

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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

Objections Due: February 9, 2004 at 4:00 p.m.  
Hearing Date: TBD (Only if Objections are Filed)

**NOTICE OF FILING OF STIPULATION AND AGREED ORDER  
GRANTING GREGORY RETHWISH RELIEF FROM STAY AND PROVIDING FOR  
WITHDRAWAL OF PROOFS OF CLAIM**

**TO:** Counsel for Gregory Rethwish, Office of the United States Trustee, Counsel for the Official Committee of Unsecured Creditors and all parties requesting notice under Bankruptcy Rule 2002.

Fansteel Inc. ("Fansteel") and Wellman Dynamics Corp. ("Wellman"), debtors in the above-captioned Chapter 11 cases (collectively, the "Debtors"), and Gregory Rethwish ("Rethwish") have filed the attached Stipulation and Agreed Order Granting Gregory Rethwish Relief from Stay and Providing for Withdrawal of Proofs of Claim (the "Stipulation).

Objections and other responses to the Stipulation, if any, must be in writing and filed with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, Wilmington, Delaware 19801, no later than 4:00 p.m., Eastern Time, on February 9, 2004.

At the same time, you must also serve a copy of the response upon the undersigned counsel to the Debtors at (i) Schulte Roth & Zabel LLP, 919 Third Avenue, New

<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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York, New York 10022 (Attn: Jeffrey S. Sabin, Esq.) and (ii) Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 North Market Street, 16<sup>th</sup> Floor, P.O. Box 8705, Wilmington, Delaware 19899-8705 (Courier 19801) (Attn: Laura David Jones, Esq.).

**A HEARING ON THE STIPULATION WILL BE HELD AT THE  
CONVENIENCE OF THE COURT BEFORE THE HONORABLE JOSEPH J. FARNAN,  
AT THE UNITED STATES BANKRUPTCY COURT LOCATED AT 824 MARKET  
STREET, SIXTH FLOOR, WILMINGTON, DELAWARE 19801 – ONLY IF TIMELY  
OBJECTIONS ARE RECEIVED BY FEBRUARY 9, 2004 AT 4:00 P.M., EASTERN  
TIME.**

*[Remainder of Page intentionally left Blank]*

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

Dated: January <sup>dm</sup> 20, 2004

SCHULTE ROTH & ZABEL LLP  
Jeffrey S. Sabin (JSS 7600)  
Lawrence V. Gelber (LVG 9384)  
919 Third Avenue  
New York, NY 10022  
Telephone: (212) 756-2000  
Facsimile: (212) 593-5955

and

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

  
\_\_\_\_\_  
Laura Davis Jones (Bar No. 2436)  
James E. O'Neill (Bar No. 4042)  
919 North Market Street, 16<sup>th</sup> 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.*,<sup>1</sup> ) Case No. 02-10109 (JJF)  
) (Jointly Administered)  
)  
Debtors. )

**STIPULATION AND AGREED ORDER GRANTING  
GREGORY RETHWISH RELIEF FROM STAY AND  
PROVIDING FOR WITHDRAWAL OF PROOFS OF CLAIM**

Fansteel, Inc. ("Fansteel") and Wellman Dynamics Corp. ("Wellman"), debtors in the above-captioned Chapter 11 cases (collectively, the "Debtors"), and Gregory Rethwish ("Rethwish") stipulate and agree as follows:

**RECITALS:**

A. Rethwish is an individual claimant in these cases who has filed a pre-petition proof of claim against Fansteel (Claim No. 947) and against Wellman (Claim No. 948), each in the amount of \$475,000.00, in which Rethwish alleges that he suffered certain injuries on November 19, 2001, while on Wellman's premises in Creston, Iowa (the "Personal Injury Claim").

B. Counsel representing Rethwish, Larry J. Handley, Esq. ("Handley"), has been in negotiations with the Debtors' premises liability insurers, through their agent, AIG Claims Services, Inc. ("AIG"), for the payment of compensation on account of the Personal Injury Claim

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<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.

under applicable premises liability policies maintained by Debtors with respect to the Wellman facility.

C. Handley now wishes to file suit in the Iowa state courts in order to prosecute the Personal Injury Claim and obtain compensation for the alleged injuries suffered by Rethwish from the Debtors' insurers, and to name the Debtors in such a suit as the nominal defendants.

D. Rethwish has requested, through counsel, the Debtors' consent to relief from stay to permit filing and prosecution of such an action solely to the extent of available liability insurance proceeds ("Proceeds").

E. The Debtors have indicated that they will consent to such relief from the stay on the terms and conditions set forth in this Stipulation.

**AGREEMENT:**

1. Debtors consent to limited relief from the automatic stay under 11 U.S.C. § 362 and from the injunctive provisions of the Order confirming the Debtors' Second Amended Joint Reorganization Plan for the sole purpose of allowing Rethwish to commence an action against the Debtors in the appropriate court for the purpose of determining issues of liability and damages, if any, provided, the collection and recovery of any damages awarded shall be limited to the amount of available Proceeds (exclusive of any deductible amount which may be payable by Debtors under the applicable policies) and Rethwish shall not look to the Debtors, the Reorganized Debtors, their properties or the Chapter 11 estates for collection or recovery of any order, judgment or award by any manner or means on account of the Personal Injury Claim.

2. Upon the approval of this Stipulation by the Court, the proofs of claim heretofore filed by Rethwish against Fansteel (Claim No. 947) and Wellman (Claim No. 948) shall

be deemed withdrawn, and Rethwish hereby waives his right to file any further proof of claim in these Chapter 11 cases relating to the Personal Injury Claim.

3. This Stipulation constitutes the entire agreement among the parties hereto and may not be modified, vacated or amended except in writing executed by the Debtors and Rethwish.

4. This Stipulation is subject to and conditioned upon the approval of the Court and shall not be effective until "So Ordered" by the Court. In the event this Stipulation is not approved by this Court, it shall be null and void and shall have no force or effect.

5. This Stipulation may be executed in counterparts, any of which may be transmitted by facsimile, and each of which shall be deemed an original, but all of which together shall constitute one instrument.

Dated: January 20, 2004

BUCHANAN INGERSOLL PC

  
\_\_\_\_\_  
Stuart M. Brown (#4050)  
1201 North Market Street, Suite 1501  
Wilmington, DE 19801  
Tel: (302) 428-5500

Counsel for Gregory Rethwish

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and

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

*Laura Davis Jones (Bar No. 4042)*

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919 North Market Street, 16<sup>th</sup> Floor  
P.O. Box 8705  
Wilmington, Delaware 19899-8705  
Telephone: (302) 652-4100

Counsel for Debtors

SO ORDERED this \_\_\_ day of January, 2004.

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

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

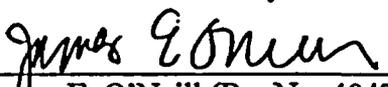
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Debtors. )

**CERTIFICATE OF SERVICE**

I, James E. O'Neill, hereby certify that on the 20<sup>th</sup> day of January 2004, I caused a copy of the following document(s) to be served on the individuals on the attached service list(s) in the manner indicated:

**Notice of Filing of Stipulation and Agreed Order**

**Stipulation and Agreed Order Granting Gregory Rethwish Relief from Stay and Providing for Withdrawal of Proofs of Claim**

  
James E. O'Neill (Bar No. 4042)

<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., American Sintered Technologies, Inc., and Fansteel Schulz Products, Inc.