

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)
Reorganized Debtors.)

Objection Deadline: June 18, 2004 at 4:00 p.m. Eastern Time
Hearing Date: To Be Determined

**NOTICE OF DEBTORS' SEVENTH 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' Seventh 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 June 18, 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.).

A HEARING ON THE OBJECTION WILL BE HELD AT A DATE TO BE

¹ The Reorganized Debtors are: Fansteel Inc. and Wellman Dynamics Corp.

DETERMINED. (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.

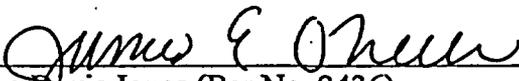
PLEASE TAKE FURTHER NOTICE that the Debtors reserve the right to object in the future to any of the proofs of claim which are the subject of this Objection on any further or additional grounds. Separate notice will be made and a separate hearing will be scheduled for any such objection.

Dated: May 19, 2004

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and

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



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

have objected to that claim through this Objection. If you have filed more than one proof 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 seventh omnibus Objection and the fifth 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, reduction or the reclassification of the claims set forth on Exhibits A, B, C, D, E, F, G and H attached hereto pursuant to section 502(b) of the Bankruptcy Code and Rule 3007-1 of the Local Bankruptcy Rules for the District of Delaware for the reasons set forth below.

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

A. Claims Improperly Classified

11. The Debtors object to the proofs of claim listed on Exhibit A hereto, titled "Claims Improperly Classified," because each of the claimants listed on Exhibit A has improperly asserted entitlement to secured status or to priority status under section 507(a) of the Bankruptcy Code. Accordingly, the Debtors request that the secured or priority status of each of the proofs of claim listed on Exhibit A be modified and each claim reclassified as a general unsecured claim to the extent indicated in Exhibit A under the column heading "Reason for Proposed Reclassification".

B. Assumed Leases

12. Each of the claimants listed on Exhibit B, titled "Claims To Be Disallowed – Assumed Leases," has asserted a claim for amounts allegedly due claimant under an equipment lease to which one of the Debtors was a party. The Debtors object to each of the proofs of claim listed on Exhibit B because the equipment lease identified in the claim was assumed by the Debtor pursuant to an order of the Court and the Cure Amount scheduled by the Debtor was paid to the claimant in satisfaction of any monetary defaults. Accordingly, each of the proofs of claim listed in Exhibit B should be disallowed.

C. Breach of Lease Claims

13. Each of the claimants listed on Exhibit C, titled "Claims To Be Disallowed – Lease Damage Claims" has filed a proof of claim which appears to assert a claim for damages arising from an anticipatory breach or the rejection of an unexpired equipment lease to which one of the Debtors was a party. The Debtors object to each of the proofs of claim listed on Exhibit C because the claimant has either failed to indicate any amounts obtained in mitigation

of the asserted damages or has failed to limit the claim to the present value of the remaining lease payments as of the Petition Date. Accordingly, each of the proofs of claim listed in Exhibit C should be disallowed or reduced to the amount owing on the Petition Date.

D. Unliquidated Claims

14. On January 30, 2004, the Debtors filed a Motion under 11 U.S.C. §§ 105(a), 502(c) and 1142 for entry of an order determining or estimating the amount, if any, to be reserved for certain disputed unliquidated proofs of claim (the "Estimation Motion"), including each of the unliquidated proofs of claim listed on Exhibit D, titled "Unliquidated Claims To Be Disallowed." Because each of the claimants listed on Exhibit D hereto failed to liquidate the filed claim or otherwise respond to the Estimation Motion, this Court entered an Order dated February 13, 2004 estimating the maximum limitation on the allowed amount of each claim listed on Exhibit D at \$0. Accordingly, there is no Cash or other property reserved for distribution in respect of the Claims listed on Exhibit D and such claims should now be disallowed.

E. Claims To Be Disallowed or Reduced Based On Debtor's Books and Records

15. The Debtors object to the proofs of claim listed on Exhibit E, titled "Claims To Be Disallowed or Reduced – Books and Records," because each of the claimants listed in Exhibit E has filed a proof of claim against one of the Debtors in the amount indicated on such Exhibit and, in each case, the claim asserted exceeds the amount reflected as due and owing to the claimant in the books and records of the Debtor or the books and records of the Debtor reflect no liability to the claimant. Accordingly, each of the Disputed Claims set forth on

Exhibit E should either be disallowed or reduced to the amount indicated in Exhibit E under the column heading "Modified Claim Amount."

F. Guaranty Claims

16. Each of the proofs of claim listed on Exhibit F, titled "Guaranty Claims To Be Reduced," is a claim asserted against Fansteel based on Fansteel's guaranty of payment of a certain loan or loans made to a Subsidiary Debtor (the "Guaranty Claim"). In each case, the claimant listed in Exhibit F has also filed a secured or an unsecured claim or claims against the Subsidiary Debtor (the "Principal Claim"). The Debtors object to the proofs of claim listed on Exhibit F to the extent that the claimants may receive a distribution under the Amended Plan which would exceed the allowed amount of the Principal Claim. Accordingly, if the Principal Claim is an Allowed Secured Claim and is paid in full under the Amended Plan, then the Guaranty Claim should be disallowed. If the Principal Claim is an Allowed General Unsecured Claim, then the Guaranty Claim should be allowed only to the extent of the difference between the allowed amount of the Principal Claim and the recovery on such Claim under the Amended Plan. Accordingly, each of the Guaranty Claims listed on Exhibit F should be reduced to the amount indicated in Exhibit F under the column heading "Modified Claim Amount."

G. Claims Against Multiple Debtors To Be Reduced

17. The Debtors object to the proofs of claim listed on Exhibit G, titled "Claims Against Multiple Debtors To Be Reduced – Books and Records," because each of the claimants listed in Exhibit F has filed a proofs of claim in the Case of one of the Debtors which asserts a claim against two or more of the Debtors in the amount indicated on such Exhibit and, in each case, the claim asserted exceeds the amounts reflected as due and owing to the claimant

in the books and records of the several Debtors against which the claim is asserted. Accordingly, each of the Disputed Claims set forth on Exhibit E should be reduced to the amount indicated in Exhibit F and reclassified as a claim against each of the Debtors against which the claim is asserted in the amounts indicated under the column heading "Reason For Proposed Modification/Reduction."

H. Late Filed Claim

18. The Debtors object to the proof of claim listed on Exhibit H, titled "Late Filed Claim," because such proof of claim was filed after the noticed deadline for filing a proof of claim in response to the Amendments to the Initial Schedules. Notice of the deadline for filing a proof of claim in response to the Amendments was served on all potential claimants listed in the Amendments. The claimant listed in Exhibit H was, therefore, notified of the date by which a proof of claim was required to be filed and the consequence of the failure to timely file a proof of claim. Accordingly, the Late Filed Claim set forth on Exhibit D should be reduced to the amount reflected in the Debtors' Schedules.

Reservation of Debtors' Rights

19. 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.

Notice

20. 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, B, C, D, E, F, G and H annexed hereto. In light of the nature

of the relief requested herein, the Debtors respectfully submit that no further notice need be given.

13. 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 requests 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: May 19, 2004

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

EXHIBIT A

CLAIMS IMPROPERLY CLASSIFIED

Fansteel Inc.

Name of Creditor	Claim Nos.	Proof of Claim Amount	Claim Priority Status	Modified Status/ Classification	Reason For Proposed Reclassification
BCL CAPITAL OFFICE SOLUTIONSGROUP US BANCORP OFFICE EQUIPMENT FINANCE SERVICES 1310 MADRID, SUITE 100 MARSHALL, MN 56258	182	\$20,313.69	Secured	General Unsecured	Claimant is assignee of a Sharp copier Lease dated 9/26/00 between Van Dyke Business Systems and Fansteel Hydro Carbide. No evidence of perfection of a security interest is attached to proof of claim and the Lease is a "true" lease. Accordingly, the claim should be reclassified as a general unsecured claim.
JOHNSON, STEVEN PO BOX 18164 OKLAHOMA CITY, OK 73154	832	\$5,318.86	Section 507(a)(3) Priority	Partial Priority/General Unsecured	Claimant is entitled to a priority under 11 U.S.C. § 507(a)(3) for vacation time that accrued and was earned during the 90 day period prior to the Petition Date (\$284.51) and the balance of the claim should be reclassified as a general unsecured claim.
IBM CORPORATION ATTN: JOHN MAZZILLI 275 VIGER EAST 4TH FLOOR MONTREAL, QC H2X3R7 CANADA	875	\$9,717.01	Administrative Expense Priority	General Unsecured	Claim was filed against Fansteel for equipment maintenance services provided to Washington Mfg. and Wellman Dynamics Corp. The obligations evidenced by Invoice No. 1241489 dated 1/03/02 and Invoice No. 1241521 dated 1/03/02 arose pre-petition and the portion of those invoices which were prorated by claimant as post-petition obligations are not entitled to administrative priority status and should be reclassified as general unsecured pre-petition claims.
MOCNIAK, MICHAEL 21267 W LAKEVIEW PKWY MUNDELEIN, IL 60060	778	\$188,641.10	Section 507(a)(3) Priority (\$4,650.00)	General Unsecured	Claimant was a former officer and general counsel of Fansteel and, under applicable case law, is not entitled to the wage priority afforded non-management employees of the Debtors. Claim should be reclassified as a general unsecured claim in its entirety.
YOUNGSTOWN BOROUGH MUNICIPAL AUTHORITY C/O EDWARD E. GILBERT ESQ. 140 S MAIN ST 3RD FLR GREENSBURG, PA 15601	721	\$4,875.44	Partial Administrative Expense Priority (\$2,595.58)	General Unsecured	Post-petition water charges were paid by Check Nos. 763 and 648 dated 4/12/02 and 8/12/02, respectively, and claim should be reclassified as a general unsecured claim.

American Sintered Technologies, Inc.

Name of Creditor	Claim Nos.	Proof of Claim Amount	Claim Priority Status	Modified Status/ Classification	Reason For Proposed Reclassification
FIDELITY LEASING INC. 1255 WRIGHTS LANE WEST CHESTER, PA. 19380	214 215 216 218 219	\$ 7,414.98 \$ 3,136.24 \$ 1,501.68 \$ 7,029.85 \$ 3,098.76	Secured	General Unsecured	Claims are for remaining lease payments and residual value of computer equipment leased under Contract Nos. 001-0091790-000 (Claim 214), -001 (Claim No. 215), -002 (Claim No. 216), -004 (Claim No. 218) and -005 (Claim No. 218). No evidence of perfection of a security interest is attached to the proofs of claim and the Leases are "true" leases. Accordingly each claim should be reclassified as a general unsecured claim.
FIDELITY LEASING INC. 1255 WRIGHTS LANE WEST CHESTER, PA. 19380	217	\$51,548.24 Secured	Secured	General Unsecured	Claim is for remaining payments under expired lease for a software user license (Contract No. 001-0091790-003) containing a \$1 purchase option. The collateral has little or no value and the claim should be reclassified as a general unsecured claim.

Escast, Inc.

Name of Creditor	Claim Nos.	Proof of Claim Amount	Claim Priority Status	Modified Status/ Classification	Reason For Proposed Reclassification
CIT TECHNOLOGY FINANCING ATTN: GEOFFREY J. PETERS WELTMAN WEINBERG & REIS CO LPA 175 S 3 RD ST #900 COLUMBUS, OH 43215	742	\$3,165.99	Secured	General Unsecured	Claim filed against Fansteel, Inc. but refers to lease for a Gateway laptop with Escast, Inc. No evidence of perfection of a security interest is attached to proof of claim and the Lease is a "true" lease. Accordingly, the claim should be reclassified as a general unsecured claim.

Wellman Dynamics Corporation

Name of Creditor	Claim Nos.	Proof of Claim Amount	Claim Priority Status	Modified Status/ Classification	Reason For Proposed Reclassification
CIT GROUP/EQUIP. FINANCING, INC. c/o PETER S. CLARK, ESQ. REED SMITH LLP 2500 ONE LIBERTY PLAZA 1650 MARKET STREET PHILADELPHIA, PA. 19103	756	Unliquidated	Secured	General Unsecured	Claim based on Master Lease dated 2/6/01 executed by Wellman Dynamics, covering air compressor, air dryer and filters. No evidence of perfection of a security interest is attached to proof of claim and the Lease is a "true" lease. Accordingly, the claim should be reclassified as a general unsecured claim.
METRO LEASING COMPANY PO BOX 2798 8990 WEST DODGE ROAD OMAHA, NE 68103-2798	535	\$20,162.24	Secured	General Unsecured	Claim based on Equipment Lease dated 11/2/99 for a Telco UST 1424 telephone system. No evidence of perfection of a security interest is attached to proof of claim and the Lease is a "true" lease. Accordingly, the claim should be reclassified as a general unsecured claim.

EXHIBIT B

**CLAIMS TO BE DISALLOWED - ASSUMED LEASES
Fansteel Inc.**

Name of Creditor	Claim Nos.	Proof of Claim Amount	Reason For Proposed Disallowance
DE LAGE LANDEN FINANCIAL SERVICES INC. (t/w/a TOKAI FINANCIAL) 1111 OLD EAGLE SCHOOL RD WAYNE, PA 19087 -and- c/o FLAMM BOROFF & BACINE PC 925 HARVEST DR #220 BLUE BELL, PA 19422	745	\$3,177.60	Lease for Sharp copier and related equipment was assumed and assigned to purchaser of assets of Hydro Carbide Division by Order dated October 7, 2003 and no objection was interposed by claimant to the Cure Amount listed. By virtue of the assumption and assignment of the Lease, any defaults were cured and the claimant may not assert any further claim against the debtor. Accordingly, the claim should be disallowed.

Escast, Inc.

Name of Creditor	Claim Nos.	Proof of Claim Amount	Reason For Proposed Disallowance
CIT TECHNOLOGY FINANCING ATTN: GEOFFREY J. PETERS WELTMAN WEINBERG & REIS CO LPA 175 S 3RD ST #900 COLUMBUS, OH 43215	742	\$3,165.99 Secured	Claim filed against Fansteel, Inc. but refers to lease for a Gateway laptop with Escast, Inc. Lease was assumed pursuant to the Confirmation Order on Effective Date of the Plan and Cure Amount was paid by Check No. 014370 dated January 23, 2004. Accordingly, the claim should be disallowed.

EXHIBIT C

CLAIMS TO BE REDUCED OR DISALLOWED – LEASE DAMAGE CLAIMS

Fansteel Inc.

Name of Creditor	Claim Nos.	Proof of Claim Amount	Modified Claim Amount	Reason For Proposed Disallowance
BCL CAPITAL OFFICE SOLUTIONS GROUP US BANCORP OFFICE EQUIPMENT FINANCE SERVICES 1310 MADRID, SUITE 100 MARSHALL, MN 56258	182	\$20,313.69 Secured	\$0.00 Disallow	Claimant is assignee of a Sharp copier Lease dated 9/26/00 between Van Dyke Business Systems and Fansteel Hydro Carbide, which was rejected pursuant to Order dated 12/12/03. Claimant has failed to mitigate damages and has failed to limit the claim to the present value of the remaining lease payments as of the Petition Date.
AMERITECH CREDIT CORPORATION, d/b/a SBC CAPITAL SERVICES 2000 W. AMERITECH CENTER DR HOFFMAN ESTATES, IL 60796	787	\$12,813.71	\$3,698.32	Claim based on Lease Agreement dated 4/19/00, for Norstar equipment, which was rejected pursuant to Order dated 5/6/02. Claimant has failed to mitigate damages and has failed to limit the claim to the present value of the remaining lease payments as of the Petition Date. Debtor's books and records reflect that claimant is owed \$3,698.32 and claim should be reduced to that amount.

Escast, Inc.

Name of Creditor	Claim Nos.	Proof of Claim Amount	Modified Claim Amount	Reason For Proposed Modification/ Reduction
DE LAGE LANDEN FINANCIAL SERVICES INC. (f/k/a TOKAI FINANCIAL) 1111 OLD EAGLE SCHOOL RD WAYNE, PA 19087 -and- c/o FLAMM BOROFF & BACINE PC 925 HARVEST DR #220 BLUE BELL, PA 19422	746	\$11,941.35	\$1,329.00	Claimant is assignee of a Lease dated 7/24/00 between Global Imaging Systems, Inc. and Fansteel (Escast) relating to certain Savin equipment, which was rejected pursuant to Order dated 5/6/02. Claimant has failed to mitigate damages and has failed to limit the claim to the present value of the remaining lease payments as of the Petition Date. Debtor's books and records reflect that claimant is owed \$1,329.00 and claim should be reduced to that amount.

EXHIBIT D

UNLIQUIDATED CLAIMS TO BE DISALLOWED

Fansteel Inc.

Name of Creditor	Claim Nos.	Proof of Claim Amount	Reason For Disallowance
BENTIVEGNA, SAM 120 N VAL VISTA DR, LOT 230 MESA, AZ 85213	841	Unliquidated (\$184.27 per week for life)	Workers compensation claim based on judgment obtained 1/25/89 and covered by workers' compensation insurance. Claimant failed to liquidate claim in response to Debtors' prior Estimation Motion and Court has estimated the maximum limitation on the allowed amount of this claim at \$0 pursuant to Order dated February 13, 2004. Accordingly, the claim should be disallowed.
FRAHER, LAWRENCE 634 BROOKGREEN LN LEXINGTON, KY 40509	759	Unliquidated	Unliquidated claim for indemnity as defendant in Rhodus v. Fansteel et al pursuant to 6/9/00 agreement. The Plan provides that obligations of the Debtors to indemnify former directors, officers, or employees are unaffected and are not discharged and the Court has estimated the maximum limitation on the allowed amount of this claim at \$0 pursuant to an Order dated February 13, 2004. Accordingly, the claim should be disallowed.
MOCNIAK, MICHAEL 21267 W LAKEVIEW PKWY MUNDELEIN, IL 60060	779 780 781	Unliquidated Unliquidated Unliquidated	Unliquidated claims are for claimant's asserted rights to indemnification (Claim No. 779), interest in profitsharing/401(k) plan (Claim No. 780) and interest in Employee's Consolidated Pension Plan (Claim No. 781). The Plan provides that obligations of the Debtors to indemnify former directors, officers, or employees are unaffected and are not discharged. Similarly, the asserted claims based on the interests of claimant in the various 401(k) and pension plans are either not claims relating to property of the Debtors and are unaffected by the Plan or are preempted by the Employee Retirement Income Security Act. The Court has estimated the maximum limitation on the allowed amount of each claim at \$0 pursuant to an Order dated February 13, 2004. Accordingly, the claims should be disallowed.
OPERATING INDUSTRIES STEERING COMMITTEE & MEMBER COMPANIES C/O ALLAN H. ICKOWITZ, ESQ. NOSSAMAN GUNTHER KNOX ET AL 445 S. FIGUEROA ST., 31 ST FL. LOS ANGELES, CA 90071	839	Unliquidated	Claim filed by OII Steering Committee for its member companies and pursuant to section 501(b) in the name of the US EPA against Fansteel as a potentially responsible party under CERCLA for cleanup of hazardous waste at Monterey Park dump site. Pursuant to Fansteel's settlement agreement with the United States, on behalf of the EPA, Fansteel is protected from contribution actions or claims as provided by Section 113(f)(2) of CERCLA. The Court has estimated the maximum limitation on the allowed amount of this claim at \$0 pursuant to an Order dated February 13, 2004. Accordingly, the claim should be disallowed.

Name of Creditor	Claim Nos.	Proof of Claim Amount	Reason For Disallowance
<p>WURSTER, IRENE 434 MEADOWVIEW RD GALENA, MO 65656</p>	<p>838</p>	<p>Unliquidated (\$267.00 per week for life)</p>	<p>Claim is based on workers' compensation arbitration award dated 2/4/92 and covered by workers' compensation insurance. Claimant failed to liquidate claim in response to Debtors' prior Estimation Motion and Court has estimated the maximum limitation on the allowed amount of this claim at \$0 pursuant to Order dated February 13, 2004. Accordingly, the claim should be disallowed.</p>

EXHIBIT E

CLAIMS TO BE DISALLOWED OR REDUCED – BOOKS AND RECORDS

Fansteel Inc.

Name of Creditor	Claim Nos.	Proof of Claim Amount	Modified Claim Amount	Reason for Proposed Disallowance/Reduction
B & H SALES CO. 5709 W 86 th STREET SHAWNEE MISSION,KS 66207	694	\$0.00	\$0.00 Disallow	Proof of claim indicates a liability of \$0 and the Debtor's books and records do not reflect any indebtedness to claimant. The claim should be disallowed and expunged
JOHNSON, STEVEN PO BOX 18164 OKLAHOMA CITY, OK 73154	832	\$5,318.86	\$1,153.85	Debtor's books and records reflect that claimant is owed only accrued vacation pay in the amount of \$1,153.85 and claim should be reduced to that amount and allowed as a priority claim for \$284.51 and a general unsecured claim for \$869.34.
SCHULTHEIS ELECTRIC P.O. BOX 798 LATROBE, PA 15650	695	\$0.00	\$0.00 Disallow	Proof of claim indicates a liability of \$0 and the Debtor's books and records do not reflect any indebtedness to claimant. The claim should be disallowed and expunged.
YOUNGSTOWN BOROUGH MUNICIPAL AUTHORITY C/O EDWARD E GILBERT ESQ. 140 S MAIN ST 3 RD FLR GREENSBURG, PA 15601	721	\$4,875.44	\$2,708.40	Debtor's books and records reflect that claimant is owed \$2,708.40 for pre-petition water charges and claim should be reduced to that amount

American Sintered Technologies., Inc.

Name of Creditor	Claim Nos.	Proof of Claim Amount	Modified Claim Amount	Reason For Proposed Modification/ Reduction
FIDELITY LEASING INC. 1255 WRIGHTS LANE WEST CHESTER, PA. 19380	214	\$ 7,414.98	\$5,113.08	Claim is for remaining lease payments and residual value of computer equipment leased under Contract Nos. 001-0091790-000. Debtor's books and records indicate that claimant is owed \$5,113.08 and claim should be reduced to that amount.
FIDELITY LEASING INC. 1255 WRIGHTS LANE WEST CHESTER, PA. 19380	215	\$ 7,414.98	\$2,392.67	Claim is for remaining lease payments and residual value of computer equipment leased under Contract Nos. 001-0091790-001. Debtor's books and records indicate that claimant is owed \$2,392.67 and claim should be reduced to that amount.
FIDELITY LEASING INC. 1255 WRIGHTS LANE WEST CHESTER, PA. 19380	216	\$ 1,501.68	\$1,103.60	Claim is for remaining lease payments and residual value of computer equipment leased under Contract Nos. 001-0091790-002. Debtor's books and records indicate that claimant is owed \$1,103.60 and claim should be reduced to that amount.
FIDELITY LEASING INC. 1255 WRIGHTS LANE WEST CHESTER, PA. 19380	217	\$51,548.24	\$45,772.23	Claim is for remaining lease payments for software user license leased under Contract Nos. 001-0091790-003. Debtor's books and records indicate that claimant is owed \$45,772.23 and claim should be reduced to that amount.
FIDELITY LEASING INC. 1255 WRIGHTS LANE WEST CHESTER, PA. 19380	218	\$ 7,029.85	\$4,754.61	Claim is for remaining lease payments and residual value of computer equipment leased under Contract Nos. 001-0091790-004. Debtor's books and records indicate that claimant is owed \$4,754.61 and claim should be reduced to that amount.
FIDELITY LEASING INC. 1255 WRIGHTS LANE WEST CHESTER, PA. 19380	219	\$ 3,098.76	\$2,392.67	Claim is for remaining lease payments and residual value of computer equipment leased under Contract Nos. 001-0091790-005. Debtor's books and records indicate that claimant is owed \$2,392.67 and claim should be reduced to that amount.

Name of Creditor	Claim Nos.	Proof of Claim Amount	Modified Claim Amount	Reason For Proposed Modification/ Reduction
NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING & DEV. COMMISSION PO BOX 488 651 MONTEMORENCLAVE AVENUE RIDGEWAY, PA 15853	811	\$7,271.80	\$6,894.68	Claim includes unmatured post-petition interest and late charges, which are not allowable under Code § 502(b). Debtor's books and records indicate that claimant is owed \$6,894.68 and claim should be reduced to that amount.

Washington Manufacturing Company

Name of Creditor	Claim Nos.	Proof of Claim Amount	Modified Claim Amount	Reason For Proposed Modification/ Reduction
IOS CAPITAL BANKRUPTCY ADMINISTRATION PO BOX 13708 MACON, GA 31208-3708	239	\$2,098.70 General Unsecured \$28,828.60 Contingent Administration Claim	\$0.00 Disallow	Claim filed against Fansteel, Inc. but refers to a Lease dated 5/25/01 (as amended on 6/21/01) for a Ricoh Fax and related equipment with Washington Mfg. Debtor's books and records reflect that all pre-petition and post-petition monthly payments have been made and no monies are due and owing to claimant. Accordingly, the claim should be disallowed in its entirety.

Wellman Dynamics Corporation

Name of Creditor	Claim Nos.	Proof of Claim Amount	Modified Claim Amount	Reason For Proposed Disallowance
CIT GROUP/EQUIP. FINANCING, INC. c/o PETER S. CLARK, ESQ. REED SMITH LLP 2500 ONE LIBERTY PLAZA 1650 MARKET STREET PHILADELPHIA, PA. 19103	756	Unliquidated Secured	\$0.00 Disallow	Claim based on Master Lease dated 2/6/01 executed by Wellman Dynamics, covering air compressor, air dryer and filters. Debtor's books and records indicate all lease payments were made and claim should be disallowed.
METRO LEASING COMPANY PO BOX 2798 8990 WEST DODGE ROAD OMAHA, NE 68103-2798	535	\$20,162.24 Secured	\$0.00 Disallow	Claim based on Equipment Lease dated 11/2/99 for a Telco UST 1424 telephone system. Debtor's books and records indicate all lease payments were made and claim should be disallowed.

EXHIBIT F

GUARANTY CLAIMS TO BE REDUCED

Fansteel, Inc.

Name of Claimant	Claim Nos.	Proof of Claim Amount	Modified Claim Amount	Reason For Proposed Modification/Reduction
<p>IOWA DEPART. OF ECONOMIC DEVELOPMENT ATTN: LOAN SERVICING 200 EAST GRAND AVE DES MOINES, IA 50309 -and- BRAD C. EPPERLY NYEMASTER, GOODE, VOIGHTS, WEST, HANSELL & O'BRIEN, P.C. 700 WALNUT STREET, SUITE 1600 DES MOINES, IA 50309</p>	<p align="center">772</p>	<p align="center">\$238,401.40</p>	<p align="center">\$40,528.24</p>	<p>Claim is based on Fansteel's guaranty of payment in favor of claimant in connection with a loan in the principal amount of \$250,000 made to Wellman Dynamics Corporation ("WDC"). The Unsecured Claim filed by claimant against WDC in the identical amount (Claim No. 771) has been allowed in its entirety. The Debtors have estimated an 83% recovery on the principal claim against WDC based on the projected cash distribution and assumed value of the New Common Stock issued to claimant. Therefore, the guaranty claim should only be allowed to the extent of 17% of \$238,401.40, i.e., \$40,528.24.</p>
<p>NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING & DEV. COMMISSION 651 MONTEMORENCL AVE. RIDGWAY, PA 15853</p>	<p align="center">812</p>	<p align="center">\$36,358.33</p>	<p align="center">\$1,172.10</p>	<p>Claim is based on Fansteel's guaranty of loans to AST evidenced by \$100,000 secured mortgage note and \$25,000 unsecured promissory note. The Secured Claim filed against AST in the amount of \$29,086.53 (Claim No. 810) has been paid in full and guaranty claim should be reduced by that amount. The Unsecured Claim filed against AST (Claim No. 811) is allowable to the extent of \$6,894.68. The Debtors have estimated an 83% recovery on the principal claim against AST based on the projected cash distribution and assumed value of New Common Stock to be issued to claimant. Therefore, the guaranty claim should only be allowed to the extent of 17% of \$6,894.68, i.e., \$1,172.10.</p>

EXHIBIT G.

**CLAIMS AGAINST MULTIPLE DEBTORS
TO BE REDUCED AND RECLASSIFIED – BOOKS AND RECORDS**

Name of Claimant	Claim Nos.	Proof of Claim Amount	Modified Claim Amount	Reason For Proposed Modification/Reduction
IBM CORPORATION ATTN: JOHN MAZZILLI 275 VIGER EAST 4TH FLOOR MONTREAL, QC H2X3R7 CANADA	699 875	\$2,871.37 \$9,717.01	\$2,920.06 \$981.58	Claims were filed against Fansteel for equipment maintenance services provided to Fansteel, Washington Mfg. and Wellman Dynamics Corp. The post-petition claims asserted against Washington Mfg. and Wellman Dynamics Corp. should be disallowed since IBM was advised that the equipment was no longer in service and no maintenance services were performed or any benefits obtained by the Debtors post-petition. The Debtors' books and records reflect that IBM is owed \$2,920.06 by Fansteel and \$981.58 by Washington Mfg. for pre-petition maintenance services. Wellman's books and records do not reflect any unpaid pre-petition liabilities. Based on the foregoing, Claim No. 699 should be increased to and allowed as a general unsecured claim against Fansteel for \$2,920.06 and Claim No. 875 should be reduced to and allowed as a general unsecured claim against Washington Mfg. for \$981.58.
IBM CREDIT CORPORATION C/O IBM CORPORATION ATTN: JOHN MAZZILLI 275 VIGER EAST 4TH FLOOR MONTREAL, QC H2X3R7 CANADA	154	\$28,643.00	\$5,233.49	Claim was filed against Fansteel for rent and other amounts due pursuant to the Term Lease Supplements dated 8/18/97 and 7/13/01 between the claimant and Fansteel (Plantsville) and the Term Lease Supplement dated 12/1/95 between claimant and Wellman Dynamics Corporation. Invoices Q046501, Q066749 and Q087451 appear to relate to a lease which expired by its terms in 12/99. The Debtors' books and records indicate that claim should be fixed in the amount of \$5,233.49 and reclassified as a claim against Fansteel for \$1,174.18 and a claim against Wellman Dynamics Corp. for \$4,059.31.
MANUFACTURER AND DEALER SERVICE, LLC 3000 LAKESIDE DR 200N BANNOCKBURN, IL 60015	155	\$4,053.84	\$835.46	Claim was filed against Fansteel in the amount of \$835.46 for amounts due under an Equipment Lease with FUL Incorporated dated 1/9/97 (# 105274) and against American Sintered Technologies in the amount of \$3,218.38 for amounts due under an Equipment Lease dated 5/6/99 (# 144946) with Mellon Leasing. The books and records of American Sintered Technologies indicate that all payments on Lease # 144946 were made and, therefore, claim should be reduced and reclassified as a claim against Fansteel for \$835.46.

EXHIBIT H

LATE FILED CLAIM

Washington Manufacturing Company

Name of Creditor	Date Claim Filed	Claim Nos.	Proof of Claim Amount	Reason for Proposed Disallowance or Reduction
ARAMARK UNIFORM SERVICES INC. 115 N. FIRST STREET BURBANK, CA 91502	November 25, 2003	950	\$8,746.69	Claim was filed subsequent to deadline for filing claim based on amendment to Debtor's Schedules and should be reduced to scheduled amount of \$8,577.68.

EXHIBIT I

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)
)
FANSTEEL INC., *et al.*,¹)
)
)
Reorganized Debtors.)

Case No. 02-10109(JJF)
Chapter 11
(Jointly Administered)

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS.:

**AFFIDAVIT OF R. MICHAEL MCENTEE IN SUPPORT OF DEBTORS'
SEVENTH 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' Seventh Omnibus Substantive Objection to Claims (the "Objection") with respect to the disputed claims identified in Exhibits A, B, C, D, E, F, G and H 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 and post-petition liabilities and the respective amounts owed to their various creditors.

¹ The Reorganized Debtors are the following entities: Fansteel Inc. and Wellman Dynamics Corp.

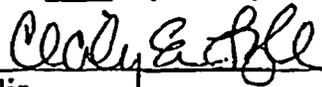
4. I oversee and coordinate the Reconciliation Process, which involves a coordinated effort among employees of the Debtors, the Debtors' claims agent and the Debtors' counsel. To facilitate the preparation and filing of the Objection, I and members of my staff participated in a review of both (i) the 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 proofs of claim listed on Exhibits A, B, C, D, E, F, G and H annexed to the Objection should be disallowed, reduced or reclassified, as the case may be, for the reasons stated in the Objection. I believe that each of the Disputed Claims was reviewed pursuant to, and in accordance with, the Debtors' internal Reconciliation Process and is appropriately the subject of a substantive objection by the Debtors.

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


R. Michael McEntee

SUBSCRIBED AND SWORN TO
Before me this 17th day of May 2004


Notary Public
My Commission Expires: 1-21-07



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)
)
Reorganized Debtors.)

**ORDER GRANTING DEBTORS' SEVENTH
OMNIBUS SUBSTANTIVE OBJECTION TO CLAIMS**

Fansteel Inc. ("Fansteel") and its affiliated debtors and debtors-in-possession (collectively, the "Debtors") having filed the Debtors' Seventh Omnibus Substantive Objection to Claims, dated May 19, 2004 (the "Objection"), seeking entry of an order pursuant to 11 U.S.C. §502(b) and Local Rule 3007-1 disallowing, reducing or reclassifying certain claims; and upon consideration of the Objection and all responses thereto; and due and proper notice of the Objection having been given, it is hereby

ORDERED, that the relief sought in the Debtors' Seventh Omnibus Substantive Objection to Claims is granted in all respects; and it is further

ORDERED, that the priority or secured status of each claim listed on Exhibit A to the Objection as a "Claim Improperly Classified" shall be modified and such claims reclassified as general unsecured claims to the extent indicated on Exhibit A; and it is further

ORDERED, that the claims listed on Exhibit B to the Objection as "Claims To Be Disallowed – Assumed Leases" are hereby disallowed and expunged in their entirety; and it is further

¹ The Reorganized Debtors are the following entities: Fansteel Inc. and Wellman Dynamics Corp.

ORDERED, that the claims listed on Exhibit C to the Objection as "Claims To Be Reduced or Disallowed – Books and Records" are hereby reduced to the amount indicated in the column of Exhibit E with the heading "Modified Claim Amount;" and it is further

ORDERED, that for the reasons set forth in Exhibit D to the Objection, the claims listed on Exhibit D as "Unliquidated Claims To Be Disallowed" are hereby disallowed and expunged as disputed claims estimated at \$0 for which no distribution reserve has been made; and it is further

ORDERED, that the claims listed on Exhibit E to the Objection as "Claims To Be Reduced or Disallowed – Books and Records" are hereby reduced to the amount indicated in the column of Exhibit E with the heading "Modified Claim Amount;" and it is further

ORDERED, that for the reasons set forth in Exhibit F to the Objection, the claims listed on Exhibit F to the Objection as "Guaranty Claims To Be Reduced" are hereby reduced to the amount indicated in the column of Exhibit F with the heading "Modified Claim Amount;" and it is further

ORDERED, that the claims listed on Exhibit G to the Objection as "Claims Against Multiple Debtors To Be Reduced – Books and Records" are hereby reduced to or fixed in the amount indicated in the column of Exhibit G with the heading "Modified Claim Amount" and reclassified as claims against the correct Debtors as indicated in the column of Exhibit G with the heading "Reason For Proposed Modification;" and it is further

ORDERED, that the claim listed on Exhibit H to the Objection as a "Late Filed Claims" shall be reduced to and fixed in the amount scheduled by the Debtors; 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: _____, 2004

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