

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re ) Chapter 11  
 )  
FANSTEEL, INC., *et al.*,<sup>1</sup> ) 02-10109 (JJF)  
 )  
Debtors. ) (Jointly Administered)  
 ) Objection Deadline: October 28, 2002 at 4:00 p.m.  
 ) Hearing Date: To Be Determined

40-7580

**SECOND INTERIM FEE APPLICATION REQUEST  
OF KLETT ROONEY LIEBER & SCHORLING**

Klett Rooney Lieber & Schorling ("Klett Rooney"), co-counsel to the Official Committee of Unsecured Creditors (the "Committee"), hereby submits this Second Interim Fee Application Request (the "Application") for compensation and reimbursement of expenses pursuant to the Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Committee Members, dated February 20, 2002 [D.Ct. Dkt. 73; Bkr.Ct. Dkt. 14] (the "Administrative Order") for legal services performed and expenses incurred during the periods commencing June 1, 2002 through August 31, 2002 (the "Application Period") as co-counsel to the Committee in this proceeding. In support thereof, Klett Rooney respectfully represents as follows:

**RELIEF REQUESTED**

1. By this Application, Klett Rooney seeks interim approval and allowance of its compensation for legal services and reimbursement for expenses incurred during the Application Period, including authorization for the Debtors to pay the 20% holdback of fees as provided under the Administrative Order.

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<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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2. Klett Rooney has filed and served monthly fee applications and accompanying Certifications of Adam G. Landis, Esquire for the periods covering June 1, 2002 up to and including August 31, 2002 (collectively, the "Fee Applications"). Each of the Fee Applications is incorporated by reference as if fully set forth herein.<sup>2</sup> As of today, none of the Fee Applications filed were objected to and Certificates of No Objection were filed for each such application with the Court.<sup>3</sup>

3. A summary of the Fee Applications is set forth below:

Applicant	Fee Period Docket #	Total Amt. Fees at 100%	Total Amt. of Expenses at 100%	Amount of Fees Authorized to be Paid at 80%	Amount of Fees Outstanding at 20%	CNO Date Docket #
Klett Rooney Lieber & Schorling	6/1/02 - 6/30/02 [363]	\$5,939.00	\$1,273.45	\$4,751.20	\$1,187.80	8/16/02 [407]
Klett Rooney Lieber & Schorling	7/1/02 - 7/31/02 [433]	\$7,327.50	\$2,794.33	\$5,862.00	\$1,465.50	9/19/02 [467]
Klett Rooney Lieber & Schorling	8/1/02 - 8/31/02 [484]	\$6,399.00	\$1,506.26	\$5,119.20	\$1,279.80	10/17/02 objection deadline
<b>TOTALS:</b>	N/A	\$19,665.50	\$5,574.04	\$15,732.40	\$3,933.10	N/A

\* Authorized per Administrative Order.

4. A summary of the hours spent, the names of each professional and paraprofessional rendering services to the Committee during the Application Period, the customary billing rates and the total value of time incurred by each of the Klett Rooney attorneys rendering

<sup>2</sup>Copies of the Fee Applications may be obtained by written request to the undersigned.

<sup>3</sup>Klett Rooney's Seventh Fee Application has been filed and served in accordance with the Administrative Order. The Objection Deadline for this fee application expires on October 17, 2002 at 4:00 p.m. (prevailing eastern time).

services to the Committee are attached to each of the Fee Applications as Exhibit "A." Likewise, a copy of the computer generated time entries reflecting the time recorded for these services, organized in project billing categories in accordance with the United States Trustee's Guidelines For Reviewing Applications For Compensation And Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (the "Guidelines"), are attached to each of the Fee Applications as Exhibit "B." In addition, a statement of expenses incurred by Klett Rooney during the Application Period are attached to each of the Fee Applications as Exhibit "C." All time entries and requested expenses were in compliance with Local Rule 2016-2.<sup>4</sup>

### **COMPENSATION REQUESTED**

5. Klett Rooney seeks interim allowance of the fees in the amount of \$19,665.50 for legal services rendered and of expenses in the amount of \$5,574.04 which were incurred during the Application Period (the "Requested Amount"). In addition, Klett Rooney requests that the Debtors be authorized to pay the \$3,933.10 in fees representing the twenty percent (20%) "holdback" of fees as required by paragraph 2(d) of the Administrative Order (the "Hold Back").

### **BASIS FOR RELIEF**

6. Section 330(a)(1) of the Bankruptcy Code allows the payment of:
- (A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, professional person, or attorney and by any paraprofessional person employed by any such person; and
  - (B) reimbursement for actual, necessary expenses.

11 U.S.C. § 330(a)(1). Reasonableness of compensation is determined by the "market-driven

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<sup>4</sup> Klett Rooney attempted to ensure that the Fee Applications complied with the Guidelines. To the extent the Guidelines conflicted with local rules, in particular, Local Rule 2016-2, Klett Rooney complied with such local rule. Klett Rooney will supplement this Application with additional detail or information upon request.

approach” which considers the nature, extent and value of the services provided by the professional and the cost of comparable services in nonbankruptcy contexts. See Zolfo Cooper & Co., v. Sunbeam-Oster Co., 50 F.3d 253, 258 (3d Cir. 1995); In re Busy Beaver Building Ctr., Inc., 19 F.3d 833, 849 (3d Cir. 1994). Thus, “the baseline rule is for firms to receive their customary rates.” Zolfo Cooper, 50 F.3d at 259.

7. In accordance with its practice in nonbankruptcy matters, Klett Rooney has calculated its compensation requested in this Application by applying its customary hourly rates. Klett Rooney’s calculation is based upon hourly rates that are well within the range of rates that are charged by comparable firms in other large bankruptcy cases. Accordingly, Klett Rooney’s rates should be determined to be reasonable under Section 330 of the Bankruptcy Code.

8. Klett Rooney’s fees during the Application Period are also reasonable under the prevailing legal standard and should be allowed. The amount of these fees is not unusual given the complexity and size of the Debtors’ Chapter 11 cases and Klett Rooney’s fees are commensurate with fees that other professionals of comparable experience and expertise have charged and been awarded in similar Chapter 11 cases. Accordingly, Klett Rooney’s fees are reasonable pursuant to Section 330 of the Bankruptcy Code.

9. Section 330(a)(1)(B) of the Bankruptcy Code permits reimbursement for actual, necessary expenses. Klett Rooney’s services and expenses incurred during the Application Period are set forth in this Application and constitute only those necessary expenses that were incurred for the benefit of the Debtors’ estates. Klett Rooney has properly requested reimbursement only of actual, necessary and appropriate expenses.

10. No agreement or understanding exists between Klett Rooney and/or any third person for the sharing or division of compensation. All of the services for which compensation is requested in this Application were rendered at the request of and solely on behalf of the Committee.

11. Pursuant to the standards set forth in Sections 330 and 331 of the Bankruptcy Code, Klett Rooney submits that the Requested Amount is for actual and necessary services and expenses, and is reasonable, based upon the nature, extent and value of such services, the time spent thereon, and the costs of comparable services in a case under the Bankruptcy Code.

#### **NOTICE**

12. No trustee or examiner has been appointed in these Chapter 11 cases. Notice of this Application has been given to: (a) the United States Trustee; (b) counsel to the Debtors; (c) counsel to the Debtors' postpetition and prepetition lenders and (d) those entities having filed and served requests for notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, Klett Rooney submits that no other or further notice is required.

WHEREFORE, Klett Rooney respectfully requests that the Court enter an order, substantially in the form attached hereto: (i) granting the Application; (ii) allowing the fees and expenses in the Requested Amount; (iii) authorizing the payment of the Hold Back; and (iv) granting such other further relief as may be appropriate.

**KLETT ROONEY LIEBER & SCHORLING**  
**A Professional Corporation**

By: 

Adam G. Landis (No. 3407)  
Kathleen P. Makowski (No. 3648)  
Kerri K. Mumford (No. 4186)  
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P.O. Box 1397  
Wilmington, DE 19801  
(302) 552-4200

Dated: October 7, 2002

Co-Counsel to the Official Committee of  
Unsecured Creditors

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re	)	Chapter 11
	)	
FANSTEEL, INC., <i>et al.</i> , <sup>1</sup>	)	02-10109 (JJF)
	)	
Debtors.	)	(Jointly Administered)

**ORDER**

Upon consideration of the Second Interim Fee Application Request of Klett Rooney Lieber & Schorling (the "Application");<sup>2</sup> and the Court having jurisdiction to hear the Application; and it appearing that sufficient notice of the Application has been given; and it appearing that the relief requested by the Application is appropriate; and good cause having been shown, it is hereby so

ORDERED that the Application is granted; and it is further

ORDERED that the Debtors are authorized and directed to pay in full Klett Rooney's Requested Amount of \$19,665.50 in legal fees (including the Hold Back amount of \$3,932.80) and \$5,574.04 in expenses; and it is further

ORDERED that the Requested Amount of fees and expenses is hereby allowed as an administrative claim pursuant to Section 503(b) and 507(a)(1) of the Bankruptcy Code.

SO ORDERED this \_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
HONORABLE JOSEPH J. FARNAN, JR., U.S.D.J.

<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>Capitalized Terms not otherwise defined herein have the same meanings as given to them in the Application.

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FOR THE DISTRICT OF DELAWARE**

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FANSTEEL, INC., <u>et al.</u> , <sup>1</sup>	)	02-10109 (JJF)
	)	
Debtors.	)	Jointly Administered

**CERTIFICATION**

Adam G. Landis, an attorney-at-law, duly admitted and in good standing to practice in the States of Delaware and New York, the Commonwealth of Massachusetts, the United States District Courts for the Southern District of New York, the Eastern District of New York, the District of Delaware, and the United States Court of Appeals for the Third District, hereby certifies that:

1. I am a Shareholder of Klett Rooney Lieber & Schorling, a Professional Corporation, ("Klett Rooney"). Klett Rooney was retained by the Official Committee of Unsecured Creditors as co-counsel pursuant to an order of this Court. This certification is made in support of the Second Interim Fee Application Request of Klett Rooney Lieber & Schorling, Co-Counsel to the Official Committee of Unsecured Creditors, for Compensation and Reimbursement of Expenses Pursuant to 11 U.S.C. §§ 330 and 331 dated October 7, 2002 (the "Application") and in compliance with Local Rule 2016-2 (the "Rule") of this Court, setting forth the Contents of Application for Compensation and Expenses (the "Guidelines").

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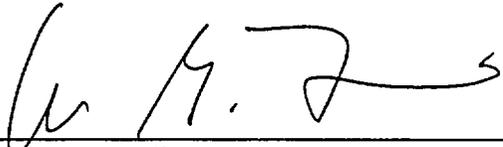
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2. I have read the Application and I certify that the Application complies with the Rule and Guidelines.

Dated: October 7, 2002

**KLETT ROONEY LIEBER & SCHORLING**  
**A Professional Corporation**

By:



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