

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

40-7580

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

[DOCKET NO. 361]

**ORDER AUTHORIZING THE DEBTORS' TO ASSUME EXECUTIVE
PROTECTION POLICIES AND APPROVING SETTLEMENT
AGREEMENT BETWEEN FEDERAL INSURANCE COMPANY AND THE DEBTORS²**

Upon consideration of the Debtors Motion For Order Authorizing The Debtors'

To Assume Certain Executive Protection Policies and Approving the Settlement Between

Federal Insurance Company and the Debtors (the "Motion"), and the Court having considered the

submissions and arguments of counsel, and the opposition thereto, if any; and it appearing that

the decision to assume the Policy and allow the Settlement is supported by Debtors' reasonable

business judgment and falls within the range of reasonableness; and it appearing that the Court

has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having

determined that granting the relief requested in the Motion is in the best interest of the Debtors,

their estates, their creditors and other parties in interest; and it appearing that notice of the

Motion has been given as set forth in the Motion, and that no other or further notice need be

given; and for sufficient cause shown,

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 Capitalized terms not defined herein shall have the meanings ascribed thereto in the Motion.

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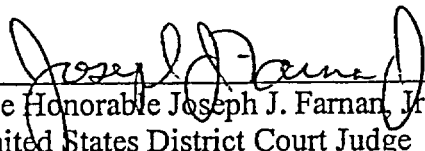
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Produced Pursuant to Protective Order

IT IS HEREBY ORDERED THAT:

1. The Debtors assume the Policy pursuant to Bankruptcy Code § 365(a) as of the date of entry of this order; and
2. That the Settlement as embodied by the Settlement Letter and the Confirmation Letter approved; and
3. The Debtors shall pay Federal Insurance Company all cure amounts that are required to be paid pursuant to Bankruptcy Code § 365(b)(1) and amounts projected to be owing in accordance with that certain Settlement Letter dated as of May 2, 2002 which is attached as Exhibit 3 to the Motion, in all cases subject to the payment terms and conditions set forth in the Policy; and
4. All future payments from the Debtors to Federal Insurance Company shall be made in accordance with the terms and conditions set forth in the Policy as supplemented by the Settlement Letter and the Confirmation Letter.
5. That this Court retains jurisdiction with respect to all matters arising from or related to the implementation of this order.

Dated: September 4, 2002
Wilmington, Delaware


The Honorable Joseph J. Farnan, Jr.
United States District Court Judge