

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

Objection Deadline: March 29, 2004 at 4:00 p.m. Eastern Time
Hearing Date: April 15, 2004 at 4:30 p.m. Eastern Time

**NOTICE OF DEBTORS' SIXTH OMNIBUS
SUBSTANTIVE OBJECTION TO CLAIMS**

To all parties entitled to notice pursuant to
Local Bankruptcy Rules 2002-1 and 3007-1:

Fansteel Inc. ("Fansteel") and its affiliated debtors and debtors-in-possession (collectively, the "Debtors") have filed the Debtors' Sixth Omnibus Substantive Objection to Claims (the "Objection").

PLEASE TAKE NOTICE that responses, if any, to the Objection, must be filed with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801, on or before March 29, 2004, at 4:00 p.m. Eastern Time. At the same time, you must also serve a copy of the response upon co-counsel for the Debtors: (i) Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, Delaware 19899-8705 (courier 19801) (Attn: Laura Davis Jones, Esq.) and (ii) Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022 (Attn: Jeffrey S. Sabin, Esq.).

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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A HEARING ON THE OBJECTION WILL BE HELD ON APRIL 15, 2004

at 4:30 p.m. (the "Claims Hearing"). The Claims Hearing may be continued from time to time upon written notice to you or oral announcement in Court.

If you file a response to the Objection, you should be prepared to argue that response at the Claims Hearing. You need not appear at the Claims Hearing if you do not oppose the relief requested in the Objection.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF DEMANDED BY THE OBJECTION WITHOUT FURTHER NOTICE OR HEARING.

Each claimant who has filed a claim subject to the Objection is receiving a copy of the Objection. Each claimant should read the Objection, which describes the grounds of the objection, and should review the exhibits attached thereto, which lists all claims subject to the Objection.

Any response filed with the Court must contain at a minimum the following:

- (a) a caption setting forth the name of the Court, the names of the Debtors, the case number and the title of this Objection;
- (b) the name of the claimant and description of the basis for the amount of the claim;
- (c) a concise statement setting forth the reasons why the claim should not be disallowed or reclassified for the reasons set forth in the Objection, including, but not limited to, the specific factual and legal basis upon which the claimant will rely in opposing the Objection;
- (d) all documentation or other evidence of the claim, to the extent not included with the proof of claim previously filed with the Bankruptcy Court, upon which the claimant will rely in opposing the Objection at the Claims Hearing; and
- (e) the name, address, and telephone number of the person (which may be the claimant or the claimant's legal representative) possessing ultimate authority to reconcile, settle, or otherwise resolve the claim on behalf of the claimant.

Questions about the Objection or requests for additional information about the proposed disposition of claims should be directed to the Debtors' counsel at the addresses set forth below or by telephone at (212) 756-2517.

PLEASE TAKE FURTHER NOTICE that the Debtors reserve the right to object in the future to any of the proofs of claim which are the subject of this Objection on any further or additional grounds. Separate notice will be made and a separate hearing will be scheduled for any such objection.

Dated: March 8, 2004

SCHULTE, ROTH & ZABEL LLP
Jeffrey S. Sabin (JSS-7600)
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and

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



Laura Davis Jones (Bar No. 2436)
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Counsel for Fansteel Inc., et al.,
Debtors and Reorganized Debtors

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Case No. 02-10109(JJF)
)
FANSTEEL INC., *et al.*,¹) Chapter 11
) (Jointly Administered)
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Objection Deadline: March 29, 2004 at 4:00 p.m. Eastern Time
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**DEBTORS' SIXTH OMNIBUS
SUBSTANTIVE OBJECTION TO CLAIMS**

Fansteel Inc. ("Fansteel") and its affiliated debtors and debtors-in-possession (the "Subsidiary Debtors," and collectively with Fansteel, the "Debtors"), by and through their undersigned counsel, hereby object (the "Objection") to each of the proofs of claim identified on Exhibits A and B annexed hereto (each a "Disputed Claim" and collectively, the "Disputed Claims") and requests that the Court enter an order disallowing each of the Disputed Claims for the reasons set forth below. An Affidavit of R. Michael McEntee, the Chief Financial Officer of Fansteel, in Support of the Debtors' Sixth Omnibus Substantive Objection to Claims is attached hereto as Exhibit C. In support of the Objection, the Debtors respectfully state as follows.

Notice To Claimants

ATTENTION CLAIMANTS: Please be aware that if you filed a proof of claim against the Debtors that is identified on any of the Exhibits attached to this Objection, the Debtors have objected to that claim through this Objection. If you have filed more than one proof

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.

of claim against the Debtors, each such claim may be objected to on the same or different Exhibits to this Objection. This Objection thus directly affects your rights, and your claim may be reclassified, reduced, modified, disallowed, expunged or eliminated by the relief sought by the Debtors in this Objection. Please carefully review the accompanying Notice for important information regarding the date of the Objection hearing as well as the deadlines and procedures for filing a response to this Objection. If you or your attorney do not respond to this Objection by the deadline set forth in that Notice, the Court may decide that you do not oppose the Objection. Responses must be filed with the Court and served on the Debtors' undersigned counsel. If you have questions about why your claim is identified on any of the exhibits below, please contact the Debtors' counsel at Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, Tel: 212-756-2517.

Background

1. On January 15, 2002 (the "Petition Date"), the Debtors each filed with this Court voluntary petitions for relief under 11 U.S.C. §§ 101 et seq., as amended. The Debtors continue to operate their businesses and manage their affairs as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in any of the Debtors' chapter 11 cases (together, the "Cases"). A creditors' committee (the "Committee") was appointed in these Cases on January 28, 2002.

2. In January 2002, the Debtors filed their Schedules of Assets and Liabilities (the "Initial Schedules") with the Bankruptcy Court. Subsequently and on August 28, 2003, the Debtors filed Amendments to the Initial Schedules (the Amendments, together with the Initial Schedules, the "Schedules"). The Schedules identify numerous claims against the various

Debtors in fixed, liquidated amounts reflected on the Debtors' books and records as of the Petition Date, as well as numerous contingent, unliquidated, and disputed claims.

3. On July 17, 2002, the Court entered an Order fixing September 23, 2002 as the last date for the filing of proofs of claim on account of pre-petition claims against the Debtors (the "Bar Date Order"). Among other things, the Bar Date Order approved a *Notice of Deadline for Creditors to File Proofs of Claim*, which was served on all potential claimants and provided that if a claimant failed to timely file a proof of claim, such creditor would be forever barred from asserting any claims against any of the Debtors or filing a proof of claim with respect to any claim.

4. On July 24, 2003, the Debtors and the Creditors' Committee filed, as co-proponents, their proposed Joint Reorganization Plan for Fansteel Inc. and Subsidiaries. Thereafter, on September 18, 2003, the Amended Joint Reorganization Plan (hereafter, the "Plan") was filed with this Court, together with the First Amended Disclosure Statement for the Plan (the "Disclosure Statement"). On September 30, 2003, the Court entered an order approving the Disclosure Statement as containing "adequate information" within the meaning of 11 U.S.C. §1125(a)(1) and scheduled the hearing on confirmation of the Plan.

5. On November 17, 2003, at the hearing to consider confirmation of the Plan and certain objections interposed thereto by the State of Oklahoma, the Court overruled the objections of the State of Oklahoma and entered an order confirming the Plan. (Docket No. 1622).

6. On December 19, 2003, the Debtors filed their Emergency Motion For an Order Pursuant to 11 U.S.C. §1127(b) Seeking Modification of the Debtors' Amended Joint

Reorganization Plan together with the Debtors' proposed Second Amended Joint Plan of Reorganization dated as of December 18, 2003 (the "Amended Plan").

7. On December 23, 2003, the Court entered an order (the "Confirmation Order") confirming the Amended Plan and adopting all of the Court's previous findings of fact and conclusions of law set forth in the earlier confirmation order. The Effective Date (as that term is defined in the Amended Plan)² occurred on January 23, 2004.

8. This is the sixth omnibus Objection and the fourth substantive Objection filed by the Debtors with respect to proofs of claim filed against their respective Chapter 11 estates.

Jurisdiction

9. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory predicate for the relief sought herein is 11 U.S.C. § 502.

Relief Requested

10. By this Objection, the Debtors seek the disallowance of the claims set forth on Exhibits A and B attached hereto pursuant to section 502(d) of the Bankruptcy Code, which provides, in pertinent part, as follows:

Notwithstanding subsections (a) and (b) of this section, the court shall disallow any claim of any entity from which property is recoverable under section 542, 543, 550, or 553 of this title or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of this title, unless such entity or transferee has paid the amount, or turned over any such property, for which such entity or transferee is liable under section 522(i), 542, 543, 550, or 553 of this title.

² Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Amended Plan.

A. Claims Filed By Preference Action Defendants

11. The Debtors object to the claims listed on Exhibit A hereto, titled "Claims of Bankruptcy Code Section 547 Transferees," because each of the claims listed on Exhibit A is a claim of an entity that is also "a transferee of a transfer avoidable under section...547" of the Bankruptcy Code as a preference and the transferee has not paid the amount, or turned over the property, for which such transferee is liable under Code section 550.

12. Each of the claimants or assignors of the claimants listed on Exhibit A are defendants in adversary proceedings commenced by the Debtors in this Court to avoid certain pre-petition transfers as preferences pursuant to Code section 547 and to recover the property transferred or the value thereof pursuant to Code section 550. In this regard, Article VIII.G. of the Amended Plan provides:

All Claims held by Persons or Entities against whom any Debtor has asserted a cause of action under section 542, 543, 522(f), 522(h), 544, 545, 547, 548, 549, and/or 550 of the Bankruptcy Code pursuant to a motion brought or adversary proceeding commenced in the Bankruptcy Court, shall be deemed Disallowed Claims pursuant to section 502(d) of the Bankruptcy Code.... Claims that are deemed to be Disallowed Claims pursuant to this Article VIII.G shall continue to be Disallowed Claims for all purposes until the Avoidance Action against affected Person or Entity has been settled or otherwise resolved by a Final Order and all sums, if any, due to the Reorganized Debtors by such Person or Entity have been remitted to the Reorganized Debtors.

13. Based on the foregoing, the Debtor requests that the Court enter an order providing that, pending resolution of the Avoidance Action pertaining to a claim listed on Exhibit A, the claim shall continue to be a Disallowed Claim until such time as the property received pursuant to a transfer that is avoided or the value of such property is remitted by the defendant in the Avoidance Action to the Reorganized Debtors.

B. Claims Filed By Code Section 549 Transferee (Michael J. Mocniak)

14. The Debtors object to those proofs of claim listed on Exhibit B, titled "Claims Filed By Bankruptcy Code Section 549 Transferee" because the claimant is a "transferee of a transfer avoidable under section...549" of the Bankruptcy Code and has failed after demand to pay over the amount for which such transferee is liable. As reflected in the Affidavit of R. Michael McEntee, the Chief Financial Officer of Fansteel, attached hereto as Exhibit C, the claimant, Michael J. Mocniak, a former officer of Fansteel, received an inadvertent post-petition transfer of \$11,653.82 that was neither authorized by the Bankruptcy Code or by this Court, and despite written demand failed to repay the avoidable transfer to the debtor-in-possession. Accordingly, each of the claims filed by Mocniak and listed on Exhibit B should be disallowed in their entirety.

Reservation of Debtors' Rights

15. The Debtors hereby reserve the right to object in the future to any of the proofs of claim listed in the exhibits annexed to this Objection on any additional ground, and to amend, modify and/or supplement this Objection as may be necessary. In addition, the filing of this Objection is not intended to limit the Debtors' ability to file future objections to any claims that have been or may subsequently be filed in the Chapter 11 cases on the grounds set forth herein or any other appropriate grounds.

Notice

16. Notice of the Objection and a copy of this Objection has been served on all parties entitled to notice pursuant to Local Bankruptcy Rule 2002-1 and to each of the

claimants set forth on Exhibits A and B annexed hereto. In light of the nature of the relief requested herein, the Debtors respectfully submit that no further notice need be given.

17. In compliance with Del.Bankr.LR 3007-1(e)(ii) (E), the Debtors and their counsel believe that that the Objections comply with Del.Bankr.LR 3007-1.

WHEREFORE, the Debtors respectfully request that the Court enter an order (a) granting the relief sought herein, and (b) providing such other and further relief as justice may require.

Dated: March 8, 2004

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Counsel for Fansteel Inc., et al.,
Debtors and Reorganized Debtors

EXHIBIT A

EXHIBIT A

CLAIMS FILED BY BANKRUPTCY CODE SECTION 547 TRANSFEREES

Fansteel Inc.

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
<p>A FINKL & SONS CO. P.O. BOX 92576 CHICAGO, IL 60690 and 2011 N. SOUTHPORT AVE. CHICAGO, IL 60614</p>	<p align="center">319</p>	<p align="center">\$5,319.08</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>A.C. MACHINING CO. 3730 S. SAN GABRIEL RIVER PKWY PICO RIVERA, CA 90660</p>	<p align="center">719</p>	<p align="center">\$800.00</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>ACT-1 PERSONNEL SERVICES PO BOX 29048 GLENDALE, CA 91209 and 1999 W. 190th STREET TORRANCE, CA 90504</p>	<p align="center">118 Amending 125</p>	<p align="center">\$9,177.95</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>AEROCRAFT HEAT TREATING CO 15701 MINNESOTA AVENUE PARAMOUNT, CA 90723</p>	<p align="center">607</p>	<p align="center">\$55,404.61</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>ALLDYNE POWDER TECHNOLOGIES ATTN: SUSAN BATTEN #1 TELEDYNE PLACE LAVERGNE, TN 37086</p>	<p align="center">85</p>	<p align="center">\$276,510.34</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>ALLEGHENY POWER PO BOX 1392 FAIRMONT, WV 26555 and 800 CABIN HILL DRIVE GREENBURG, PA 15601</p>	<p align="center">68</p>	<p align="center">\$36,752.35</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
AMERICAN MINE SERVICES P.O. BOX 309 MAN, WV 25635	---	\$37,192.19	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
AMERITECH CORPORATION AMERITECH BANKRUPTCY GROUP P.O. BOX 981268 WEST SACRAMENTO, CA 95798 -and- 225 W. RANDOLPH, ROOM 27A CHICAGO, IL 60606	530	\$236.46	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
ARGO PARTNERS, ASSIGNEE OF RICHTER PRECISION, INC. 12 WEST 37 STREET, 9TH FLOOR NEW YORK, NY 10018 and RICHTER PRECISION INC. 1021 COMMERCIAL AVENUE E. PETERSBURG, PA 17520	368	\$12,404.01	Richter Precision is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
BOQUET TOOL & DIE CO. R.D. 6 BOX 492 LATROBE, PA 15650	458	\$7,601.86	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
CARTECH (CARPENTER TECHNOLOGY CORP.) DEPT LA 21039 PASADENA, CA 91185 and 101 W. BERN STREET READING, PA 19601	---	\$113,120.23	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
CHEM ARROW CORP. INT'L 13643 LIVE OAK LANE P.O. BOX 2366 IRWINDALE, CA 91706	---	\$4,954.41	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
CINTAS CORPORATION #240 P.O. BOX 10783 JEFFERSON, LA 70181 and 201 EVANS ROAD NEW ORLEANS, LA 70123	562	\$9,768.63	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
CINTAS P.O. BOX 691260 TULSA, OK 741691260 and 6800 CINTAS BOULEVARD CINCINNATI, OH 45262	---	\$6,842.29	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
CITY OF LOS ANGELES DEPT OF WATER & POWER PO BOX 10210 VAN NUYS, CA 91410 and 111 N. HOPE STREET LOS ANGELES, CA 90012	167	\$27,948.32	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
CONAM-AMS, INC. P.O. BOX 751206 CHARLOTTE, NC 28275 and STAVELEY SERVICES NORTH AMERICA, INC. 192 INTERNATIONALE BLVD. GLENDALE HEIGHTS, IL 60139	---	\$19,509.14	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
CONCENTRIC DIE CO. (JOSE AGUILAR) 1527 W. 13th STREET "B" UPLAND, CA 91786	825	\$10,596.00	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
CONNECTICUT LIGHT & POWER CO. NORTHEAST UTILITIES, CREDIT & COLLECTION CENTER PO BOX 2899 HARTFORD, CT 06101	72	\$24,836.57	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
C-P MFG CO 15541 CABRITO RD VAN NUYS, CA 91406	481	\$33,490.50	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
DICKSON TESTING CO INC 11126 PALMER AVENUE SOUTH GATE, CA 90280	672	\$25,886.99	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
EAST COAST PACKAGING LLC C/O GREGORY F ARCARO ESQ. GRAFSTEIN & ASSOCIATES PO BOX 1035 FARMINGTON, CT 06034-1035 and 1451 NEW BRITAIN AVENUE FARMINGTON, CT 06032	235	\$15,165.98	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
GENERAL INDUSTRIAL DIAMOND 140 ALGONQUIN PKWY WHIPPANY, NJ 07981-1694	253	\$51,567.01	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
GENERAL INSPECTION LABS INC. 8427 ATLANTIC AVE. CUDAHY, CA 90201 and 3 WERNER WAY, SUITE 210 LEBANON, NJ 08833	---	\$13,256.60	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
JOHNSON LIFT/HYSTER (JOHNSON MACHINERY CO.) P.O. BOX 6007 CITY OF INDUSTRY, CA 91716 and 800 EAST LA CADENA DRIVE RIVERSIDE, CA 92501	584	\$6,656.42	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
KENTUCKY UTILITIES CO. P.O. BOX 14242 LEXINGTON, KY 405124242	445	\$10,429.20	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
<p>MCSWEENEY'S INC P.O. BOX 7995 HUNTINGTON, WV 25779 and 254 S. WALNUT STREET HUNTINGTON, WV 25705</p>	685	\$22,328.91	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
<p>MISSISSIPPI POWER CO. ATTN: JAN STUART 401 W MAIN AVE LUMBERTON, MS 39455 and 2992 W. BEACH BLVD. GULFPORT, MS 39501</p>	148	\$40,085.27	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
<p>MITCHELL LABORATORIES, INC. C/O NEXT FACTORS, INC., ASSIGNEE 72 VAN REIPEN AVE., SUITE 37 JERSEY CITY, NJ 07306 and 19692 LARKRIDGE DRIVE YORBA LINDA, CA 92686</p>	---	\$5,655.49	Mitchell Laboratories is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
<p>NF & M INTERNATIONAL, INC. (NAK INTERNATIONAL CORP.) 350 JERICHO TURNPIKE JERICHO, NY 11753</p>	---	\$394,787.40	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
<p>OHIO METAL WORKING PROD. CO. P.O. BOX 7069 CANTON, OH 44705 and 220 MARKET STREET, S CANTON, OHIO 44702</p>	---	\$17,375.95	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
ORBIT TESTING INC 7335 E MADISON ST PARAMOUNT, CA 90723 and 13808 McNAB AVENUE BELLFLOWER, CA 90706	579	\$15,085.05	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
PRECISION LITHO 1185 JOHSUA WAY VISTA, CA 92083	---	\$716.95	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
PRECISION ROLLED PROD., INC. P.O. BOX 7247, 7685 PHILADELPHIA, PA 19170 and PO BOX 60010 RENO, NV 89506	749	\$149,674.40	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
QUALITY STAFFING 3101 CHANDLER ROAD #105 MUSKOGEE, OK 74403	761 766 767 782 783	\$8,617.67	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
RAMP ENGINEERING 6850 WALTHALL WAY PARAMOUNT, CA 90723 and 21133 VAN DEENE AVENUE TORRANCE, CA 950502	760	\$17,224.00	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
RC INDUSTRIAL WELDING P.O. BOX 1535 BISHOP, CA 93515 and 140 MESA VISTA DRIVE BISHOP, CA 93514	622	\$35,800.00	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
<p>REGEN CAPITAL I, INC., ASSIGNEE OF A T & T CORP. P.O. BOX 626 PLANETARIUM STATION NEW YORK, NY 10024-0540 and AT&T CORP. ATTN: JUDITH ARCHER, ESQ. 1 At&T WAY - 3A220 BEDMINISTER, NJ 07921</p>	<p>263 Amending 127</p>	<p>\$21,522.57</p>	<p>AT&T Corp. is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>SANSHELL PRODUCTS, INC. 106 INDUSTRIAL DR. FAYETTE PLATEAU IND. PARK OAK HIL, WV 25901</p>	<p>---</p>	<p>\$17,340.71</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>SANTA FE ENTERPRISES, INC. 11654 PIKE STREET SANTA FE SPRINGS, CA 90670</p>	<p>763</p>	<p>\$5,500.00</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>SEMPRA ENERGY SALES P.O. BOX 51345 LOS ANGELES, CA 90051 and 101 ASH STREET SAN DIEGO, CA 92101</p>	<p>775</p>	<p>\$26,000.00</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>SERVICE STEEL AEROSPACE CORP UNITED ALLOYS AIRCRAFT METALS, INC. P.O. BOX 2333 TACOMA, WA 98401</p>	<p>369</p>	<p>\$28,959.30</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>SOUTHERN CALIFORNIA GAS CO. P.O. BOX C MONTEREY PARK, CA 91756 and 101 ASH STREET SAN DIEGO, CA 92101</p>	<p>11</p>	<p>\$425.22</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
SPEAR SECURITY COMPANY 816 NO. FIRST STREET, SUITE 210 SAN JOSE, CA 95112 and DEBT ACQUISITION COMPANY OF AMERICA V, INC., TRANSFEREE 2120 WEST WASHINGTON STREET SAN DIEGO, CA 92110	625	\$11,672.50	Spear Security Company is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
TAEGUTEC INC. 505 FULTON AVE ROCKFORD, IL 61103 -and- JAFFE, RAITT, HEUER & WEISS, PC TODD GERS, ESQ. ONE WOODWARD AVE., SUITE 2400 DETROIT, MI 48226	813	\$85,500.00	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
TITANIUM METALS CORP. P.O. BOX 54438 LOS ANGELES, CA 90054 and 1999 BROADWAY, SUITE 4300 DENVER, CO 80202	---	\$109,822.90	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
TOLL COATING SERVICES INC. 123 W. NORTH HINSDALE, IL 60521 and CAPITAL MARKETS, ASSIGNEE ONE UNIVERSITY PLAZA, SUITE 518 HACKENSACK, NJ 07601	615	\$34,586.66	Toll Coating Services is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
TURTLE AND HUGHES IND SUPPLY 1900 LOWER RD LINDEN, NJ 07036	455	\$46,157.26	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
UMICORE UMICORE MARKETING SERVICES MAGNOLIA BUILDING SUITE 110 3120 HIGHWOODS BOULEVARD RALEIGH, NC 27604	857 858	\$347,013.99	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
UNIFIRST CORPORATION 68 JONSPIN RD. WILMINGTON, MA 01887 and ARGO PARTNERS, ASSIGNEE OF UNIFIRST CORPORATION 12 WEST 37 th STREET, 9 th FLOOR NEW YORK, NY 10018	---	\$9,392.92	Unifirst Corporation is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
WESTERN FORGE DIE 5361 BUSINESS DRIVE HUNTINGTON BEACH, CA 92649	---	\$16,900.00	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).

American Sintered Technologies Inc.

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
ALLEGHENY POWER PO BOX 1392 FAIRMONT, WV 26555 and 800 CABIN HILL DRIVE GREENBURG, PA 15601	68	\$38,674.31	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
AT & T P.O. BOX 371430 PITTSBURGH, PA 15853 and AT&T CORP. CORPORATE BANKRUPTCY OFFICE 55 CORPORATE DRIVE - ROOM 33C59 BRIDGEWATER, NJ 08807	---	\$84.29	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
MANUFACTURER'S ASSOCIATION ONE GATEWAY CENTER, SUITE 1250 PITTSBURGH, PA 15222	---	\$241.50	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).

Escast Inc.

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
AMERITECH CORPORATION ATTN: BANKRUPTCY GROUP P.O. BOX 981268 WEST SACRAMENTO, CA 95798 -and- 225 W. RANDOLPH, ROOM 27A CHICAGO, IL 60606	532	\$4,400.74	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
AT&T WIRELESS P.O. BOX 269077 SACRAMENTO, CA 95827 and AT&T CORP. CORPORATE BANKRUPTCY OFFICE 55 CORPORATE DRIVE - ROOM 33C59 BRIDGEWATER, NJ 08807	---	\$547.49	AT&T Corp. is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).

Washington Mfg. Company, Inc.

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
<p>ALLIANT ENERGY INTERSTATE POWER AND LIGHT 300 SHERIDAN AVENUE CENTERVILLE, IA 52544</p>	<p>604</p>	<p>\$8,256.57</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>AT&T PO BOX 2100 MECHANICSBURG, PA 17055 and AT&T CORP. CORPORATE BANKRUPTCY OFFICE 55 CORPORATE DRIVE - ROOM 33C59 BRIDGEWATER, NJ 08807</p>	<p>---</p>	<p>\$1,270.42</p>	<p>AT&T Corp. is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>AT&T PO BOX 2969 OMAHA, NE 68103-2969 and AT&T CORP. CORPORATE BANKRUPTCY OFFICE 55 CORPORATE DRIVE - ROOM 33C59 BRIDGEWATER, NJ 08807</p>	<p>---</p>	<p>\$219.55</p>	<p>AT&T Corp. is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>CINTAS CORPORATION #218 1722 AIRPORT BLVD. CAYCE, SC 29033 and 6800 CINTAS BOULEVARD CINCINNATI, OH 45262</p>	<p>---</p>	<p>\$70.79</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>
<p>IES UTILITIES PO BOX 77004 MADISON, WI 53707-1004 and INTERSTATE POWER AND LIGHT COMPANY 200 1ST STREET SE CEDAR RAPIDS, IA 52401</p>	<p>---</p>	<p>\$9,021.71</p>	<p>Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).</p>

Wellman Dynamics Corporation

Name of Creditor	Claim Nos.	Claim Amount	Reason For Proposed Disallowance
ALLIANT ENERGY INTERSTATE POWER AND LIGHT 300 SHERIDAN AVENUE CENTERVILLE, IA 52544	604	\$36,696.44	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
AMERICAN EXPRESS CPA REMITTANCE PROCESSING 20002 N. 19TH AVE. A-21 PHOENIX, AZ 85027-4250 and 200 VESEY STREET NEW YORK, NY 10285	---	\$230,735.46	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).
GUARDSMARK, P.O. BOX 11407 BIRMINGHAM, AL 35246-3000 and 22 SOUTH 2ND STREET MEMPHIS, TN 38103	---	\$36,047.95	Claimant is a defendant in a pending adversary proceeding to avoid a transfer avoidable under Code section 547 and claim is subject to disallowance under Code section 502(d).

EXHIBIT B

EXHIBIT B

CLAIMS FILED BY BANKRUPTCY CODE SECTION 549 TRANSFEREE

Fansteel, Inc.

Name of Creditor.	Claim Nos.	Proof of Claim Amount	Reason For Proposed Disallowance
MOCNIAK, MICHAEL 21267 W LAKEVIEW PKWY MUNDELEIN, IL 60060	778	\$4,650.00 Priority \$183,991.10 Gen Uns \$188,641.10 Total	Claimant received a post-petition transfer voidable under Code section 549 and failed to repay the amount transferred after written demand; therefore, the claims must be disallowed under Code section 502(d).
	779	Unliquidated	
	780	Unliquidated	
	781	Unliquidated	

EXHIBIT C

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

STATE OF ILLINOIS)
)ss:
COUNTY OF COOK)

**AFFIDAVIT OF R. MICHAEL MCENTEE IN SUPPORT OF DEBTORS'
SIXTH OMNIBUS SUBSTANTIVE OBJECTION TO CLAIMS**

R. MICHAEL MCENTEE, being duly sworn, deposes and states:

1. I am the Chief Financial Officer of Fansteel Inc.
2. I am familiar with the above-captioned debtors' (the "Debtors") books and records, schedules and claims reconciliation process (the "Reconciliation Process"). I submit this declaration in support of the Debtors' Sixth Omnibus Substantive Objection to Claims (the "Objection") with respect to the disputed claims identified in Exhibits A and B annexed to the Objection (the "Disputed Claims"). I make this Declaration on the basis of my review of the Debtors' books and records and the proofs of claim relating to the Disputed Claims, together with any supporting or related documentation.
3. The Debtors maintain books and records that reflect, among other things, the Debtors' pre-petition liabilities and respective amounts owed to their various creditors, as

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.

well as payments made to their various creditors and employees both pre-petition and subsequent to the Petition Date.

4. I oversee and coordinate the Reconciliation Process, which involves a coordinated effort among employees of the Debtors, the Debtors' claims agent and the Debtors' counsel. To facilitate the preparation and filing of the Objection, I and members of my staff participated in a review of both (i) the proofs of claim filed against the Debtors, identifying those claims that should be allowed or disputed, and (ii) the Debtors' books and records with respect to the liabilities asserted in the various proofs of claim. I have also read the Objection and reviewed the exhibits attached thereto and am familiar with the information contained therein. I believe that the information contained in the exhibits attached to the Objection is true and correct to the best of my knowledge.

5. Based on the Reconciliation Process, the Debtors have determined that the claimants listed in Exhibit A annexed to the Objection or their assignors received payments on account of an antecedent debt within 90 days prior to the Petition Date while the Debtors were insolvent, which payments, upon advice of counsel, are subject to avoidance as preferential transfers in adversary proceedings pending in this Court.

6. The books and records of Fansteel also reflect that the claimant listed on Exhibit B, Michael J. Mocniak ("Mocniak"), a former officer of Fansteel, received an inadvertent post-petition transfer of \$11,653.82 on account of a pre-petition severance agreement that was neither authorized by the Bankruptcy Code or by this Court. Both the Office of the United States Trustee and the Committee objected to a motion filed by the Debtors to assume the severance agreement with Mocniak and that motion was withdrawn. Moreover, when the office of the United States Trustee requested that Fansteel address the issue of the post-petition payment to

Mocniak, I made a written request of Mocniak for return of the post-petition payment and indicated to him that I had been advised by counsel for the Debtors that section 549 of the Bankruptcy Code required him to repay the monies to the Debtors. A copy of my letter to Mocniak dated September 6, 2002, is annexed hereto as Exhibit "1." Despite my written demand, Mocniak failed and refused to repay the post-petition transfer.

7. Accordingly, I request that the Court grant the relief requested in the Objection.

R. Michael McEntee

R. Michael McEntee

SUBSCRIBED AND SWORN TO
Before me this 27th day of February 2004.

Cecily E. Lyle

Notary Public

My Commission Expires: 1-21-2007

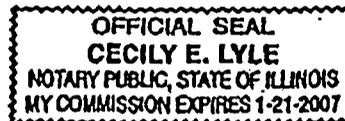


Exhibit 1

R. Michael McEntee
Vice President and
Chief Financial Officer

Fansteel

September 6, 2002

Mr. Michael J. Mocniak
21267 W. Lakeview Parkway
Mundelein, IL 60060

Dear Mike:

In our motion to assume your severance agreement (the "Motion"), we were required to disclose our inadvertent post-petition payment made to you in the amount of \$11,653.82. Paragraph 13 of the motion provides that this payment "shall be repaid to Fansteel if this motion is not granted." This is because the severance agreement and any post-petition payments made pursuant to that agreement must first be approved by the Bankruptcy Court.

As you know, our attempts to resolve the objections by the United States Trustee and the Creditors Committee were unsuccessful. Consequently, we withdrew the Motion.

The United States Trustee has asked us to address the issue of the post-petition payment. I have been advised by counsel that in addition to our assertion in the motion (that you would repay the monies), section 549 of the Bankruptcy Code requires that the monies must be returned to the Debtors.

We regret having issued this payment to you, but we are obligated to request that you repay the \$11,653.82 in full.

Sincerely,

FANSTEEL INC.



R. Michael McEntee

RMM:mb

cc Rosalie L. Spelman, Pachulski Stang Ziehl Young & Jones
Michael R. Mitchell, Schulte Roth & Zabel LLP
Office of the U.S. Trustee, Attn: David Buchbinder

ORDERED, that each of the claims filed by Michael J. Mocniak and listed on Exhibit B to the Objection are hereby disallowed and expunged pursuant to 11 U.S.C. §502(d), and it is further.

ORDERED, that nothing herein shall limit or otherwise affect the Debtors' rights to object in the future to (i) any proofs of claim that have been or may subsequently be filed in this case or that may be listed on the Debtors' Schedules, on the grounds set forth herein or any other appropriate grounds and/or (ii) any claims that are the subject of the Objection that are not disallowed pursuant to this order; on any other appropriate grounds; and it is further

ORDERED, that pursuant to Federal Rules of Civil Procedure 54(b), made applicable in this contested matter by Federal Rules of Bankruptcy Procedure 7054 and 9014, the Court hereby directs entry of a final judgment with respect to the claims objections that are the subject of this order, the Court having determined that there is no just reason for delay in the entry of judgment on these matters.

Dated: April ____, 2004

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