

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

FANSTEEL INC., et al.,¹

Debtors.

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Case Nos. 02-10109 (JJF)
through 02-10117 (JJF)

Chapter 11

(Jointly Administered under Case No.
02-10109(JJF))

40-7580

**STIPULATION AND ORDER PERMITTING
PENSION BENEFIT GUARANTY CORPORATION TO
FILE CONSOLIDATED CLAIMS UNDER ONE CASE NUMBER**

The Pension Benefit Guaranty Corporation ("PBGC") and the above captioned debtors and debtors-in-possession (collectively, "Debtors") have agreed that PBGC will be permitted to file 9 consolidated proofs of claim on its own behalf and behalf of the Debtors' three defined benefit pension plans ("Pension Plans")², which would be deemed to have been filed in each of the Debtors' cases, for the reasons and conditions set forth below:

RECITALS

A. On January 15, 2002, ("Commencement Date"), each of the Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code. By order of this Court, Debtors' cases are being consolidated for procedural purposes and are being jointly administered under Case No. 02-

¹ The following is a complete list of the Debtors along with each Debtor's case number: Fansteel Inc. 02-10109; Fansteel Holdings, Inc. 02-10110; Custom Technologies Corp. 02-10111; Escast, Inc. 02-10112; Wellman Dynamics Corp. 02-10113; Phoenix Aerospace Corp. 02-10114; American Sintered Technologies, Inc. 02-10115; Fansteel Schultz Products, Inc. 02-10116; and Washington Mfg. Co. 02-10117.

² "Pension Plans" means the Fansteel Hydro Carbide Hourly Employees Pension Plan, the Wellman Dynamics Corp. Salaried Employees Retirement Plan, and the Fansteel Consolidated Employees Pension Plan.

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10109(JJF).

B. On July 16, 2002, the Court entered an order ("Bar Date Order") establishing September 23, 2002, at 4:00 p.m. (Eastern Daylight Time) as the last date and time for filing of proofs of claim against the Debtors ("Bar Date"). The proof of claim form approved by the Court requires creditors to designate the specific Debtor against which the creditor asserts its claim.

C. PBGC is a wholly-owned United States government corporation that administers the pension plan termination insurance program under Title IV of the Employee Retirement Income Security Act of 1974, *as amended*, 29 U.S.C. §§ 1301-1461 ("ERISA"). The Pension Plans are covered by Title IV of ERISA. Each of the Debtors either sponsors one or more of the Pension Plans or is a member of the such sponsor's controlled group.

D. PBGC has concluded that it must file three separate claims against each of the nine Debtors, with respect to each of the three pension plans, representing the claims for which the Debtors are jointly and severally liable to the Pension Plans and/or PBGC under 29 U.S.C. §§ 1082(c), 1307(e), 1362 and 1368. Therefore, literal compliance with the Bar Date Order and Bar Date Notice would require PBGC to file 81 separate proofs of claims. These multiple claims would impose a significant administrative burden on PBGC, the Debtors, and the Debtors' claims agent.

AGREEMENT

1. Notwithstanding anything to the contrary set forth in the Bar Date Order, Bar Date Notice, or the local bankruptcy rules that would otherwise require PBGC to file separate proofs of claim against more than one of the Debtors, it is expressly agreed that the filing of a proof of claim or proofs of claim by PBGC on its own behalf or on behalf of the Pension Plans in the chapter 11 Case

No. 02-10109(JJF) shall be deemed to constitute the filing of such proof of claim or proofs of claim in Case No. 02-10109(JJF) and in each of the other Debtors' chapter 11 cases; provided, however, that PBGC shall set forth on each proof of claim, or statement in support, or schedule attached thereto, the names of the Debtors against which the claim or statement is asserted. Consequently, PBGC shall be permitted to file 9 claims in Case No. 02-10109(JJF) each of which shall state a claim against all of the Debtors and each of which shall be deemed to have been filed separately in each of the nine Debtors' cases. The Debtors acknowledge that each proof of claim filed on or before the Bar Date shall be deemed timely filed for all purposes under the Bar Date Order and the Bar Date Notice.

2. This Stipulation is intended solely for the purposes of administrative convenience for the assertion of PBGC's claims in these cases and not as a determination of the sufficiency, validity or any other matter related thereto. Nothing in this Stipulation shall effect the substantive rights of PBGC, Debtors, or the Official Committee of Unsecured Creditors or any other party in interest with respect to the allowance, priority, sufficiency, or treatment of PBGC's claims, or with respect to any objection, defense, offset, or counterclaim relating to PBGC's claims.

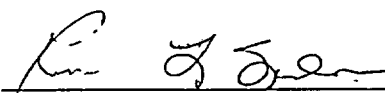
3. The above-described procedure shall also apply to any amendments that PBGC may make with respect to any proof of claim against any of the Debtors.

STIPULATED AND AGREED this 23rd day of September, 2002:

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Debtors and Debtors In Possession

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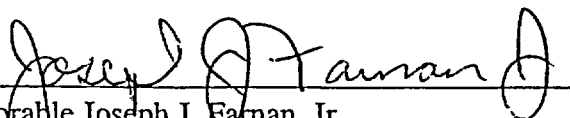
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SO ORDERED this 27 day of September 2002:



The Honorable Joseph J. Farnan, Jr.

United States District Judge