

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

40-7580

**NOTICE OF WITHDRAWAL OF DEBTORS' MOTION FOR ORDER
AUTHORIZING ASSUMPTION OF AMERICAN EXPRESS EXECUTORY
CONTRACT UNDER 11 U.S.C. § § 365(a) AND 105(a) [Docket No. 534]**

The Debtors and Debtors-in-Possession (the "Debtors") in the captioned cases, by and through their undersigned counsel, hereby withdraw without prejudice the Debtors' Motion for Order Authorizing Assumption Of American Express Executory Contract Under 11 U.S.C. §§ 365(a) and 105(a) [Docket No. 534] (the "Motion").

Such withdrawal is predicated upon the objections of the United States Trustee and the Official Committee Of Unsecured Creditors ("Committee" and together, the "Objecting Parties"). The Objecting Parties challenge the executory status of the contract dated September 26, 2001 between American Express Tax and Business Service, Inc. ("American Express") and the Debtors (the "Contract").

Under the Contract, American Express is engaged by the Debtors as a sales and use tax consultant whereby American Express reviews and identifies possible overpayments, refunds, credits and tax savings for the Debtors. If no refunds, credits or other sales and use tax savings are realized, there is no charge for the American Express services. However, if refunds,

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.

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credits or other sales and use tax savings are realized by the Debtors, the American Express fee is 40% of the amount realized.

From January 23, 2002 to February 25, 2002, American Express performed services in connection with the realization of a tax refund in the amount of \$80,029.37 from the Iowa Department of Revenue for Wellman Dynamics Corporation, a debtor in these Cases. Pursuant to the Contract, American Express is owed 44% of the amount realized, or \$32,011.75.

The Objecting Parties contend that the Contract is not an executory contract because the Debtors are only obligated to make a payment, or a future payment, under the terms of the Contract. The Objecting Parties believe that any payment made pursuant to the Contract should be treated as an administrative expense of the estates.

The Debtors have decided that the costs of a contested motion and associated discovery would burden, and not be in the best interests of, the Debtors' estates. Accordingly, the Debtors will treat any payment(s) due under the Contract as administrative expenses under 11 U.S.C. § 503(b) and will make such payments as administrative expenses in the ordinary course of business.

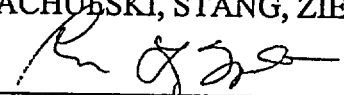
Accordingly, the Debtors withdraw the Motion without prejudice.

Dated: November 12, 2002

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