

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
FANSTEEL INC., et al.,<sup>1</sup> )  
Debtors. ) Case No. 02-10109 (JJF)  
) (Jointly Administered)  
) Related Docket No. 1756  
) 12/23/03 Agenda Item # 1 (Rel. Doc. "A")

Objection Deadline: December 23, 2003, 10:00 a.m. E.T.  
Hearing Date: December 23, 2003, 4:00 p.m. E.T.

**AMENDED MOTION TO SHORTEN TIME OF NOTICE PERIOD WITH  
RESPECT TO EMERGENCY MOTION OF FANSTEEL INC., ET AL  
FOR ORDER PURSUANT TO 11 U.S.C § 1127 (B) SEEKING MODIFICATION OF  
THE DEBTORS' JOINT REORGANIZATION PLAN**

Fansteel Inc., a Delaware corporation, and its direct and indirect subsidiaries, as debtors and debtors in possession (the "Debtors") hereby move the Court pursuant to Rule 9006(c) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Del.Bankr.LR 9004-1(e), and 11 U.S.C. § 105 for an Order shortening the notice period under Bankruptcy Rule 2002(a)(2) with respect to the attached Emergency Motion for an Order Pursuant to 11 U.S.C. § 1127(b) Approving Modifications of the Debtors' Joint Reorganization Plan, (the "Motion"), seeking entry of an order approving certain modifications of the Debtors' Joint Reorganization Plan (the "Plan") confirmed by order of the Court dated November 17, 2003 and deeming those parties that previously voted to approve the Plan, to accept the Plan as modified herein without further resolicitation.

<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., and American Sintered Technologies, Inc.

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## Background

On December 12, 2003, the ODEQ advised Fansteel that the OAG voluntarily elected to withdraw its comments regarding the issuance and transfer of the OPDES Permit. The ODEQ confirmed this withdrawal by the OAG in a writing dated December 12, 2003 and further advised that the OPDES Permit would be immediately issued. The OPDES Permit was issued to Fansteel that same day. Notwithstanding the withdrawal of the comments by the OAG and issuance of the OPDES Permit, the ODEQ further advised Fansteel and FMRI that the subsequent transfer of the OPDES Permit to FMRI would be subject to the "financial accountability" requirements of OAC 252:616-3-4(g) through a permit modification. The conditions imposed for the transfer of the OPDES Permit to FMRI presented a significant impediment to the Debtors' consummation of the Plan by the effective Deadline of December 20, 2003.

1. On December 16, 2003, the Court held an emergency telephonic hearing (the "Emergency Hearing") to consider the Debtors' Emergency Motion for an Order In Aid of Implementation of their Joint Reorganization Plan Pursuant to 11 U.S.C. §§105, 1123(a)(5) and 1142, filed on December 11, 2003, [Docket No. 1723], together with the Supplement filed in connection therewith on December 16, 2003 [Docket No. 1737] (collectively, the "Emergency Motion"). The Debtors' Emergency Motion was intended to, among other things, resolve issues with respect to the transfer of the OPDES Permit to enable the Debtors to consummate their Plan. Although the Court concluded at the emergency hearing that issues of financial feasibility were res judicata, the Court did not direct the transfer of the OPDES Permit.

2. Subsequent to the Emergency Hearing, the Debtors, the Committee, the NRC and the OAG on behalf of the ODEQ engaged in a series of further settlement discussions that have resulted in an agreement between the parties that would resolve the concerns of the OAG and ODEQ with respect to the OPDES Permit such that the OPDES Permit would be transferred to FMRI without condition, modification or reissuance, upon entry of an order approving and confirming the Plan, as modified. The terms of the agreement as set forth in the Motion and are extremely time sensitive. The settlement requires a post confirmation modification to the Debtors' Plan that has no adverse affect on any party other than the NRC. The NRC has, however, consented to the terms of the settlement and modifications to the Plan.

3. The Debtors believe that the timely consummation of their Plan is critical to their reorganization and, absent the ability to satisfy the conditions to the Effective Date, the Debtors may be required to withdraw the Plan. The Debtors, therefore, believe that it is essential for this Court to consider the settlement with the OAG, ODEQ and NRC as embodied in the Plan Modifications set forth in the Motion. Therefore, the Debtors seek an Order from this Court shortening the notice period on this Motion.

4. Given the consent of the NRC to the terms of the proposed Plan Modifications, the necessity of the settlement with the ODEQ and OAG to cause the transfer of the OPDES Permit to FMRI and because the settlement does not alter, in any way, the distributions (other than perhaps to cause a slight delay in receipt thereof) to any other creditor of holder of an interest in these Chapter 11 Casers, the Debtors respectfully submit that no parties will be prejudiced by either the Motion or the Debtors' request for an emergency hearing to

consider same such that this Motion may be heard on an expedited basis. Accordingly, under the circumstances the Debtors have requested an emergency hearing on December 23, 2003 to hear the Motion which the Debtors submit will not prejudice the rights of any party in interest and is in the best interest of the estates and the Debtors' creditors.

5. This Motion to Shorten Time will be immediately served on the United States Trustee, counsel to the Committee, the OAG and the ODEQ, and the Department of Justice as counsel to the EPA, the NRC and certain other government agencies, counsel to the PBGC, those parties that have voted to accept the Plan, and all parties who have requested notice in this case.

6. The Debtor has arranged for telephonic participation in the hearing. Those wishing to participate should call in at 3:45 p.m. by dialing (888) 243-0818, Participant Code 356209.

WHEREFORE, the Debtors respectfully request the entry of an Order shortening time and approving the form of the Notice attached hereto.

Dated: December 22, 2003

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-and-

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



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Counsel for Debtors and Debtors in Possession

SO ORDERED this \_\_\_ day of  
\_\_\_\_\_, 2003

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The Honorable Joseph J. Farnan  
United States District Judge