

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

Objections Due: June 4, 2003 at 4:00p.m.
Hearing Date: Only if objections are filed.

**FOURTH INTERIM FEE APPLICATION REQUEST OF
NAVIGANT CONSULTING, INC.**

Navigant Consulting, Inc. ("Navigant"), financial advisor to the Official Committee of Unsecured Creditors (the "Committee"), hereby submits this Fourth 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 consulting services performed and expenses incurred during the periods commencing January 1, 2003 through April 30, 2003 (the "Application Period") as financial advisor to the Committee in this proceeding. In support thereof, Navigant respectfully represents as follows:

RELIEF REQUESTED

1. By this Application, Navigant seeks interim approval and allowance of its compensation for financial advisory services and reimbursement for expenses incurred during the Application Period.

¹The 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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2. Navigant has filed and served a fee application and accompanying Certification of Robert F. Remian for the periods covering January 1, 2003 up to and including April 30, 2003 (collectively, the "Fee Application"). The Fee Application is incorporated by reference as if fully set forth herein.² The Fee Application filed was not objected to and a Certificate of No Objection was filed for application with the Court.

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

Applicant	Fee Period Docket #	Total Amt. Fees at 100%	Total Amt. of Expenses at 100%	Amount Paid to Date	Amount Outstanding	Certificate of No Objection Date/Docket #
Navigant Consulting, Inc.	Docket No. 857	\$88,998.50	\$23.86	\$0.00	\$89,022.36	Docket No. 888
Navigant Consulting, Inc.	Docket No.	\$189,991.50	\$461.81	\$0.00	\$190,453.31	Docket No.
TOTALS:	N/A	\$278,990.00	\$485.67	\$0.00	\$279,475.67	N/A

* Authorized per Administrative Order.

4. A summary of the hours spent, the names of each professional rendering services to the Committee during the Application Period, the customary billing rates and the total value of time incurred by each of the Navigant Consulting professionals rendering services to the Committee are attached to each of the Fee Applications as Exhibit "B." Likewise, a copy of the 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

²A copy of the Fee Application may be obtained by request to the undersigned.

Compensation And Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (the “Guidelines”), are attached to each of the Fee Applications as Exhibit “C.” In addition, a statement of expenses incurred by Navigant during the Application Period are attached to each of the Fee Applications as Exhibit “E.” All time entries and requested expenses were in compliance with Local Rule 2016-2.³

COMPENSATION REQUESTED

5. Navigant seeks interim allowance of the fees in the amount of \$278,990.00 for professional services rendered and of expenses in the amount of \$485.67 which were incurred during the Application Period (the “Requested Amount”).

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 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.

³ Navigant Consulting 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, Navigant Consulting complied with such

7. In accordance with its practice in nonbankruptcy matters, Navigant has calculated its compensation requested in this Application by applying its customary hourly rates. Navigant'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, Navigant's rates should be determined to be reasonable under Section 330 of the Bankruptcy Code.

8. Navigant'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 Navigant'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, Navigant'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. Navigant'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. Navigant has properly requested reimbursement only of actual, necessary and appropriate expenses.

10. No agreement or understanding exists between Navigant and /or any third person for the sharing or division of compensation. All of the services for which compensation is

local rule. Navigant Consulting will supplement this Application with additional detail or information upon request.

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, Navigant 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, Navigant submits that no other or further notice is required.

WHEREFORE, Navigant 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; and (iii) granting such further relief as may be appropriate.

NAVIGANT CONSULTING, INC.

By: 
Robert F. Remian
175 W. Jackson Blvd.
Suite 500
Chicago, Illinois 60604
(312) 583-5700

Dated: May 8, 2003

Financial Advisor to the Official Committee

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

In Re:)	Chapter 11
FANSTEEL, INC., <u>et al.</u> ,)	02-10109 (JJF)
Debtors.)	Jointly Administered

CERTIFICATION

Robert F. Remian, a certified public accountant, hereby certifies that:

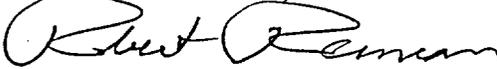
1. I am a Principal in Navigant Consulting, Inc. ("Navigant"). Navigant was retained by the Official Committee of Unsecured Creditors as financial advisor pursuant to an order of this Court. This certification is made in support of the Fourth Interim Fee Application Request of Navigant, financial advisor to the Official Committee of Unsecured Creditors, for Compensation and Reimbursement of Expenses Pursuant to 11 U.S.C. §§ 330 and 331 dated May 8, 2003 (the "Application") and in compliance with Local Rule 2016-2 of this Court, setting forth the Contents of Application for Compensation and Expenses (the "Guidelines").

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

Dated: May 8, 2003

NAVIGANT CONSULTING, INC.

By:



Robert F. Remian
175 W. Jackson Blvd.
Suite 500
Chicago, Illinois 60604
(312) 583-5700

Financial Advisor to the Official Committee
of Unsecured Creditors

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

ORDER

Upon consideration of the Fourth Interim Fee Application Request of Navigant Consulting, Inc. (the "Application");² 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 Navigant Consulting, Inc.'s Requested Amount of \$278,990.00 in legal fees (including the Hold Back amount of \$55,798.00) and \$485.67 in expenses; and it is further

ORDERED that the Requested Amount 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 _____, 2003.

HONORABLE JOSEPH J. FARNAN, JR.
United States District Judge

¹The 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.

²Capitalized Terms not otherwise defined herein have the same meanings as given to them in the Application.