

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.)

**CERTIFICATION OF COUNSEL FOR ORDER APPROVING THIRD
AMENDMENT TO ORDER AUTHORIZING THE DEBTORS TO EMPLOY
AND COMPENSATE CERTAIN PROFESSIONALS UTILIZED
IN THE ORDINARY COURSE OF THE DEBTORS' BUSINESS**

The undersigned hereby certifies that:

1. This request is submitted pursuant to the District of Delaware Local Rule of Bankruptcy Practice & Procedure 9013(i), non-material amendments to orders.
2. On January 20, 2002, this Court entered the certain *Order Authorizing the Debtors' Motion Authorizing the Debtors to Employ and Compensate Certain Professionals Utilized in the Ordinary Course of the Debtors' Business*, (the "Order").
3. On March 6, 2003, this Court entered the *Agreed Order Authorizing the Debtors' Motion to Amend Order Authorizing the Debtors to Employ and Compensate Certain Professionals Utilized in the Ordinary Course of the Debtors' Business* [Docket #821] (together with the Order, the "First Amended Order"). The First Amended Order provided for an increase

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.

BKRP01

in the overall budget for payments to Ordinary Course Professionals² of \$250,000 for the balance of these chapter 11 cases.

4. On September 17, 2003, this Court entered the *Order Amending the Agreed Order Authorizing the Debtors' Motion to Amend Order Authorizing the Debtors to Employ and Compensate Certain Professionals Utilized in the Ordinary Course of the Debtors' Business* [Docket #1341] (together with the First Amended Order, the "Second Amended Order"). The Second Amended Order provided for an increase of \$23,000 to the overall budget for ordinary course professionals to \$273,000 with an allocation of the additional amount for payments to Compliance Administrators & Project Services, Inc.

5. The Debtors now seek approval for a further, non-material amendment to the Second Amended Order to provide for an increase of \$10,000 to the overall budget for Ordinary Course Professionals (together with the Second Amended Order, the "Third Amended Order"). The increase will result in a total budget of \$283,000 and will be allocated solely to William M. Mercer, Inc., which is presently subject to a \$50,000 allocation within the overall budget and which will be increased to \$60,000. William M. Mercer, Inc. ("Mercer") is qualified as an ordinary course professional in these chapter 11 cases and provides actuarial services with respect to the Debtors' pension plans.

6. The Debtors and the Committee agree that the budget should be increased as by \$10,000 to provide for the further allocation to Mercer.

7. Both the Committee and the Office of the United States Trustee have reviewed the proposed Third Amended Order attached hereto as Exhibit "A".

² Capitalized terms not defined herein shall have the meanings ascribed in the Order, as amended.

8. The proposed Third Amended Order provides for a non-material change to the Second Amended Order, insofar as it only affects Mercer and the Mercer budgeted amount without reducing the prior allocation of any other Ordinary Course Professional. The increase of the overall budget is de minimis and does not negatively impact parties in interest in this case. The Third Amended Order incorporates the terms and conditions of the Second Amended Order and shall not amend or alter any provisions therein except with respect to the increase for Mercer.

9. Accordingly, the Debtors hereby request the Court enter the form of proposed Third Amended Order annexed hereto as Exhibit "A".

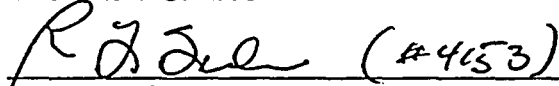
Dated: New York, New York
October 27, 2003

Respectfully submitted,

SCHULTE ROTH & ZABEL LLP
Jeffrey S. Sabin (JSS-7600)
919 Third Avenue
New York, NY 10022
Telephone: (212) 756-2000
Facsimile: (212) 593-5955

and

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

 (#4153)

Laura Davis Jones (Bar No. 2436)
919 North Market Street, 16th Floor, P.O. Box 8705
Wilmington, DE 19899-8705 (Courier 19801)
Telephone: (302) 652-4100
Facsimile: (302) 652-4400

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

EXHIBIT “A”

Proposed Form Of Third Amended Order

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.)

**ORDER APPROVING THIRD AMENDMENT TO ORDER AUTHORIZING
THE DEBTORS TO EMPLOY AND COMPENSATE CERTAIN PROFESSIONALS
UTILIZED IN THE ORDINARY COURSE OF THE DEBTORS' BUSINESS**

WHEREAS, this Court, upon a motion of the debtors and debtors-in-possession (the "Debtors") entered an order on January 20, 2002 (the "Order") authorizing the Debtors employment and retention of professionals utilized in the ordinary course of the Debtors' business (the "Ordinary Course Professionals");

WHEREAS, the Debtors and the Official Committee of Unsecured Creditors (the "Committee") subsequently agreed to, and this Court authorized, two previous amended orders [docket #821 and docket # 1341] (together with the Order, the "Amended Orders") concerning the Debtors' budget for the Ordinary Course Professionals and increases thereto, the allocation of such budget among specific Ordinary Course Professionals, and certain terms and conditions for the payments to such parties by the Debtors;

WHEREAS, the Debtors have determined that the allocated portion of the Debtors' budget for Ordinary Course Professionals for William M. Mercer, Inc., ("Mercer"), a qualified Ordinary

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.

Course Professional in these Chapter 11 Cases engaged to perform actuarial services related to the Debtors' pension plans, will be insufficient to compensate Mercer for the services necessary in connection with the consummation of the Debtors' proposed amended joint reorganization plan filed with this Court on September 18, 2003;

WHEREAS the Debtors and the Committee agree that the initial allocation of the budget for Mercer should be increased from \$50,000 to \$60,000 based on the foreseeable duties to be performed by Mercer for the Debtors through 2003 and that the Debtors' overall budget for Ordinary Course Professionals should be increased from \$273,000 to \$283,000;

IT IS HEREBY ORDERED that the Debtors are authorized to pay Mercer an additional \$10,000 beyond the previously projected budget, in accordance with the terms and conditions of the Amended Orders, and that, if any further expenditures of Mercer are required, Debtors shall first consult with the Committee prior to authorizing work entailing such further expenditures, and unless the Committee objects within three business days of such notice, any such further expenses for Mercer shall be authorized and no additional order regarding payments to Mercer shall be necessary.

Dated: _____, 2003

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