adequate notice of the Motion² having been given under the circumstances; and after due deliberation and cause appearing therefore; it is hereby

ORDERED that the Motion is granted; and it is further

¹ The Debtors are the following entities: Fansteel Inc.; Fansteel Holdings, Inc., Custom Technologies Corp., Scots, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., American Sintered Technologies, Inc., and Fansteel Schulz Products, Inc.

² Capitalized terms not defined herein shall have the same meaning ascribed to them in the Motion.

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ORDERED that Debtors are authorized, but not directed, in their sole discretion and without further application to the Court, to pay to Congress up to \$75,000 to be used toward legal fees for drafting legal documentation of debtor in possession financing,

PROVIDED THAT the first \$25,000 authorized to be paid by this Order only may be paid after: (1) receipt by counsel for the Official Committee of Unsecured Creditors ("Committee") of the time records of Congress' counsel supporting the Congress expense of \$25,00 in legal fees already authorized by Order of this Court, entered February 21, 2002 [District Court Docket No. 78], and (2) either the Committee has consented to such payment or, the passage, without objection, of a three days' period of time in which Committee counsel may object to the further need for funds for legal fees, and

PROVIDED FURTHER THAT, if, within the three day objection period, Committee counsel objects to Congress' further need for legal fees, then Committee counsel and Debtors' counsel shall have one business day in which to resolve such objection, and it is

PROVIDED FURTHER THAT, if such objection cannot be resolved within one business day after the Committee gives notice of such objection to the Debtors, Debtors may request an expedited hearing before the Court; and it is further

PROVIDED THAT each subsequent request for legal fees pursuant to this Order shall be for an amount not to exceed \$25,000 and shall follow the same procedure as outlined above; and it is further

ORDERED THAT, for purposes of this Order, notice shall be deemed to have been made when sent by fax to:

COMMITTEE

Frances Gecker, Esq.
Joseph D. Frank, Esq.
Freeborn and Peters
311 South Wacker Drive, Suite 3000
Chicago, IL 60606-6677
Fax: 312-360-6596

And

Adam Landis, Esq.
The Brandywine Building
1000 West Street
Suite 1410
Wilmington, DE 19801
Fax: 302-552-4295

DEBTORS

Jeffrey S. Sabin, Esq.
Mark A. Broude, Esq.
Schulte Roth & Zabel LLP
919 Third Avenue
New York, NY 10022
Fax: 212-593-5955

And

Laura Davis Jones, Esq
Pachulski, Stang, Ziehl, Young & Jones PC
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, DE 19899-8705 (Courier 19801)
Fax: 302-652-4400

ORDERED that the Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the implementation of this Order.

Dated: April 9, 2002



Judge Joseph J. Farnan Jr.
United States District Court Judge