UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF IOWA

In re:) Lead Case No. 16-01823-als11
) Affiliated Cases: 16-01825-als11
FANSTEEL, INC.) 16-01827-als11
Debtor and Debtor in Possession)) Chapter 11
1746 Commerce Rd.) Hon Anita L. Shodeen
Creston, IA 50801)
) DEBTORS' MOTION FOR
EIN: 36-1058789) CONTINUED USE OF CASH
) COLLATERAL
and Affiliated Cases)) No Hearing Set

Fansteel, Inc., Wellman Dynamics Corporation, and Wellman Dynamics Machining and Assembly, Inc., (collectively "Fansteel" or the "Debtors") Debtors and Debtors in Possession herein, by and through their duly-employed General Reorganization Counsel, Jeffrey D. Goetz, Esq., of the law firm of Bradshaw, Fowler, Proctor & Fairgrave, P.C., and pursuant to Bankruptcy Code Section 363, files this Motion for Continued Use of Cash Collateral, and in support of this Motion, the Debtors would show this Honorable Court as follows:

1. On September 13, 2016 ("Petition Date"), the Debtors filed their Voluntary Petitions under Chapter 11 of the Bankruptcy Code (Docket Item 1), and the Debtors are duly operating as Debtors in Possession pursuant to Bankruptcy Code Sections 1107 and 1108. Subsequently, Debtors filed their motions to jointly administer the cases pursuant to Bankruptcy Rule 1015(b). The Court entered its Order authorizing joint administration on October 17, 2016 (Docket Item 207).

2. On September 23, 2016, the Office of the United States Trustee filed a Notice of

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Appointment of Committee of Unsecured Creditors (the "Committee") (Docket Item 67).

3. On October 12, 2016, the Debtors filed a First Amended Motion for Order Authorizing Final Use of Cash Collateral and Providing Post-Petition Liens (Docket Item 178) and the Court granted the Amended Motion (Docket Items 227 & 251).

4. The Cash Collateral Order at Docket Item 238 permitted the Debtors to use cash collateral through January 6, 2017.

5. Pursuant to the Cash Collateral Order, the Debtors were required to (a) provide a variance report within four days of the end of each week; (b) provide adequate protection payments on the last business day of each month; and (c) provide the parties with weekly and monthly reporting, as well as access to books and records. The Debtors have substantially and timely complied with these requirements. Additionally, the Debtors were required to provide a continued cash collateral budget to the Committee and TCTM by December 15, 2016, which the Debtor timely complied with.

6. The Debtors are unaware at this time of any objections to the continued cash collateral budget and the Debtors anticipate that such budget will be consented to by the Committee and TCTM.

7. The December 15th budget provides for continued use of cash collateral for the week ending January 13, 2017, through and including the week ending April 28, 2017, a copy of which is attached as Exhibit "A" and incorporated by reference herein.

8. Based on the foregoing, the Debtors request the court enter an order authorizing the Debtors' continued use of cash collateral through and including the week ending April 28, 2017, based on the same terms and condition as the Cash Collateral Order at Docket Item 238, as amended by the Court by orders at Docket Items 251 and 300, specifically excluding application of

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Section 11(d) of the Cash Collateral Order regarding professional fees of TCTM.

WHEREFORE, the Debtors pray for an Order approving the instant Motion and for such

further and other relief as the Court deems just and equitable under the circumstances.

Dated: December 23, 2016

/s/ Jeffrey D. Goetz Jeffrey D. Goetz, Esq, IS #9999366 Bradshaw Fowler Proctor & Fairgrave, PC 801 Grand, Suite 3700 Des Moines, IA 50309-8004 515/ 246-5817 515/ 246-5808 fax goetz.jeffrey@bradshawlaw.com

General Reorganization Counsel

CERTIFICATE OF SERVICE:

This document was served electronically on parties who receive electronic notice through CM/ECF as listed on

CM/ECF's notice of electronic filing.

/s/ Barbara Warner

Case 16-01823-als11 Doc 337 Filed 12/23/16 Entered 12/23/16 16:15:48 Desc Main Docempeto Page 4 of 4 (W/E JANUARY 13, 2017 - APRIL 28, 2017) CASH COLLATERAL BUDGET

Lino	Fansteel		I								1				r		, , , , , , , , , , , , , , , , , , ,	· · · · · · · · · · · · · · · · · · ·
	Next 16-week Bdgt																	
	Updated 12/15/2016																ļ ,	
1 2	Week # Week Ended	1 1/13/2017	2 1/20/2017	3 1/27/2017	4 2/3/2017	5	6	7 2/24/2017	8	9	10	11 3/24/2017	12	13 4/7/2017	14 4/14/2017	15 4/21/2017	16 4/28/2017	Total 16 Weeks
3	Week Linded	1/13/2017	1/20/2017	1,27,2017	2,3,2017	2/10/2017	2,17,2017	2/24/2017	3/3/2017	5,10,2017	5/1/201/	5,24,2017	5/51/2017	4,7,2017	4/14/2017	4/21/201/	4,20,2017	10 WCCK3
	Operating Cash Receipts																	
5																		
6	Collections from Customers Other	\$ 1,200,796	\$ 1,153,199	\$ 1,170,471	\$ 1,190,099	\$ 1,040,773	\$ 1,021,556	\$ 1,175,949	\$ 817,979	\$ 1,253,690	\$ 998,663	\$ 1,343,621	\$ 1,109,910	\$ 1,104,657	\$ 1,940,768	\$ 1,457,629	\$ 1,263,835	19,243,595
7	Total Operating Cash Receipts	1,200,796	1,153,199	1,170,471	1,190,099	1,040,773	1,021,556	1,175,949	817,979	1,253,690	998,663	1,343,621	1,109,910	1,104,657	1,940,768	1,457,629	1,263,835	19,243,595
9		1,200,750	1,133,133	1,170,471	1,130,033	1,040,773	1,021,550	1,173,345	017,575	1,233,050	550,005	1,343,021	1,105,510	1,104,037	1,540,700	1,437,023	1,203,035	15,243,355
10	Operating Cash Disbursements																	
11																		
12 13	Payroll Related Gross Payrolls	536,840	479.118	537,646	478,968	537,499	455.567	527,907	426,214	509,076	423,120	509,110	423.094	509,110	423,101	509.099	423,104	7,708,572
15	Quarterly Employer Payroll	- 550,640	479,118	557,040	70,000	557,499	455,507	527,907	420,214	509,076	425,120	509,110	425,094	509,110	425,101	509,099	425,104	70,000
15	CRO (represents base budget)	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	240,000
16	Employee Benefits:																	-
17	Health Insurance	80,000	80,000	80,000	230,000	80,000	80,000	80,000	189,000	80,000	80,000	80,000	189,000	80,000	80,000	80,000	189,000	1,757,000
18 19	Union Pension Workers' Compensation		-	111,000				125.000	111,000	125,000	125.000		111,000				111,000	444,000 500.000
20	Vision and Dental	23.000		12.000			23.000	125,000	125,000	125,000	23,000				23.000		<u>├</u>	104.000
21	Disability	20,000		12,000	18,000		20,000		18,000		23,000		18,000		23,000		18,000	72,000
22	PBGC Insurance								-									-
23	Unicorn Payroll				3000				3,000				3,000				3,000	12,000
24 25	Subtotal - Payroll Related	654,840	574,118	755,646	814,968	632,499	573,567	747,907	887,214	729,076	666,120	604,110	759,094	604,110	541,101	604,099	759,104	10,907,572
25	Subtotal - Payroli Kelated	54,840	574,118	/55,646	814,968	632,499	5/3,50/	/4/,90/	887,214	/29,0/6	000,120	604,110	/59,094	604,110	541,101	604,099	/59,104	10,907,572
20	Operating Expenses																<u>├</u> ───┤	
28	Raw Materials	297,127	301,446	311,502	320,335	279,419	213,489	247,139	315,769	305,682	304,181	233,607	307,352	281,462	230,231	309,354	284,354	4,542,449
29	Manufacturing Expenses	187,382	369,570	171,087	233,457	109,710	147,359	121,714	291,078	180,328	307,086	193,626	108,262	84,030	95,891	127,555	96,086	2,824,222
30	Property Taxes							42,217	43,000								ļ!	85,217
31 32	Commercial Insurance: Flat Iron (Insurance)				35,000				15,000				15,000				15,000	80,000
33	AFCO				21.761				21.761				21.761				21.761	87.044
34	Building Rent				24,400				24,400				24,400				24,400	97,600
35	Travel Expenses	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	80,000
36	Ordinary Course Professional	-	10.000	- 10.000	10.000	-	- 10.000	10.000	10.000	10.000	10.000	- 10.000	10.000	10.000	10.000	10.000	10.000	- 160.000
37 38	Other Operating Expenses Contingency	10,000 15,000	10,000	10,000	10,000 15,000	10,000 15,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	240,000
39	contingency	13,000	13,000	15,000	13,000	13,000	15,000	13,000	13,000	13,000	13,000	13,000	15,000	13,000	13,000	13,000	13,000	240,000
40	Subtotal - Operating Expenses	514,509	701,016	512,589	664,953	419,129	390,848	441,071	741,008	516,010	641,267	457,234	506,775	395,491	356,121	466,909	471,601	8,196,531
41																		
42	Total Operating Cash Disbursements	1,169,349	1,275,134	1,268,235	1,479,921	1,051,627	964,415	1,188,977	1,628,222	1,245,086	1,307,387	1,061,344	1,265,870	999,601	897,222	1,071,008	1,230,706	19,104,103
	Net Operating Cash Flows	31,447	(121,935)	(97,764)	(289,822)	(10,855)	57,141	(13,028)	(810,243)	8,604	(308,724)	282,276	(155,960)	105,056	1,043,546	386,621	33,129	139,492
45																		
	Non-Operating Items																	
47	De a cluster																ļ!	├ ──── ┦
48	Receipts: Customer Deposits		\$ 750.000			\$ 500.000				\$ 500.000				\$ 500.000			┝────┤	\$ 2,250,000
50	AST Sale Net Proceeds		÷ 750,000		2,700,000	÷ 500,000				\$ 500,000				÷ 500,000			I	2,700,000
51	AST AR / Inventory Run off								517,598				314,356				314,356	1,146,309
	Total Non-Operating Receipts	-	750,000	-	2,700,000	500,000		-	517,598	500,000	-	-	314,356	500,000	-	-	314,356	6,096,309
53	Disbursements:																┟────┘	├────┦
54	Chapter 11 Professional Fees				1,205,000				223.333			336,667	336,667	336,667			┝────┤	2,438,333
56	Capital Expenditures				_,_00,000				223,333			556,607	550,007	556,607				
57	UST Fees						-	-	-	-	-							-
58	Adequate Assuance Deposits		-		2 200 000				F43 F00				244.255				24.4.255	2.246.200
59 60	Sec Creditors Pmts - Principal from AST Secured Creditors Payments - Interest				2,200,000 138,139		-	-	517,598 127,452	-	-	-	314,356 127,452	-	-	-	314,356 127,452	3,346,309 520,495
60	Salaried Pension Contributions		42,000		120,139		42,000	-	127,452		42,000		127,452		42,000		127,452	168,000
62	FMRI Payments			-	40,000	-			40,000	-			40,000	-			40,000	160,000
	Total Non-Operating Disbursements	-	42,000	-	3,583,139		42,000	-	908,383	-	42,000	336,667	818,474	336,667	42,000	-	481,808	6,633,137
64	Net Cock Flow	24.417	500.005	(07.70)	4 472 001	400.4.5	45.465	(42.022)	14 204 000	500.001	(250 70 1)	(54.202)	(000 070)	200.200	1 001 5	200 021	(424.222)	(207.227)
65 66	Net Cash Flow	31,447	586,065	(97,764)	(1,172,961)	489,145	15,141	(13,028)	(1,201,028)	508,604	(350,724)	(54,390)	(660,079)	268,389	1,001,546	386,621	(134,323)	(397,337)
	Beginning Cash Balance	2.681.469	2.712.915	3,298,981	3.201.217	2.028.256	2.517.401	2,532,543	2.519.514	1.318.486	1.827.090	1.476.367	1.421.976	761.898	1.030.287	2.031.834	2.418.455	2.681.469
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	Ending Cash Balance	\$ 2,712,915	\$ 3,298,981	\$ 3,201,217	\$ 2,028,256	\$ 2,517,401	\$ 2,532,543	\$ 2,519,514	\$ 1,318,486	\$ 1,827,090	\$ 1,476,367	\$ 1,421,976	\$ 761,898	\$ 1,030,287	\$ 2,031,834	\$ 2,418,455	\$ 2,284,132	\$ 2,284,132