

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: January 30, 2004 by 4:00 p.m. Eastern
) Hearing Date: TBD (Only if objections are timely filed)

**DEBTORS' MOTION FOR ORDER AUTHORIZING FURTHER
EXTENSION OF THE PERIOD WITHIN WHICH THE DEBTORS MAY
REMOVE CIVIL ACTIONS PURSUANT TO 28 U.S.C. § 1452 AND
FEDERAL RULE OF BANKRUPTCY PROCEDURE 9027**

The above-captioned debtors and debtors-in-possession (collectively, the "Debtors") hereby move this Court for entry of an order granting a further extension of time through and including May 7, 2004 within which the Debtors may remove civil actions pursuant to 28 U.S.C. § 1452 and Rule 9027 of the Federal Rules of Bankruptcy Procedure. In support of this Motion, the Debtors state as follows:

Jurisdiction

1. This Court has jurisdiction over this Motion under 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A), (M) and (O).
2. The statutory predicates for the relief requested herein are 28 U.S.C. § 1452 ("Section 1452") and Rules 9006 and 9027 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

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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Background

3. On January 15, 2002 (the "Petition Date"), the Debtors commenced these cases (the "Chapter 11 Cases") by each filing a voluntary petition for relief under chapter 11 of title 11 of the Bankruptcy Code. On the Petition Date, the Debtors also jointly filed motions or applications seeking certain "first day" orders.

4. The United States Bankruptcy Court for the District of Delaware ("Bankruptcy Court") entered an order ("Joint Administration Order") on January 17, 2002 authorizing the Chapter 11 Cases to be consolidated and jointly administered for procedural purposes only.

5. The United States District Court for the District of Delaware ("District Court") withdrew the reference on the Chapter 11 Cases, by order entered January 28, 2002 (the "Withdrawal Order"). Pursuant to the Withdrawal Order, the Chapter 11 Cases were transferred to the District Court.

6. The Debtors continue in possession of their properties and are operating and managing their businesses as debtors and debtors-in-possession pursuant to Bankruptcy Code §§ 1107 and 1108.

7. No request has been made for the appointment of a trustee or examiner. On or about January 28, 2002, the United States Trustee (the "Trustee") appointed an Official Committee of Unsecured Creditors (the "Committee").

8. On July 24, 2003, the Debtors filed their original disclosure statement and original proposed plan of reorganization (the "Plan"), both of which have been subsequently

amended. The Court entered an order approving the disclosure statement on September 30, 2003.

9. The Court held a hearing to consider confirmation of the Plan on November 17, 2003 at 5:00 p.m. Eastern Time ("Confirmation Hearing"). The Court held an additional hearing on December 23, 2003 ("Further Hearing," and collectively with the Confirmation Hearing, "Hearings") to consider the *Debtors' Second Amended Joint Reorganization Plan* dated December 23, 2003 (together with all exhibits thereto, the "Second Amended Plan"). Subsequent to the Hearings, the Court entered an order confirming the Second Amended Plan on December 23, 2003 (D.I. 1791, dated December 23, 2003, which order supersedes the order at D.I. 1760).

10. On October 12, 2003 the Court entered the *Order to Approve Debtors' Motion for Order Authorizing Fifth Extension of the Period Within Which the Debtors May Remove Civil Actions Pursuant to 28 U.S.C. § 1452 and Federal Rule of Bankruptcy Procedure 9027* ("Fifth Extension"). [See D.I. 1487, dated October 12, 2003]. The Fifth Extension runs through and including January 8, 2004.

Relief Requested

11. By this Motion, out of an abundance of caution, the Debtors request entry of an order, pursuant to 28 U.S.C. § 1452 and Bankruptcy Rules 9006(b) and 9027(a)(2)(A), further extending through and including May 7, 2004 the time by which they may file notices of removal with respect to civil actions pending as of the Petition Date. The Debtors request that the May 7, 2004 deadline (the "Extension Deadline") to file removal actions apply to only matters specified in Bankruptcy Rule 9027(a)(2)(A). This Motion and proposed Order shall not

operate to have any effect on any party's right to file a notice of removal after the Extension Deadline pursuant to Bankruptcy Rule 9027(a)(2)(B) or (C).

Basis for Relief

12. Section 1452 and Bankruptcy Rule 9027 govern the removal of pending civil actions. Specifically, Section 1452(a) provides:

A party may remove any claim or cause of action in a civil action other than a proceeding before the United States Tax Court or a civil action by a governmental unit to enforce such governmental unit's police or regulatory power, to the district court for the district where such civil action is pending, if such district court has jurisdiction of such claim or cause of action under section 1334 of this title.

28 U.S.C. § 1452(a). Bankruptcy Rule 9027(a)(2) further provides, in pertinent part:

If the claim or cause of action in a civil action is pending when a case under the [Bankruptcy] Code is commenced, a notice of removal may be filed in the bankruptcy court only within the longest of (A) 90 days after the order for relief in the case under the Code, (B) 30 days after entry of an order terminating a stay, if the claim or cause of action in a civil action has been stayed under § 362 of the Code, or (C) 30 days after a trustee qualifies in a chapter 11 reorganization case but not later than 180 days after the order for relief.

Fed. R. Bankr. P. 9027(a)(2).

13. Bankruptcy Rule 9006(b) provides that the court may extend unexpired time periods, such as the Debtors' removal period, without notice:

[W]hen an act is required or allowed to be done at or within a specified period by these rules or by a notice given thereunder or by order of court, the court for cause shown may at any time in its discretion . . . with or without motion or notice order the period enlarged if the request therefor is made before the expiration of the period originally prescribed or as extended by a previous order.

Fed. R. Bankr. P. 9006(b)(1).

14. Since filing bankruptcy petitions on January 15, 2002, the Debtors and their professionals have continued to focus on financing, business, operational and cost-containment issues, in addition to allocating substantial amounts of time to ensure confirmation of the Plan.

15. The Debtors seek this extension out of an abundance of caution as the extension will ensure that the Debtors do not forfeit valuable rights under Section 1452. Importantly, the rights of the Debtors' adversaries will not be prejudiced by such an extension. Any party to a pre-petition action that is removed may seek to have it remanded to the state court pursuant to 28 U.S.C. § 1452(b):

16. The Debtors further request that the order approving this Motion be without prejudice to (a) any position the Debtors may take regarding whether section 362 of the Bankruptcy Code applies to stay any given litigation pending against the Debtors and (b) the right of the Debtors to seek further extensions of the period in which they may remove actions pursuant to Bankruptcy Rule 9027.

17. The Debtors submit that the relief requested by this Motion is in the best interest of the Debtors, their estates and their creditors because it will maximize the Debtors' likelihood of a successful reorganization. Moreover, requests by debtors for extensions of the removal period have been routinely granted by Courts in this District.²

² See, e.g., In re Armstrong World Indus., Inc., Case No. 00-4471 (RJN) (Bankr. D. Del. April 19, 2001) (The Court granted 120-day extension); In re W.R. Grace & Co., Case No. 01-1139 (JKF) (Bankr. D. Del. July 19, 2001) (six-month extension granted); In re Pillowtex, Inc., Case No. 00-4211 (SLR) (Bankr. D. Del. Feb. 6, 2001); In re Philip Servs. (Delaware), Inc., Case No. 99-2385 (MFW) (Bankr. D. Del. Oct. 28, 1999).

Notice

18. Notice of this Motion has been given to the Office of the United States Trustee, Counsel for the Official Committee of Unsecured Creditors, and all parties who have requested notice pursuant to Del. Bankr. L.R. 2002-1.

WHEREFORE, the Debtors respectfully request that this Court enter an order further extending the period within which the Debtors may remove actions brought pursuant to 28 U.S.C. § 1452 and Bankruptcy Rule 9027(a)(2)(A) through and including May 7, 2004, and granting such other and further relief as this Court deems just and proper.

Dated: January 8, 2004

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Co-Counsel for the 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)
Debtors.)

**ORDER TO APPROVE DEBTORS' MOTION FOR ORDER AUTHORIZING
FURTHER EXTENSION OF THE PERIOD WITHIN WHICH THE DEBTORS
MAY REMOVE CIVIL ACTIONS PURSUANT TO 28 U.S.C. § 1452 AND
FEDERAL RULE OF BANKRUPTCY PROCEDURE 9027**

Upon consideration of the Motion² for entry of an order extending the period within which the Debtors may remove civil actions pursuant to 28 U.S.C. § 1452 and Federal Rules of Bankruptcy Procedure 9006 and 9027 (the "Motion"); and good cause having been shown; and notice of the Motion appearing sufficient and proper under the circumstances; and the relief requested appearing in the best interests of the Debtors, their estates and creditors; it is hereby

ORDERED that the Motion is granted in full; and it is further

ORDERED that the time period provided by Bankruptcy Rule 9027(a)(2)(A) within which the Debtors may file notices of removal of related proceedings is enlarged and extended through and including May 7, 2004; and it is further

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.

²Capitalized terms not defined herein shall have the meanings ascribed to them in the Motion.

ORDERED that the May 7, 2004 deadline to file removal actions shall not operate to have any effect on any party's right to file a notice of removal after the Extension Deadline pursuant to Bankruptcy Rule 9027(a)(2)(B) or (C); and it is further

ORDERED that this Order shall be without prejudice to (i) any position the Debtors may take regarding whether section 362 of the Bankruptcy Code applies to stay any given litigation pending against the Debtors, and (ii) the Debtors' right to seek further extensions of time within which to remove related proceedings.

Dated: _____, 2004

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

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
FANSTEEL INC., *et al.*,¹) 02-10109 (JF)
) (Joint Administration)
Debtors.)
) Objection Deadline: January 30, 2004 by 4:00 p.m. Eastern
) Hearing Date: TBD (Only if objections are timely filed)

**NOTICE OF DEBTORS' MOTION FOR ORDER AUTHORIZING FURTHER
EXTENSION OF THE PERIOD WITHIN WHICH THE DEBTORS MAY
REMOVE CIVIL ACTIONS PURSUANT TO 28 U.S.C. § 1452 AND
FEDERAL RULE OF BANKRUPTCY PROCEDURE 9027**

TO: OFFICE OF THE UNITED STATES TRUSTEE, COUNSEL FOR THE COMMITTEE
OF UNSECURED CREDITORS, ALL PARTIES WHO HAVE REQUESTED
SERVICE PURSUANT TO DEL. BANKR. L.R. 2002-1

PLEASE TAKE NOTICE that on January 8, 2004, the above-captioned debtors
and debtors-in-possession (the "Debtors") filed with the United States Bankruptcy Court for the
District of Delaware, 824 Market Street, Wilmington, Delaware 19801 (the "Bankruptcy Court")
the *Motion For Order Authorizing Further Extension Of The Period Within Which The Debtors
May Remove Civil Actions Pursuant to 28 U.S.C. § 1452 and Federal Rule of Bankruptcy
Procedure 9027* (the "Motion").

PLEASE TAKE FURTHER NOTICE THAT RESPONSES OR OBJECTIONS,
IF ANY, TO THE RELIEF REQUESTED IN THE MOTION MUST BE IN WRITING, FILED
WITH THE BANKRUPTCY COURT, AND SERVED UPON BOTH UNDERSIGNED

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.

COUNSEL FOR DEBTORS SO AS TO BE RECEIVED BY 4:00 P.M., PREVAILING
EASTERN TIME, ON JANUARY 30, 2004.

PLEASE TAKE FURTHER NOTICE THAT, IF ANY OBJECTIONS ARE
TIMELY FILED AND SERVED, A HEARING ON THE MOTION WILL BE HELD ON A
DATE TO BE DETERMINED, BEFORE THE HONORABLE JOSEPH J. FARNAN, JR., OF
THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE. IF
NECESSARY, THE HEARING WILL BE HELD IN COURTROOM 4B, J. CALEB BOGGS
FEDERAL BUILDING, 844 KING STREET, WILMINGTON, DELAWARE 19801. ONLY
TIMELY FILED AND RECEIVED WRITTEN OBJECTIONS WILL BE CONSIDERED BY
THE COURT AT THE HEARING.

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IF NO OBJECTIONS ARE TIMELY FILED AND SERVED IN
ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF
REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: January 8, 2004

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