

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.)
Objection Deadline: February 3, 2003 at 12:00 p.m.
(noon) E.T.
(Hearing only if objections are filed)

**NOTICE OF DEBTORS' APPLICATION UNDER 11 U.S.C. § 327(A) AND
FED. R. BANKR. P. 2014 AUTHORIZING EMPLOYMENT AND RETENTION
OF MICHAEL SAUNDERS AND COMPANY AS REAL ESTATE BROKER**

To all parties entitled to notice pursuant to
Local Bankruptcy Rule 2002-1(b):

On January 13, 2003, the above-captioned debtors and debtors in possession in the above-captioned chapter 11 cases (the "Debtors"), filed the attached Debtors' Application Under 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014 Authorizing Employment and Retention of Michael Saunders & Company as Real Estate Broker (the "Application").

Objections or responses, if any, to the Application, must be filed with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801, on or before February 13, 2003 at 12:00 p.m. (noon) Eastern Time. At the same time, you must also serve a copy of the response or objection upon co-counsel for the Debtors: (i) Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, Delaware 19899-8705 (courier 19801) (Attn: Laura Davis Jones, Esq.); (ii) Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022 (Attn: Jeffrey S. Sabin, Esq.); the Office of the United States Trustee (Attn: David Buchbinder, Esq.), 844 King

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.; and American Sintered Technologies, Inc.

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Street, Suite 2313, Lockbox 35, Wilmington, Delaware 19801, and Michael Saunders & Company (Attn. Michael Saunders), 32 N. Osprey Avenue, Sarasota, FL 34236.

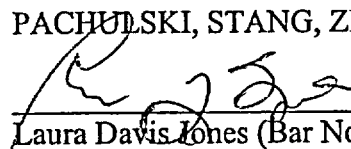
IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: January 13, 2003

SCHULTE ROTH & ZABEL LLP
Jeffrey S. Sabin (JSS-7600)
Lawrence V. Gelber (LVG-9384)
Michael R. Mitchell (MRM-9279)
919 Third Avenue
New York, NY 10022
Telephone: (212) 756-2000
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and

PACHULSKI, STANG, ZIEHL, YOUNG & JONES P.C.



Laura Davis Jones (Bar No. 2436)
Hamid Rafatjoo (CA Bar No. 181564)
Rosalie L. Spelman (Bar No. 4153)
919 North Market Street, 16th Floor
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Telephone: (302) 652-4100
Facsimile: (302) 652-4400

Co-Counsel for Debtors and
Debtors-in-Possession

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)
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Debtors.

Objection Deadline: February 3, 2003 at 12:00 p.m.
(noon) E.T.
(Hearing only if objections are filed)

**DEBTORS' APPLICATION FOR ORDER UNDER 11 U.S. C. § 327(a)
AND FED. R. BANKR. P. 2014 AUTHORIZING EMPLOYMENT AND RETENTION OF
MICHAEL SAUNDERS & COMPANY AS REAL ESTATE BROKER**

Fansteel Inc. ("Fansteel") and Escast, Inc. ("Escast") debtors and debtors in possession in the above-captioned cases, hereby submit this application (the "Application") for entry of an order under 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014 authorizing the employment and retention of Michael Saunders & Company ("Saunders"), as the real estate broker for Fansteel and Escast. In support of this Application, Fansteel and Escast respectfully represent as follows:²

Background

1. On January 15, 2002 (the "Petition Date"), Fansteel and Escast filed with this Court voluntary petitions for relief under 11 U.S.C. §§ 101 *et seq.*, as amended (the "Bankruptcy Code"). Fansteel and Escast continue to operate their businesses and manage their

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., and American Sintered Technologies, Inc.

² This application is filed by Fansteel and Escast because although the net sale proceeds belong to Escast, they will be applied to settle a post petition payable due Fansteel by Escast and deposited into a Fansteel account controlled by Congress Financial Corporation, the Debtors' post petition lender.

affairs as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in any of the Fansteel and Escast chapter 11 cases (together, the "Cases"). A creditors' committee (the "Committee") was appointed in these Cases on January 28, 2002.

Debtors' Structure And Operations

2. Fansteel and the other eight Debtors (each a direct or indirect wholly-owned subsidiary of Fansteel) (collectively, the "Debtors") have been engaged for over 70 years in the business of manufacturing and marketing specialty metal products with today's operations being conducted at ten manufacturing facilities (five of which are owned by Fansteel) in nine states. Collectively, the Debtors have approximately 1,250 employees, substantially all on a full time basis, including approximately 365 employees that are working under collective bargaining agreements with four different unions. Each Debtor is operated separately, with separate employees, separate operations and separately maintained books and records.

The Sarasota Operations

3. Escast historically operated an automatic equipment and tooling division in a 5,000 square foot production facility owned by Escast located at 2080 Limbus Avenue, Sarasota, Florida (the "Sarasota Facility").³ In or about October 11, 2002 Escast ceased operations at the Sarasota Facility. Prior to its closure, the Sarasota Facility supplied investment casting foundries with automatic wax injection presses, pattern assembly machines, and custom pattern tooling to its customers.

³ The Sarasota Facility includes the land, building and improvement thereon.

Jurisdiction and Value

4. This Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. Venue is proper under 28 U.S.C. §§ 1408 and 1409. This is a core proceeding as defined in 28 U.S.C. § 157(b)(2). The statutory predicates for relief are 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014.

Relief Requested

5. By this Application, Fansteel and Escast seek entry of an order under 11 U.S.C. § 327(a) and Fed. R. Bankr. P. 2014 authorizing Saunders' employment and retention as Escast's real estate broker, on the terms, and subject to the conditions, set forth in the listing agreement attached hereto as Exhibit A (the "Listing Agreement").

Basis For Relief

6. Fansteel and Escast seek to sell the Sarasota Facility through Saunders, free and clear of all liens, claims, interests, rights of set off and encumbrances. Fansteel and Escast have determined that the engagement of a real estate broker is essential in order to obtain the maximum price for the Sarasota Facility.

7. Under section 327(a) of the Bankruptcy Code, a debtor may employ auctioneers, brokers and other professional persons to assist it in carrying out its duties under the Bankruptcy Code. Accordingly, Fansteel and Escast seek entry of an order authorizing Saunders' employment to assist Fansteel and Escast by performing the services set forth in the Listing Agreement.

8. Saunders is an experienced real estate broker of both residential and commercial properties and is well equipped to perform the services required by Fansteel and

Escast. As a result, the creditors and estates of Fansteel and Escast will benefit from Saunders's significant experience in the sale of the Sarasota Facility.

Services to Be Provided

9. Fansteel and Escast propose to employ and retain Saunders to provide the following services, as described more fully in the Listing Agreement:

- a. identifying prospective buyers, preparing information packages, and marketing the Sarasota Facility to potential buyers; and
- b. assisting Fansteel and Escast with the negotiation of the terms, and consummation of the sale, of the Sarasota Facility.

10. As compensation for its services, Saunders would be entitled to a sale commission equal to 7% of the total purchase price of the Sarasota Facility, which amount would be paid to Saunders at closing, from the proceeds of sale.⁴

Applicable Authority

11. 11 U.S.C. § 327(a) provides, in relevant part, that a debtor:

with the court's approval, may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title.

11 U.S.C. § 327 (a).

12. Based on the affidavit of Michael Saunders, a principal of Saunders, sworn to December 23, 2003, a copy of which is attached to this Application as Exhibit B (the

⁴ Fansteel and Escast intend to seek approval of this Court for any sale transaction negotiated by Saunders by a motion approving the sale, but will not file a subsequent motion to auction of the property since the Listing Agreement serves that same purpose.

"Saunders Affidavit"), Fansteel and Escast believe that Saunders does not hold any interest adverse to their estates and is "Disinterested" within the meaning of section 101(14) of the Bankruptcy Code. Fansteel and Escast further believe that Saunders' proposed compensation is reasonable and appropriate for services of this nature, and understand it to be consistent with Saunders' compensation arrangements with respect to for other commercial properties for which it has been retained to perform similar services.

13. For the reasons outlined above, it is vital that Fansteel and Escast employ a real estate broker with proven competence. Fansteel and Escast believe that Saunders is well-qualified and, accordingly, submit that approval of this Application would be in the best interests of the estates and creditors of Fansteel and Escast.

Notice

14. Notice of this Application has been given to all parties entitled to notice under Local Bankruptcy Rule 2002-1(b). Fansteel and Escast submit that in light of the nature of the relief requested, no other or further notice be given.

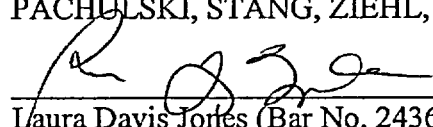
WHEREFORE, Fansteel and Escast respectfully request that the Court enter an order, (i) authorizing and approving Saunders' employment and retention of Saunders as real estate broker for Fansteel and Escast on the terms, and subject to the conditions, set forth in the Listing Agreement, and (ii) granting Fansteel and Escast such other and further relief as is just and proper.

Dated: Wilmington, Delaware
January 13, 2003

SCHULTE, ROTH & ZABEL LLP
Jeffrey S. Sabin (JSS-7600)
Lawrence V. Gelber (LVG-9384)
Michael R. Mitchell (MRM-9279)
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and

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Co-Counsel for the Debtors and
Debtors-in-Possession

Exhibit A

Exclusive Right of Sale Listing Agreement
FLORIDA ASSOCIATION OF REALTORS®

This Exclusive Right of Sale Listing Agreement ("Agreement") is between

Fansteel Inc.

("Seller") and

Michael Saunders & Company

("Broker").

1. AUTHORITY TO SELL PROPERTY: Seller gives Broker the EXCLUSIVE RIGHT TO SELL the real and personal property (collectively "Property") described below, at the price and terms described below, beginning the _____ day of _____, _____, and terminating at 11:59 p.m. the 30 day of June, 2003

("Termination Date"). Upon full execution of a contract for sale and purchase of the Property, all rights and obligations of this Agreement will automatically extend through the date of the actual closing of the sales contract. Seller and Broker acknowledge that this Agreement does not guarantee a sale. This Property will be offered to any person without regard to race, color, religion, sex, handicap, familial status, national origin or any other factor protected by federal, state or local law. Seller certifies and represents that he/she/it is legally entitled to convey the Property and all improvements.

2. DESCRIPTION OF PROPERTY:

(a) Real Property Street Address: 2080 Limbus Avenue

Legal Description: _____

☐ See Attachment _____

(b) Personal Property, including appliances: None

☐ See Attachment _____

(c) Occupancy: Property ☒ is ☐ is not currently occupied by a tenant. If occupied, the lease term expires _____.

3. PRICE AND TERMS: The property is offered for sale on the following terms, or on other terms acceptable to Seller:

(a) Price: 315,000.00

(b) Financing Terms: ☒ Cash ☐ Conventional ☐ VA ☐ FHA ☐ Other _____

☐ Seller Financing: Seller will hold a purchase money mortgage in the amount of \$ _____ with the following terms: _____

☐ Assumption of Existing Mortgage: Buyer may assume existing mortgage for \$ _____ plus an assumption fee of \$ _____. The mortgage is for a term of _____ years beginning in _____, at an interest rate of _____ % ☐ fixed ☐ variable (describe) _____

Lender approval of assumption ☐ is required ☐ is not required ☐ unknown. Notice to Seller: You may remain liable for an assumed mortgage for a number of years after the Property is sold. Check with your lender to determine the extent of your liability. Seller will ensure that all mortgage payments and required escrow deposits are current at the time of closing and will convey the escrow deposit to the buyer at closing.

(c) Seller Expenses: Seller will pay mortgage discount or other closing costs not to exceed _____ % of the purchase price; and any other expenses Seller agrees to pay in connection with a transaction.

4. BROKER OBLIGATIONS AND AUTHORITY: Broker agrees to make diligent and continued efforts to sell the Property until a sales contract is pending on the Property. Seller authorizes Broker to:

(a) Advertise the Property as Broker deems advisable in newspapers, publications, computer networks including the Internet and other media; place appropriate transaction signs on the Property, including "For Sale" signs and "Sold" signs (once Seller signs a sales contract); and use Seller's name in connection with marketing or advertising the Property;

(b) Obtain information relating to the present mortgage(s) on the Property.

(c) Place the property in a multiple listing service(s) (MLS). Seller authorizes Broker to report to the MLS/Association of Realtors® this listing information and price, terms and financing information on any resulting sale. Seller authorizes Broker, the MLS and/or Association of Realtors® to use, license or sell the active listing and sold data.

(d) Provide objective comparative market analysis information to potential buyers; and

(e) (Check if applicable) ☐ Use a lock box system to show and access the Property. A lock box does not ensure the Property's security; Seller is advised to secure or remove valuables. Seller agrees that the lock box is for Seller's benefit and releases Broker, persons working through Broker and Broker's local Realtor Board / Association from all liability and responsibility in connection with any loss that occurs. ☒ Withhold verbal offers. ☐ Withhold all offers once Seller accepts a sales contract for the Property.

(f) Act as a single agent of Seller with consent to transition to transaction broker.

5. SELLER OBLIGATIONS: In consideration of Broker's obligations, Seller agrees to:

- (a) Cooperate with Broker in carrying out the purpose of this Agreement, including referring immediately to Broker all inquiries regarding the Property's transfer, whether by purchase or any other means of transfer.
- (b) Provide Broker with keys to the Property and make the Property available for Broker to show during reasonable times.
- (c) Inform Broker prior to leasing, mortgaging or otherwise encumbering the Property.
- (d) Indemnify Broker and hold Broker harmless from losses, damages, costs and expenses of any nature, including attorney's fees, and from liability to any person, that Broker incurs because of (1) Seller's negligence, representations, misrepresentations, actions or inactions, (2) the use of a lock box, (3) the existence of undisclosed material facts about the Property, or (4) a court or arbitration decision that a broker who was not compensated in connection with a transaction is entitled to compensation from Broker. This clause will survive Broker's performance and the transfer of title.
- (e) To perform any act reasonably necessary to comply with FIRPTA (Internal Revenue Code Section 1445).
- (f) Make all legally required disclosures, including all facts that materially affect the Property's value and are not readily observable or known by the buyer. Seller represents there are no material facts (building code violations, pending code citations, unobservable defects, etc.) other than the following: _____

Seller will immediately inform Broker of any material facts that arise after signing this Agreement.

- (g) Consult appropriate professionals for related legal, tax, property condition, environmental, foreign reporting requirements and other specialized advice.

6. COMPENSATION: Seller will compensate Broker as specified below for procuring a buyer who is ready, willing and able to purchase the Property or any interest in the Property on the terms of this Agreement or on any other terms acceptable to Seller. Seller will pay Broker as follows (plus applicable sales tax):

- (a) Seven (7%) % of the total purchase price OR \$ _____, no later than the date of closing specified in the sales contract. However, closing is not a prerequisite for Broker's fee being earned.
- (b) Seven (7%) (\$ or %) of the consideration paid for an option, at the time an option is created. If the option is exercised, Seller will pay Broker the paragraph 6(a) fee, less the amount Broker received under this subparagraph.
- (c) Seven (7%) (\$ or %) of gross lease value as a leasing fee, on the date Seller enters into a lease or agreement to lease, whichever is soonest. This fee is not due if the Property is or becomes the subject of a contract granting an exclusive right to lease the Property.
- (d) Broker's fee is due in the following circumstances: (1) If any interest in the Property is transferred, whether by sale, lease, exchange, governmental action, bankruptcy or any other means of transfer, regardless of whether the buyer is secured by Broker, Seller or any other person. (2) If Seller refuses or fails to sign an offer at the price and terms stated in this Agreement, defaults on an executed sales contract or agrees with a buyer to cancel an executed sales contract. (3) If, within 90 days after Termination Date ("Protection Period"), Seller transfers or contracts to transfer the Property or any interest in the Property to any prospects with whom Seller, Broker or any real estate licensee communicated regarding the Property prior to Termination Date. However, no fee will be due Broker if the Property is relisted after Termination Date and sold through another broker.
- (e) Retained Deposits: As consideration for Broker's services, Broker is entitled to receive 50 % of all deposits that Seller retains as liquidated damages for a buyer's default in a transaction, not to exceed the paragraph 6(a) fee.

7. COOPERATION WITH OTHER BROKERS: Broker's office policy is to cooperate with all other brokers except when not in Seller's best interest, and to offer compensation to: ☒ Buyer's agents, who represent the interest of the buyer and not the interest of Seller in a transaction, even if compensated by Seller or Broker. ☒ Nonrepresentatives ☒ Transaction brokers. ☐ None of the above (if this box is checked, the Property cannot be placed in the MLS). ☒ Subagents (if Broker is acting as a single agent).

8. BROKERAGE RELATIONSHIP:

IMPORTANT NOTICE

FLORIDA LAW REQUIRES THAT REAL ESTATE LICENSEES PROVIDE THIS NOTICE TO POTENTIAL SELLERS AND BUYERS OF REAL ESTATE.

You should not assume that any real estate broker or salesperson represents you unless you agree to engage a real estate licensee in an authorized brokerage relationship, either as a single agent or as a transaction broker. You are advised not to disclose any information you want to be held in confidence until you make a decision on representation.

SINGLE AGENT NOTICE

FLORIDA LAW REQUIRES THAT REAL ESTATE LICENSEES OPERATING AS SINGLE AGENTS DISCLOSE TO BUYERS AND SELLERS THEIR DUTIES.

As a single agent, Michael Saunders & Company and its associates owe to you the following duties:

1. Dealing honestly and fairly;
2. Loyalty;
3. Confidentiality;
4. Obedience;
5. Full disclosure;
6. Accounting for all funds;
7. Skill, care, and diligence in the transaction;
8. Presenting all offers and counteroffers in a timely manner, unless a party has previously directed the licensee otherwise in writing; and
9. Disclosing all known facts that materially affect the value of residential real property and are not readily observable.

Date

X_____
Signature

IMPORTANT NOTICE

FLORIDA LAW REQUIRES THAT REAL ESTATE LICENSEES PROVIDE THIS NOTICE TO POTENTIAL SELLERS AND BUYERS OF REAL ESTATE.

You should not assume that any real estate broker or salesperson represents you unless you agree to engage a real estate licensee in an authorized brokerage relationship, either as a single agent or as a transaction broker. You are advised not to disclose any information you want to be held in confidence until you make a decision on representation.

TRANSACTION BROKER NOTICE

FLORIDA LAW REQUIRES THAT REAL ESTATE LICENSEES OPERATING AS TRANSACTION BROKERS DISCLOSE TO BUYERS AND SELLERS THEIR ROLE AND DUTIES IN PROVIDING A LIMITED FORM OF REPRESENTATION.

As a transaction broker, Michael Saunders & Company and its associates, provides to you a limited form of representation that includes the following duties:

1. Dealing honestly and fairly;
2. Accounting for all funds;
3. Using skill, care, and diligence in the transaction;
4. Disclosing all known facts that materially affect the value of residential real property and are not readily observable to the buyer;
5. Presenting all offers and counteroffers in a timely manner, unless a party has previously directed the licensee otherwise in writing;
6. Limited confidentiality, unless waived in writing by a party. This limited confidentiality will prevent disclosure that the seller will accept a price less than the asking or listed price, that the buyer will pay a price greater than the price submitted in a written offer, of the motivation of any party for selling or buying property, that a seller or buyer will agree to financing terms other than those offered, or of any other information requested by a party to remain confidential; and
7. Any additional duties that are entered into by this or by separate written agreement.

Limited representation means that a buyer or seller is not responsible for the acts of the licensee. Additionally, parties are giving up their rights to the undivided loyalty of the licensee. This aspect of limited representation allows a licensee to facilitate a real estate transaction by assisting both the buyer and the seller, but a licensee will not work to represent one party to the detriment of the other party when acting as a transaction broker to both parties.

Date

X_____
Signature

Signature

CONSENT TO TRANSITION TO TRANSACTION BROKER

FLORIDA LAW ALLOWS REAL ESTATE LICENSEES WHO REPRESENT A BUYER OR SELLER AS A SINGLE AGENT TO CHANGE FROM A SINGLE AGENT RELATIONSHIP TO A TRANSACTION BROKERAGE RELATIONSHIP IN ORDER FOR THE LICENSEE TO ASSIST BOTH PARTIES IN A REAL ESTATE TRANSACTION BY PROVIDING A LIMITED FORM OF REPRESENTATION TO BOTH THE BUYER AND THE SELLER. THIS CHANGE IN RELATIONSHIP CANNOT OCCUR WITHOUT YOUR PRIOR WRITTEN CONSENT.

I agree that my agent may assume the role and duties of a transaction broker. (must be initialed or signed)

Date

Signature

Signature

9. CONDITIONAL TERMINATION: At Seller's request, Broker may agree to conditionally terminate this Agreement. If Broker agrees to conditional termination, Seller must sign a withdrawal agreement, reimburse Broker for all direct expenses incurred in marketing the Property and pay a cancellation fee of \$_____ plus applicable sales tax. Broker may void the conditional termination and Seller will pay the fee stated in paragraph 6(a) less the cancellation fee if Seller transfers or contracts to transfer the Property or any interest in the Property during the time period from the date of conditional termination to Termination Date and Protection Period, if applicable.

10. DISPUTE RESOLUTION: This Agreement will be construed under Florida law. All controversies, claims and other matters in question between the parties arising out of or relating to this Agreement or the breach thereof will be settled by first attempting mediation under the rules of the American Arbitration Association or other mediator agreed upon by the parties. If litigation arises out of this Agreement, the prevailing party will be entitled to recover reasonable attorney's fees and costs, unless the parties agree that disputes will be settled by arbitration as follows:

Arbitration: By Initialing in the space provided, Seller (____) (____), Listing Associate (____) and Listing Broker (____) agree that disputes not resolved by mediation will be settled by neutral binding arbitration in the county in which the Property is located in accordance with the rules of the American Arbitration Association or other arbitrator agreed upon by the parties. Each party to any arbitration or litigation (including appeals and interpleaders) will pay its own fees, costs and expenses, including attorney's fees, and will equally split the arbitrators' fees and administrative fees of arbitration.

11. MISCELLANEOUS: This Agreement is binding on Broker's and Seller's heirs, personal representatives, administrators, successors and assigns. Broker may assign this Agreement to another listing office. Signatures, initials and modifications communicated by facsimile will be considered as originals. The term "buyer" as used in this Agreement includes buyers, tenants, exchangors, optionees and other categories of potential or actual transferees.

12. ADDITIONAL TERMS: _____

Date: _____ Seller: X Tax ID No: _____

Telephone #'s: Home _____ Work 956-688-6406 Cell _____ Fax: _____
Address: 3600 Formosa Avenue Suite 13 McAllen, TX 78503 E-mail: _____

Date: _____ Seller: _____ Tax ID No: _____

Telephone #'s: Home _____ Work _____ Cell _____ Fax: _____
Address: _____ E-mail: _____

Date: _____ Authorized Listing Associate or Broker: _____

Brokerage Firm Name: Michael Saunders & Company Telephone: 941-957-3730
Address: 32 N. Osprey Avenue - Sarasota, Florida 34236

Copy returned to Seller on the _____ day of _____, _____ by: ☐ personal delivery ☐ mail ☒ facsimile

The copyright laws of the United States (17 U.S. Code) forbid the unauthorized reproduction of this form by any means including facsimile or computerized forms.

Exhibit B

**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.)	

**AFFIDAVIT OF MICHAEL SAUNDERS IN SUPPORT OF DEBTORS' APPLICATION
FOR ORDER UNDER 11 U.S.C. § 327(A) AUTHORIZING EMPLOYMENT OF
MICHAEL SAUNDERS & COMPANY AS REAL ESTATE BROKER**

STATE OF Florida)
COUNTY OF Sarasota)

MICHAEL SAUNDERS being duly sworn, deposes and says:

1. I am a principal of Michael Saunders & Company ("Saunders"), having its business address at 32 N. Osprey Avenue, Sarasota, Florida and am authorized to make this affidavit (the "Affidavit") on behalf of Saunders. I submit this Affidavit in support of the application ("Application") of the above-captioned debtors ("Debtors") for an order authorizing the employment of Saunders as the Debtors' real estate broker pursuant to the terms and conditions set forth in the agreement attached to the Application as Exhibit A (the "Listing Agreement").

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. Saunders is an experienced real estate broker for both residential and commercial property. As such, Saunders is well qualified to conduct the sale of the Debtors' facility located at Fansteel Intercast, 2080 Limbus Avenue, Sarasota, Florida (the "Engagement").


3. The compensation arrangement set forth in the Listing Agreement is consistent with and typical of arrangements entered into by Saunders and other firms that render similar commercial services for clients such as the Debtors.

4. As set forth in the Listing Agreement, Saunders's compensation shall be paid from the proceeds of the sale at closing.

5. To the best of my knowledge, information and belief, formed after due inquiry, neither Saunders, nor any principal of Saunders, (a) has any connection with the Debtors and does not currently represent any of their creditors, other parties-in-interest, the United States Trustee or any person employed by the Office of the United States Trustee with respect to the Engagement or (b) by reason of any direct or indirect relationship to, connection with or interest in the Debtors, holds or represents any interest adverse to the Debtors, their estates or any class of creditors or equity interest holders of the estates.

6. Further, I believe that neither Saunders, nor any principal of Saunders, holds or represents any interest materially adverse to the Debtors, their respective estates, creditors or equity interest holders with respect to the matter for which Saunders is to be retained or is an "affiliate" or an "insider" of the Debtors, as defined under section 101 of the Bankruptcy Code.

7. There is no agreement or understanding between Saunders and any other person or entity for sharing compensation received or to be received for services rendered by Saunders in connection with these chapter 11 cases, other than as contemplated by use of a multiple listing service which is typical for these types of transactions.


Michael Saunders

Sworn to and subscribed before me
this 23 day of December, 2002


Notary Public



IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

**ORDER UNDER 11 U.S. C. § 327(a)
AND FED. R. BANKR. P. 2014 AUTHORIZING EMPLOYMENT AND RETENTION OF
MICHAEL SAUNDERS & COMPANY AS REAL ESTATE BROKER**

Upon the application (the "Application")² of Fansteel Inc. ("Fansteel") and Escast, Inc. ("Escast") debtors and debtors-in-possession in the above-captioned cases for entry of an order under 11 U.S.C. § 327(a) and Fed. R. Bankr. 2014 authorizing and approving the employment and retention of Michael Saunders & Company ("Saunders"), as the real estate broker for Fansteel and Escast, on the terms and subject to the conditions set forth in the Listing Agreement between Fansteel and Escast and Saunders; and the Court having determined that the relief requested in the Application is in the best interests of Fansteel and Escast, their estates, their creditors and other parties-in-interest; and it appearing from the Application and the Saunders Affidavit and that Saunders holds no interest adverse to the estates and is "Disinterested" within the meaning of section 101(14) of the Bankruptcy Code; and it appearing further that notice of the Application as set forth in the Application was good and sufficient under the particular circumstances, and no other or further notice need be given; and upon the record herein; and after due deliberation thereon; and good cause appearing therefor; it is hereby

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., and American Sintered Technologies, Inc

² Capitalized terms not defined herein shall be given the meanings ascribed to them in the Application.

ORDERED that the Application is granted; and it is further

ORDERED that Fansteel and Escast are authorized to employ and retain
Saunders on the terms, and subject to the conditions set forth in the Listing Agreement; and it is
further

ORDERED that Saunders shall be authorized to perform such other tasks as
Fansteel and Escast may request in accordance with the Application and the Listing Agreement;
and it is further

ORDERED that any commissions or other fees due Saunders shall be paid to
Saunders at closing, from the proceeds of any sale of the Sarasota Facility approved by
subsequent order of this Court.

Dated: Wilmington, Delaware
February __, 2003

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