

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF IOWA**

In re: ) Case No. 16-01825-als11  
)  
**FANSTEEL FOUNDRY CORPORATION,** ) Chapter 11  
**fdbba WELLMAN DYNAMICS CORP.** )  
) Hon Anita L. Shodeen  
Debtor and Debtor in Possession )  
) **JOINT COMBINED DISCLOSURE**  
P.O. Box 391 ) **STATEMENT AND PLAN OF**  
Creston, IA 50801 ) **LIQUIDATION DATED JUNE 22, 2018**  
)  
EIN: 36-3198501 )  
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The Official Unsecured Creditors Committee of Wellman Dynamics Corporation (“Committee”) and Debtor, Wellman Dynamics Corporation, now known as Fansteel Foundry Corporation (“WDC Debtor”) (jointly, the “Plan Proponent”), hereby jointly propose this Plan of Liquidation (this “Plan”) of the WDC Debtor pursuant to Bankruptcy Code Sections 1121 and 1125.

The Plan Proponent is the proponent of this Disclosure Statement and Plan. A detailed discussion of the WDC Debtor’s history, business, and other pertinent information, as well as the pertinent terms of the Plan, are set forth herein. Any agreements and documents which are referenced in this Disclosure Statement and Plan are incorporated as if set forth in full herein and have been or shall be filed with the United States Bankruptcy Court for the Southern District of Iowa as required.

**SUBJECT TO CERTAIN RESTRICTIONS AND REQUIREMENTS SET FORTH IN THE BANKRUPTCY CODE, THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND HEREIN, THE PLAN PROPONENT RESERVES THE RIGHT TO ALTER, AMEND, MODIFY, REVOKE, OR WITHDRAW THIS DISCLOSURE STATEMENT AND PLAN.**

### **INTRODUCTION**

Chapter 11 allows the Plan Proponent to propose a plan of reorganization or liquidation. This is a combined Disclosure Statement and Plan of Liquidation. This document sets forth information about the Plan and the treatment of Claims and Interests under the Plan, provides for the classification and treatment of Claims and Interests in this Case, and the means by which the WDC Debtor shall be liquidated.

#### **The Purpose of the Disclosure Statement**

Pursuant to Bankruptcy Code Section 1125, the Plan Proponent has prepared and filed this Disclosure Statement and Plan for the Court’s approval and submission to the Holders of Claims and Interests. However, before acceptance or rejection of the Plan may be solicited, the Court must find that this Disclosure Statement contains “adequate information.” Both the Disclosure Statement and Plan are subject to final approval and Confirmation of the Plan by the Court.

**READ THIS DISCLOSURE STATEMENT AND PLAN CAREFULLY TO FIND OUT THE FOLLOWING:**

- WHO CAN VOTE OR OBJECT;
- THE TREATMENT OF YOUR CLAIM AND/OR INTEREST;
- THE HISTORY OF THE WDC DEBTOR AND SIGNIFICANT EVENTS DURING ITS BANKRUPTCY CASE;

- WHAT THE COURT WILL CONSIDER TO DECIDE WHETHER TO CONFIRM THE PLAN; AND THE EFFECT OF CONFIRMATION.

THIS DISCLOSURE STATEMENT AND PLAN CANNOT TELL YOU EVERYTHING ABOUT YOUR RIGHTS. YOU SHOULD CONSIDER CONSULTING YOUR OWN LAWYER TO OBTAIN ADVICE ON HOW THE PLAN WILL AFFECT YOU AND WHAT IS THE BEST COURSE OF ACTION FOR YOU.

BE SURE TO READ THIS DISCLOSURE STATEMENT AND PLAN.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN SUBMITTED BY THE PLAN PROPONENT AND CONTAINS INFORMATION LARGELY PROVIDED FROM THE WDC DEBTOR AND OTHER PARTIES TO THE CASE, UNLESS SPECIFICALLY STATED TO BE FROM OTHER SOURCES. THE PLAN PROPONENT HAS NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE WDC DEBTOR'S FINANCIAL AFFAIRS, OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT AND PLAN.

YOU MAY NOT RELY UPON THIS DISCLOSURE STATEMENT AND PLAN FOR ANY PURPOSE OTHER THAN TO DECIDE HOW TO VOTE ON THE PLAN.

EXCEPT AS MAY BE SET FORTH IN THIS DISCLOSURE STATEMENT AND PLAN, THE BANKRUPTCY COURT HAS NOT APPROVED ANY REPRESENTATIONS CONCERNING THE WDC DEBTOR OR THE VALUE OF ITS ASSETS.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT AND PLAN ARE MADE AS OF THE DATE HEREOF, UNLESS ANOTHER DATE IS SPECIFIED HEREIN.

ALTHOUGH THE PLAN PROPONENT BELIEVES, BASED ON INFORMATION PROVIDED TO IT, THAT THE CONTENTS OF THIS DISCLOSURE STATEMENT AND PLAN ARE COMPLETE AND ACCURATE TO THE BEST OF ITS KNOWLEDGE, INFORMATION AND BELIEF, THE PLAN PROPONENT IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN OR THEREIN IS WITHOUT ANY INACCURACY. ANY STATEMENTS REGARDING PROJECTED AMOUNTS OF CLAIMS AND DIVIDENDS ARE ESTIMATES OF THE PLAN PROPONENT BASED UPON CURRENTLY AVAILABLE INFORMATION AND ARE NOT A REPRESENTATION THAT SUCH AMOUNTS WILL ULTIMATELY PROVE CORRECT.

THE PLAN PROPONENT BELIEVES THAT THE TREATMENT OF CREDITORS AND INTEREST HOLDERS UNDER THIS PLAN WILL RESULT IN A GREATER RECOVERY FOR CREDITORS AND INTEREST HOLDERS THAN THAT WHICH IS LIKELY TO BE ACHIEVED IN A CASE UNDER CHAPTER 7 OF THE BANKRUPTCY CODE. ACCORDINGLY, THE PLAN PROPONENT BELIEVES THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTEREST OF CREDITORS AND INTEREST HOLDERS.



**THE PLAN PROPONENT RECOMMENDS THAT CREDITORS VOTE TO ACCEPT THE PLAN.**

THE BANKRUPTCY COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT YET BINDING ON ANYONE. HOWEVER, IF THE BANKRUPTCY COURT CONFIRMS THE PLAN, THEN THE PLAN WILL BE BINDING ON ALL CREDITORS AND INTEREST HOLDERS IN THIS CASE.

THE PLAN IS INTENDED TO RESOLVE, COMPROMISE AND SETTLE ALL CLAIMS, DISPUTES, AND CAUSES OF ACTION AS TO ALL MATTERS RELATING TO THE ABOVE-CAPTIONED CHAPTER 11 CASE, EXCEPT AS EXPRESSLY PROVIDED FOR IN THE PLAN. THEREFORE, APPROVAL OF THE PLAN SHALL AFFECT THE RELEASE OF THE WDC DEBTOR AND OTHER PARTIES, AND SETTLE ALL CLAIMS AND OTHER RIGHTS OF CREDITORS AND INTEREST HOLDERS, EXCEPT AS EXPRESSLY PROVIDED FOR IN THE PLAN.

IF THE BANKRUPTCY COURT CONFIRMS THE PLAN, CREDITORS' CLAIMS AND INTERESTS, IF AND TO THE EXTENT ALLOWED, WILL RECEIVE TREATMENT IN ACCORDANCE WITH THE TERMS OF, AND AT SUCH TIME(S) SPECIFIED IN, THE PLAN.

**DEFINITIONS**

As used in this Disclosure Statement and Plan, the following terms shall have the respective meanings specified below:

503(b)(9) Claims: Holders of Administrative Expense Claims arising under section 503(b)(9) of the Bankruptcy Code.

510 Ocean Secured Claim: The Claim of 510 Ocean Drive Debt Acquisition LLC ("510 Ocean") filed, scheduled or otherwise asserted in the Case.

510 Subordination Agreement: That certain subordination agreement, dated September 8, 2015, by and among 510 Ocean, the WDC Debtor and Fifth Third Bank.

Accepted Bid: The TCTM Bid for the WDC Assets, which was selected as the highest and best offer for the WDC Assets at the conclusion of the WDC Sale.

Administrative Claims Bar Date: The date by which all Administrative Non-Professional Claims must be filed, which was February 19, 2018 per Court Order.

Administrative Expense Claim or Administrative Claim: Any cost or expense of administration of the Bankruptcy Case that is entitled to priority in accordance with Bankruptcy Code Sections 503(b) and 507(a)(2), including, without limitation: (i) any actual and necessary expenses of preserving the Estate and of operating the WDC Debtor's business, from and after the Petition Date to and including the Confirmation Date; (ii) all Professional Fee Claims or requests for reimbursement of expenses by members of the Official Committee, as approved by a

Final Order of the Court; (iii) any accrued and unpaid entitlement to adequate protection; and (iv) any fees or charges assessed against the WDC Debtor's Estate under Chapter 123 of Title 28, United States Code.

Administrative Expense Claimant: Any Person entitled to payment of an Allowed Administrative Expense Claim.

Allowed: The extent to which a Claim: (a) is not disallowed or expunged by stipulation or Final Order of the Bankruptcy Court; (b) is not objected to within the period fixed by the Plan or established by the Bankruptcy Court, if the Claim (i) was scheduled by the WDC Debtor pursuant to the Bankruptcy Code and the Bankruptcy Rules in a liquidated amount and not listed as contingent, unliquidated, or disputed, or (ii) was timely filed (or deemed timely filed) pursuant to the Bankruptcy Code, the Bankruptcy Rules, or any applicable orders of the Bankruptcy Court; (c) is subject to an objection filed, but such objection has been withdrawn or determined by a Final Order (but only to the extent such Claim has been Allowed); (d) is otherwise allowed by Final Order. A proof of Claim that is not timely filed (or not deemed timely filed) shall not be "Allowed" for purposes of Distribution or voting under the Plan.

Allowed Claim: A Claim that is Allowed as set forth above.

APA: That certain Asset Purchase Agreement between TCTM and the WDC Debtor, dated as of March 1, 2018, setting forth the terms and conditions of the sale of the WDC Assets.

Auction: The auction for the sale of substantially all of the WDC Debtors assets, as more fully set forth and described in this Plan.

Available Cash: Cash in the Liquidation Trust from the Plan Carve-Out, Causes of Action proceeds, other Cash, following the Effective Date, for payment of expenses of the Liquidation Trust and Distributions in accordance with the terms of this Plan. Available Cash shall not include the Creditor Note payments which are reserved solely for payment of Allowed Claims in Class 9 of the Plan.

Bankruptcy Case or Case: The WDC Debtor's proceedings arising under title 11 of the United States Code filed in the Bankruptcy Court for the Southern District of Iowa (Case No. 16-01825-als11) that commenced on September [13], 2016.

Bankruptcy Code: The United States Bankruptcy Code, 11 U.S.C. § 101, et seq., as amended.

Bankruptcy Court or Court: The United States Bankruptcy Court for the Southern District of Iowa having jurisdiction over the Bankruptcy Case.

Bankruptcy Rules: The Federal Rules of Bankruptcy Procedure, as amended.

Bidders: Persons who submitted Bids for the purchase of the WDC Assets.

Bid Procedures: The terms and conditions governing the conduct of the WDC Sale as approved by the Court.

Bid Procedures Order: The Order of the Court approving the Bid Procedures.

Business Day: Any day that is not a Saturday, Sunday or legal holiday as identified in Bankruptcy Rule 9006.

Buyer: WDC Acquisition LLC, assignee of TCTM under the APA, and the purchaser of the WDC Assets in connection with the WDC Sale.

Cash: Cash and cash equivalents, including, but not limited to, bank deposits, checks and other similar items.

Cash Collateral Budget: The Debtor's budget approved by the Court as part of the Cash Collateral Order, as continued and amended with the consent of TCTM.

Cash Collateral Order: The order of the Court (Fansteel Docket Nos. 238, 251) permitting the WDC Debtor, among others, to use the TCTM Cash Collateral, as continued and amended.

Causes of Action: Any and all claims, rights, actions, choses in action, suits, causes of action, liens, judgments and damages belonging to the WDC Debtor or its Estate and/or the Committee, and any and all liabilities, obligations, covenants, undertakings and debts owing to the Estate, including actions under Chapter 5 of the Bankruptcy Code whether arising prior to, or after, the Petition Date and in each case whether known or unknown, in law, equity or otherwise, including, without limitation, receivables and those claims and actions to avoid or recover pre-petition or post-petition transfers of money or property pursuant to applicable bankruptcy and non-bankruptcy law; *provided*, that Causes of Action do not include claims, rights, actions, choses in action, suits causes of action, liens, judgments, damages, liabilities, obligations, covenants, undertakings, or debts that are released or exculpated under this Plan.

Claim: A claim against the Debtor, whether or not asserted, as defined in Bankruptcy Code Section 101(5).

Claims Bar Date: January 17, 2017, as established by Court Order and pursuant to Bankruptcy Rule 3003(c)(3), after which any proof of Claim or Interest filed will not be allowed (unless by Court Order) and will have no effect upon the Plan; and the Holder of such filed proof of Claim or Interest shall have no right to vote upon or participate in any Distributions under the Plan.

Claims Objection Date: The date established by the Bankruptcy Court pursuant to an Order entered in the Bankruptcy Case or which is provided for and set in the Plan and established pursuant to a Confirmation Order, by which written objections to Claims must be filed.

Class: Any group of Claims or Interests classified pursuant to the Plan.

Closing: The consummation of the WDC Sale as between Buyer and the WDC Debtor, which occurred on the Closing Date.

Closing Date: May 7, 2018.

Committee: The Official Committee of Unsecured Creditors appointed in this Case pursuant to 11 U.S.C. § 1102 by the Office of the U.S. Trustee.

Confirmation: Approval of the Plan by the Court.

Confirmation Date: The date on which the Court enters the Confirmation Order.

Confirmation Hearing: The hearing to consider the confirmation of the Plan in accordance with Bankruptcy Code Section 1129.

Confirmation Order: The order entered by the Bankruptcy Court confirming the Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

Confirmed Bid: The Accepted Bid of TCTM, which was confirmed by the Court pursuant to the Sale Order as the prevailing Bid for the WDC Assets subject to Closing.

Consenting Administrative Claimholder: Means any Holder of an Administrative Expense Claim (other than a Claim for U.S. Trustee Fees) that has not objected to this Plan or whose objection has been resolved.

Consenting Claimholder: Means (i) any Consenting Administrative Claimholder, (ii) any Holder of a Professional Fee Claim, (iii) any Holder of a 503(b)(9) Claim, (iv) any Holder of a Priority Non-Tax Claim, or (v) any Holder of a Claim in Classes 1 through 15, in each case that has not objected to this Plan or whose objection has been resolved.

Creditor: Shall have the meaning ascribed to such term in section 101(10) of the Bankruptcy Code.

Creditor Note: The Promissory Note from Buyer, promising to pay to the Liquidation Trust the sum of \$2,400,000, which shall be payable quarterly at \$100,000 *per annum* for the first three (3) years and then quarterly at \$500,000 *per annum*, in each case, on the last business day of each fiscal quarter starting with the fiscal quarter ending December 31, 2018. Unpaid amounts under the Creditor Note shall accrue interest at a rate of 1.00% per annum, which shall be payable solely as an increase to the aggregate principal amount of the Creditor Note. Consistent with the Memorandum of Understanding, the Creditor Note shall be used solely for payment of Allowed Claims in Class 9. The Creditor Note is a gift from Buyer to be paid directly to the Liquidation Trust for the benefit of Class 9 creditors.

Creston Property: That certain real estate and improvements thereon formerly owned by the WDC Debtor, known commonly as 1746 Commerce Road, Creston Iowa.

Debtor in Possession: The WDC Debtor, as debtor in possession, pursuant to Bankruptcy Code Sections 1107 and 1108.

Debtors: Fansteel, the WDC Debtor and WDMA.

Debtor Cases: The bankruptcy cases of WDC, WDMA and Fansteel.

Debtor Plans: The plans of reorganization filed by the Debtors, as amended and subsequently withdrawn.

D&O Claims: Causes of Action against or with respect to past or present Directors and Officers and Shareholders of the WDC Debtor, of Fansteel, of WDMA, or otherwise existing, whether covered by insurance or not.

Disallowed: A Claim or Interest that: (i) has been disallowed, in whole or in part, by an Order of the Court; (ii) has been disallowed or withdrawn, in whole or in part, by agreement of a Holder of a Claim or Interest; or (iii) a Claim scheduled by the WDC Debtor on the Schedules as contingent, disputed or unliquidated, for which a timely proof of Claim was not filed.

Disclosure Hearing: The date set by the Court for a hearing on approval of the Disclosure Statement.

Disclosure Statement: This Disclosure Statement and Plan and all exhibits and attachments hereto and documents otherwise referenced herein.

Disputed Claim: A Claim that is not an Allowed Claim nor a disallowed Claim, and is any Claim, proof of which was filed, or an Administrative Claim or other unclassified Claim, which is the subject of a dispute under the Plan or as to which Claim the WDC Debtor, the Committee or the Liquidation Trustee, as applicable, has interposed a timely objection and/or a request for estimation in accordance with section 502(c) of the Bankruptcy Code and Bankruptcy Rule 3018 or other applicable law, which dispute, objection, and/or request for estimation has not been withdrawn or determined by a Final Order; and any Claim, proof of which was required to be filed by order of the Bankruptcy Court, but as to which a proof of claim was not timely or properly filed (or deemed timely or properly filed).

Disputed Claims Reserve: The account set up by the Liquidation Trustee on account of Disputed Claims and funded by Available Cash.

Distribution or Dividend: The property required by the Plan to be distributed under the Plan including, but not limited to, payments provided for under the Plan by the Liquidation Trustee.

Distribution Date: The date when a Distribution is to be made under the Plan.

Effective Date: The date on which the conditions to the Plan becoming effective have been satisfied or waived by the Committee as set forth herein.

Encumbrances: Collectively, any and all security interests, liens, judgments, pledges, Claims, levies, charges, escrows, encumbrances, options, rights of first refusal, transfer restrictions, conditional sale contracts, title retention contracts, mortgages, hypothecations, indentures, security agreements or other agreements, arrangements, contracts, commitments, understandings or obligations of any kind whatsoever, whether written or oral.

Environmental Settlement Agreement: The agreement between TCTM, or its assignee, as the Buyer of the WDC Assets and the EPA and the Iowa Agencies relative to, and in settlement of, the environmental issues at the Creston Property. At times herein the “ESA.”

EPA: Environmental Protection Agency.

Estate: The estate of the WDC Debtor created under section 541 of the Bankruptcy Code.

Excluded Assets: The Assets of the Debtor excluded from the WDC Sale, as defined more fully in the APA. To the extent of any inconsistency in such definition between the Plan and the APA, the terms of the APA shall govern.

Exculpated Parties: Each of the following in its capacity as such, and only in its capacity as such: (a) the Committee, its Members, their subsidiaries, affiliates, managed accounts or funds, and all of their respective current and former officers, directors, principals, shareholders (regardless of whether such interests are held directly or indirectly), managers, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, investment managers, investment advisors, management companies, fund advisors, and other professionals, and such persons’ respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such and the Committee’s professionals and representatives; and (b) the WDC Debtor, its current officers and directors, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, investment managers, investment advisors, and other professionals, and such persons’ respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such and the WDC Debtor’s professionals and representatives (including James Mahoney, Danette Grim, Sandy Downing, and Robert Compennolle) (but in no event shall such exculpation include any other Person, including but not limited to, Fansteel and WDMA, their current and former officers, directors, and shareholders, but excluding Mahoney, Grim, Downing, and Compennolle, who are exculpated and released, but including and not limited to, Leonard Levie, Curtis Zamec and Brian Cassady, none of which are exculpated or released in any capacity under the Plan); and (c) TCTM, its subsidiaries, affiliates, managed accounts or funds, and all of their respective current and former officers, directors, principals, shareholders (regardless of whether such interests are held directly or indirectly), managers, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, investment managers, investment advisors, management companies, fund advisors, representative, and professionals.

Fansteel: The WDC Debtor’s parent company, Fansteel, Inc.

Fansteel Bankruptcy Case or Fansteel Case: In re Fansteel, Inc., United States Bankruptcy Court, Southern District of Iowa, Case No. 16-01823-als11.

Fansteel Delaware Plan: That certain plan of reorganization of Fansteel and related debtors, including the WDC Debtor, in connection with the bankruptcy proceedings of Fansteel in the United States Bankruptcy Court for the District of Delaware in 2003.

Fee Application: The final fee application and/or an application for payment of fees and expenses filed by any parties seeking payment of Professional Fee Claims and/or reimbursement of expenses, as applicable.

Fifth Third Bank: A prepetition secured lender to the Debtors.

Fifth Third Bank Loan: The credit facility(ies) and other accommodations originally made by Fifth Third Bank to the Debtors.

Final Order: An order or a judgment of a court which has not been reversed, stayed, modified or amended, and as to which (a) the time to appeal or to seek review by certiorari or rehearing has expired, and no such appeal, review, certiorari or rehearing petition has been filed, or (b) any such appeal, review, certiorari or rehearing proceeding has been finally determined or dismissed, and the order or judgment is conclusive of all matters adjudicated thereby and in full force and effect.

General Unsecured Claim: A Claim that is not an Administrative Claim, a Professional Fee Claim, a Priority Claim, a subordinated Claim or a Secured Claim.

Holder: The legal or beneficial holder of a Claim or/and Interest (and, when used in conjunction with a Class or type of Claim or Interest, shall mean a holder of a Claim or an Interest in such Class or of such type).

Impaired: When used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of Bankruptcy Code Section 1124.

Insider: A person as defined by Bankruptcy Code Section 101(31).

Interest: Equity in the WDC Debtor arising pursuant to the ownership or right to acquire ownership or other equity interests of the WDC Debtor.

Iowa Agencies: The Iowa Department of Natural Resources, the Iowa Department of Public Health and any other Iowa agencies, if any, who may have executed the Environmental Settlement Agreement.

IRC: Internal Revenue Code.

LC's: Those certain letters of credit provided by Fifth Third Bank to the Debtors.

Liquidation Reserve: The reserve expense account funded as deemed reasonably necessary by the Liquidation Trustee from Available Cash and administered by the Liquidation Trustee for payment of expenses of the Liquidation Trust (including all reasonable fees, costs and expenses of the Liquidation Trustee).

Liquidation Trustee: The person or entity that will sell and otherwise liquidate the WDC Assets and Causes of Action and make Distributions to Creditors and others under this Plan; in this case, Daniel F. Dooley of Morris Anderson, or any successor thereto.

Liquidation Trust: The Trust established by this Plan, and pursuant to the Liquidation Trust Agreement, in which the WDC Sale Proceeds, the Creditor Note, Cash and Causes of Action not released under the Plan, shall vest under the Confirmation Order on the Effective Date.

Liquidation Trust Accounts: The deposit accounts established by the Liquidation Trustee for payment of expenses of the Liquidation Trust and Distributions under the Plan. After the Effective Date, all Cash in the Liquidation Trust Accounts shall be free and clear of any and all Encumbrances and Claims except as may be specifically otherwise provided in the Plan.

Liquidation Trust Agreement: The document setting forth the terms of the Liquidation Trust, which shall be in form and substance acceptable to the WDC Debtor, the Liquidation Trustee, TCTM, and the Committee. The Liquidation Trust Agreement is annexed hereto as Exhibit "A."

Liquidation Trust Assets: The WDC Sale Proceeds, the Causes of Action, the Creditor Note and the proceeds therefrom, and other assets and property, including Cash, in the Liquidation Trust.

Litigation Claims Recoveries: The proceeds from the Causes of Action.

Member: Each member of the Committee.

Memorandum of Understanding: That certain Memorandum of Understanding by and among the WDC Debtor, the Committee and TCTM setting forth the parties' agreement with respect to the sale of the Debtor's assets and a chapter 11 plan, including with respect to the Plan Carve-Out and the Creditor Note. The Memorandum of Understanding was filed under seal at Docket No. 444 and resolved the parties' issues in connection with the sale procedures and sale.

PBGC: The Pension Benefits Guaranty Corporation.

Pension Plans: (i) a defined benefit pension plan known as the Wellman Dynamics Corporation Salaried Employees' Retirement Plan (the "Multi Employer Pension Plan"). The Multi-Employer Pension Plan is covered by Title IV of the Employee Retirement Income Security Act of 1974, as amended 29 U.S.C. §§ 1301-1461 (2012, Supp. II 2014) ("ERISA"); and (ii) the Single Employer Pension Plans maintained by or for the benefit of the WDC Debtor and its employees with the Central Pension Fund of IUOE ("Central Pension Fund"); GMP and Employers Pension Plan ("GMP"); and IAM National Pension Fund ("IAM") (together, the "Single Employer Pension Plans").

Person: An individual, corporation or partnership, as defined in Bankruptcy Code Section 101(41).

Petition Date: September 13, 2016, the date the Debtor filed its voluntary petition for relief, commencing the Bankruptcy Case.

Petition(s): The petitions commencing the Cases for each of the Debtors.



Plan: Collectively, this Disclosure Statement and Plan for the WDC Debtor and all exhibits, attachments and other documents relevant thereto and otherwise referenced herein.

Plan Carve-Out: The seven million dollars of the WDC Sale Proceeds to be used to fund administrative expense claims and priority claims pursuant to the Plan and consistent with the Memorandum of Understanding. One million dollars of the Plan Carve-Out has been paid to the Environmental Regulators pursuant to the Environmental Settlement Agreement and APA.

Plan Proponent: The WDC Debtor and the Committee.

Plan Supplement: Collectively, means the Liquidation Trust Agreement, Liquidation and Waterfall, and any other documents, agreements, schedules, and exhibits, specified in this Plan, all of which shall be in form and substance acceptable to the WDC Debtor and the Committee, provided that the Plan Proponent may amend such Plan Supplement at any time prior to the Confirmation Hearing.

Post Confirmation Oversight Committee: Upon the Effective Date, the Committee shall be disbanded and replaced by a Post Confirmation Oversight Committee consisting of three members.

Priority Claim: A Claim entitled to priority under 11 U.S.C. § 507 or other section of the Bankruptcy Code.

Priority Tax Claim: A Claim for a tax which is entitled to priority under section 507(a)(8) of the Bankruptcy Code.

Pro Rata: At any time, the proportion that an Allowed Claim bears to the aggregate amount of all Claims in a particular Class at such time, including Disputed Claims at such time (a) as calculated by the Liquidation Trustee on or before any Distribution Date; or (b) as determined or estimated by the Bankruptcy Court.

Professional: A Person (a) employed pursuant to a Bankruptcy Court order in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Effective Date, pursuant to sections 327, 328, 329, 330, 331, and 363 of the Bankruptcy Code or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

Professional Fee Claim: Any Claim of (a) a Professional, retained in the Bankruptcy Case, pursuant to sections 327, 363 or 1103 of the Bankruptcy Code and/or members of the Committee, for compensation or reimbursement of costs and expenses relating to services incurred in their capacity as a Member after the Petition Date, but prior to and including the Confirmation Date, when and to the extent any such Claim is Allowed by the Bankruptcy Court pursuant to sections 329, 330, 331, 503(b), or 1103 of the Bankruptcy Code, or (b) a Person seeking compensation and reimbursement pursuant to section 503(b)(4) of the Bankruptcy Code.

Professional Fee Bar Date: The date which is 30 days after the Confirmation Date.

Property: Any personal or real property, interests, rights, claims, Causes of Action and all other possessions or belongings of the WDC Debtor, however held and wherever located. Property shall include, but not be limited to, Property of the Estate and Post-Petition Property of the WDC Debtor but shall not include the WDC Assets sold to TCTM under the APA.

Released Party: Each of the following in its capacity as such, and only in its capacity as such: (a) the Committee, its Members, their subsidiaries, affiliates, managed accounts or funds, and all of their respective current and former officers, directors, principals, shareholders (regardless of whether such interests are held directly or indirectly), managers, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, investment managers, investment advisors, management companies, fund advisors, and other professionals, and such persons' respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such and their professionals, and representatives; (b) TCTM, its subsidiaries, affiliates, managed accounts or funds, and all of their respective current and former officers, directors, principals, shareholders (regardless of whether such interests are held directly or indirectly), managers, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, investment managers, investment advisors, management companies, fund advisors, representatives and professionals, and such persons' respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such; and (c) the WDC Debtor, its current officers and directors, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, investment managers, investment advisors, and other professionals, and such persons' respective heirs, executors, estates, servants, and nominees, in each case in their capacity as such and the WDC Debtor's professionals and representatives (but in no event shall such release include any other Person (excluding Mahoney, Grim, Downing, and Compernelle who are released under this Plan), including, but not limited to, Fansteel and WDMA, their current and former officers, directors and shareholders, including, but not limited to, Leonard Levie, Curtis Zamec and Brian Cassady, none of which are exculpated or released in any capacity under the Plan).

Representative: Any Person who is authorized to act on behalf of an entity or another Person.

Sale Order: The Order entered by the Court approving, among other matters, the Accepted Bid and Backup Bid and deeming the Accepted Bidder the Buyer.

Schedules: The Schedules of Assets and Liabilities and Statement of Financial Affairs for the WDC Debtor, and any amendments thereto.

Secured Claim: A Claim to the extent such Claim is secured as set forth in Bankruptcy Code Section 506.

Secured Creditor: Any Creditor that is the holder of a Secured Claim, to the extent of such Claim.

TCTM: TCTM Financial FS, LLC.

TCTM Collateral: All property of the WDC Debtor securing the obligations of the WDC Debtor to TCTM and proceeds, products, rents, and offspring thereof, including the WDC Sale Proceeds.

TCTM Plan Funding: Funding in excess of the assumed liability caps set forth in Schedule 1.4 to the APA that TCTM has agreed to pay directly to certain administrative claimants for post-petition trade payables, post-petition wages, post-petition taxes, and post-petition benefits, in the amount of \$653,428.17.

TCTM Secured Claim: The Claim of TCTM in this Bankruptcy Case secured by the TCTM Collateral.

Unclassified Claims: Administrative Claims and Priority Tax Claims.

Unimpaired: The legal, equitable and contractual rights of Holders of Claims that are unaltered under the Plan.

Unsecured Claim: Any Claim which is not a Secured Claim.

Unsecured Creditor: Any Creditor holding an Unsecured Claim.

U.S. Trustee: The United States Trustee for Region 12.

U.S. Trustee Fees: All fees and charges assessed against the Estate by the U.S. Trustee and due pursuant to section 1930 of title 28 of the United States Code, together with interest, if any, pursuant to section 3717 of title 31 of the United States Code.

WDC Assets: Property of the WDC Debtor sold to TCTM or its assignee pursuant to the APA and Sale Order.

WDC Sale: The sale of the WDC Assets pursuant to 11 U.S.C. § 363.

WDC Sale Proceeds: The net Cash proceeds derived from the WDC Sale pursuant to the APA.

WDMA: Wellman Dynamics Machinery & Assembly, Inc.

WDMA Bankruptcy Case: In re Wellman Dynamics Machinery & Assembly, Inc., United States Bankruptcy Court, Southern District of Iowa, Case No. 16-01827-als11.

The words “herein” and “hereunder” and other words of similar import refer to this Disclosure Statement and Plan as a whole and not to any particular section, subsection or clause contained in this Plan, unless the context requires otherwise. Whenever from the context it appears appropriate, each term stated in either the singular or the plural includes the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender include the masculine, feminine and the neuter. The section headings contained in the Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan.

A term used in this Plan and not defined herein, but that is defined in the Bankruptcy Code, has the meaning assigned to the term in the Bankruptcy Code. A term used in this Plan and not defined herein or in the Bankruptcy Code, but which is defined in the Bankruptcy Rules, has the meaning assigned to the term in the Bankruptcy Rules.

## DISCLOSURE STATEMENT

### I. SUMMARY OF THE PLAN

The Plan provides primarily for the distribution of the Plan Carve-Out and Litigation Claims Recoveries by the Liquidation Trustee on behalf of the Liquidation Trust. The following chart provides a summary of the classification of Creditors and Interests under the Plan. Please refer to section Sections I and II of the Plan for a full description of the treatment of claims under the Plan. This summary chart is based on the information presently available to the Plan Proponent.

<b>Class</b>	<b>Constituency</b>	<b>Treatment</b>
<i>Unclassified</i>	§507(a)(2) Administrative Expense Claims	<p><b>General.</b> Except as set forth below, the Liquidation Trustee shall make payment to Holders of Allowed Administrative Expense Claims, from Available Cash, in an amount equal to such Allowed Administrative Expense Claim, on the later of (i) the Effective Date (or as soon as practicable thereafter) or (ii) five (5) days after the date of entry of a Final Order Allowing such Administrative Expense Claim.</p> <p><b>Professional Fee Claims.</b> Holders of Allowed Professional Fee Claims have agreed to different treatment of their Allowed Claims by accepting cash payments from the Liquidation Trustee on the Effective Date (or as soon as practicable thereafter) equal to 75% of such Claims and deferring payment of the remainder of such Claims until there is Available Cash sufficient to pay such Claims. Notwithstanding the forgoing, the WDC Debtor's reorganization counsel, Bradshaw, Fowler, Proctor &amp; Fairgrave has agreed to different treatment of its Allowed Claim by accepting a cash payment from the Liquidation Trustee on the Effective Date (or as soon as practicable thereafter) equal to 60% of its Claim and deferring payment of the remainder of such Claim until there is Available Cash sufficient to pay such Claim.</p>

**503(b)(9) Claims.** Consenting Holders of Administrative Expense Claims arising under section 503(b)(9) of the Bankruptcy Code have agreed to, and/or shall receive different treatment of their Allowed Claims by accepting cash payments on the Effective Date equal to 75% of their Claims and deferring payment of the remainder of such Claims until there is Available Cash sufficient to pay such Claims.

**Consenting Administrative Claims** Consenting Administrative Claimholders shall receive cash payments on the Effective Date equal to 75% of their Claims and deferring payment of the remainder of such Claims until there is Available Cash sufficient to pay such Claims

<i>Unclassified</i>	§507(a)(8) Priority Tax Claims	Each holder of an Allowed Priority Tax Claim shall receive, on account of such Claim, payment of the Allowed amount of the Priority Tax Claim by the Liquidation Trustee from Available Cash pursuant to 11 U.S.C. 1129(a)(9)(C); or pursuant to such other treatment as may be agreed upon by the Holder.
<i>Class 1</i>	§507(a)(1), (4-7) Priority Non-Tax Claims	<b>General.</b> Holders of Allowed Priority Non-Tax Claims will receive cash payments equal to 45 % of the Allowed amount of their Claim from Available Cash on the later of (i) the Effective Date (or as soon as practicable thereafter) or, as to a Disputed Claim, (ii) five (5) days after the entry of a Final Order Allowing such Claim. The remainder of such Claims shall be treated as Class 9 Claims.
<i>Class 2</i>	Secured Claim of TCTM	TCTM has agreed to the Plan Carve-Out from the WDC Sale Proceeds, which is its cash collateral. Further, TCTM has agreed that the TCTM Allowed Secured Claim shall be paid from the Litigation Claims Recoveries on a pro rata basis with Allowed Claims in Class 9.
<i>Class 3</i>	Secured Claim of Fifth Third Bank	Fifth Third Bank's contingent obligation under the LC's will be terminated and released on the Effective Date. The LC's will be cancelled and

Fifth Third Bank will have no further obligation to or Claim against the WDC Debtor, TCTM, under this Plan or otherwise relative to the Estate, Property or the Liquidation Trust. Any Encumbrance held by Fifth Third Bank shall be deemed released, discharged and terminated on the Confirmation Date.

- Class 4*                      Secured Claim of William F. Bieber                      The Claim of Bieber has been resolved pursuant to the Bieber Settlement Stipulation (“Bieber Stipulation”). As set forth in the Bieber Stipulation, Bieber shall have an Allowed Secured Claim (“Bieber Secured Claim”) in the amount of \$250,000, \$200,000 of which shall be paid by the Liquidation Trustee on the Effective Date, and \$50,000 of which shall be paid on a first out basis from Available Cash in the Liquidation Trust, after satisfaction of all Allowed Administrative Claims, as set forth in the Bieber Stipulation. Bieber shall have an Allowed Unsecured Claim in the amount of \$5,000,000 which shall be paid as part of the General Unsecured Class of Claims (Class 9) of the Plan. On the Effective Date, the Encumbrance held by Bieber against Property shall be preserved for the benefit of the Estate, and assigned to the Liquidation Trust.
- Class 5*                      Secured Claim of Cedar Valley Bank & Trust                      Pursuant to a Settlement Stipulation between Cedar Valley Bank and the Debtor (“Cedar Stipulation”), the Cedar Valley Secured Claim is deemed an Allowed Unsecured Claim in the amount of \$200,000 and shall be paid pursuant to Class 9.
- On the Effective Date, the Encumbrance held by Cedar Valley Bank against Property shall be preserved for the benefit of the Estate, and assigned to the Liquidation Trust.
- Class 6*                      Secured Tax Claim of Gardenia Ventures LLC                      The Gardenia Secured Claim remains outstanding as an asserted lien against the WDC Sale Proceeds. The Claim is disputed. To the extent Allowed, it will be paid pursuant to 11 U.S.C. § 1129(a)(9)(C). If the Claim is deemed an Unsecured Claim, it will be paid as part of

Class 9.

<i>Class 7</i>	Secured Claim of MCH Systems LLC	The MCH Secured Claim was scheduled in the amount of \$4,274.65. MCH provided the WDC Debtor with building repairs and maintenance and asserts a mechanics lien against the Creston Property which shall be paid on the Effective Date and shall be satisfied and extinguished upon payment.
<i>Class 8</i>	Secured Lease Claims	<p>Certain Parties holding lease Claims against the Debtor filed the claims as secured (“<u>Secured Lease Claims</u>”). These Secured Lease Claims arise pursuant to non-real estate leases which are treated under the Plan as true leases which (a) have been assumed by the Debtor and assigned to the Buyer pursuant to the APA (“<u>Assigned Leases</u>”) or (b) are deemed rejected under the Plan (“<u>Rejected Leases</u>”).</p> <p>Any Claims arising pursuant to the Assigned Leases have been satisfied and are deemed waived, released and relinquished under the Plan against the WDC Debtor, Estate, Property and Liquidation Trust as of the Closing. As to Rejected Leases, any property subject to such Rejected Lease shall be returned to the lessor who must assert any rejection claim in accordance with the provisions of the Plan and, if Allowed, such Claim shall constitute a Claim under Class 9 of the Plan.</p>
<i>Class 9</i>	General Unsecured Claims	Class 9 General Unsecured Claims shall be paid by the Liquidation Trustee from the proceeds of the Creditor Note and from Available Cash. The Liquidation Trustee shall make distribution on Allowed General Unsecured Claims from the Creditor Note and Available Cash on the later of (i) the Effective Date, or as soon as practicable after the Effective Date or (ii) as to a Disputed Claim, five (5) days after entry of a Final Order Allowing such Claim. If there is insufficient Available Cash on the Effective Date to pay such Claims, the first Distribution to this Class shall be made by the Liquidation Trustee from Available Cash and the Creditor

Note as set forth in the Plan on a semi-annual basis.

- |                 |                                       |  |
|-----------------|---------------------------------------|--|
| <i>Class 10</i> | PBGC Claims                           | The treatment of the PBGC Claims, including those arising as a result of the termination of the Multi-Employer Pension Plan, is set forth at length in the Plan part of this document. The Claims generally consist of substantial General Unsecured Claims and certain Administrative and Priority Claims.  |
| <i>Class 11</i> | Multi- Employer Pension Plan Claims   | The Multi-Employer Pension Plan Claims arise from the Debtor's constructive termination of the Multi-Employer Pension Plans. Claims arising from such termination are treated under the Plan as Class 9 claims except to the extent such Claims may be Allowed as priority non-tax Claims in which case they are treated under Class 1 of the Plan.  |
| <i>Class 12</i> | EPA and Iowa Agencies' Claims         | The Class 12 EPA Claim is subject to the Environmental Settlement Agreement and is deemed withdrawn as of the Closing. The EPA Claim, any other claims of the EPA, and/or Iowa Agencies, against the WDC Debtor and its Estate, Property and the Liquidation Trust, are waived and released under the Plan as of the Closing Date. The EPA and Iowa Agencies shall have no Claims, rights or remedies against the WDC Debtor, Estate, Property or Liquidation Trust.   |
| <i>Class 13</i> | Subordinated Secured Claim- 510 Ocean | The 510 Ocean Secured Claim (" <u>510 Claim</u> ") is contractually subordinated to TCTM pursuant to the 510 Subordination Agreement. Under the 510 Subordination Agreement, 510 Ocean may not receive any payments on the 510 Claim unless and until TCTM is fully repaid all debt. The TCTM Secured Claim is a Class 2 Secured Claim. The 510 Ocean Secured Claim is contractually subordinated to the TCTM Secured Claim and shall not receive any payments under the Plan unless and until the Class 2 Claim is paid in full. TCTM has the right under the 510 Subordination Agreement to vote on the subordinated debt, which comprises |



the 510 Claim in this Class.

In the event the Allowed Claims of Creditors in prior Classes 1-11 under the Plan are fully paid and satisfied, the 510 Claim, to the extent Allowed, shall be paid by the Liquidation Trustee from Available Cash .

All rights and remedies of the Plan Proponent, TCTM, and the Liquidation Trustee are reserved with respect to the 510 Claim and all defenses, claims and Causes of Action the Estate, Committee, the WDC Debtor, TCTM and/or the Liquidation Trustee hold with respect to 510 Ocean and any principal thereof, including, but not limited to, the right to seek enforcement of the 510 Subordination Agreement, equitable subordination and/or disallowance of the 510 Claim (and any other claims it might assert) and affirmative claims and causes of action including, but not limited to those set forth herein and in the schedule to the Liquidation Trust Agreement.

*Class 14*            Interests

All Equity Interests shall be cancelled on the Effective Date. After payment and satisfaction of all Allowed Claims in prior Classes, Equity Interests shall receive payment by the Liquidation Trustee on account of their prior Interests, as Allowed, from Available Cash.

**A.     Insufficient Cash on Effective Date.**

If, on the Effective Date, there is insufficient Available Cash in the Liquidation Trust to satisfy the cash portion of distributions to which Consenting Claimholders are entitled in accordance with the terms of this Plan, the Liquidation Trustee shall be entitled to (i) decrease the percentage of the applicable Claim of the Consenting Claimholder to be paid in cash on the Effective Date, and (ii) increase the percentage of the applicable Claim of the Consenting Claimholder entitled to deferred payment from the Liquidation Trust from Available Cash (the “Ratio Adjustment”). The Ratio Adjustment shall be calculated on a pro rata basis among Consenting Claimholders who are entitled to receive cash on the Effective Date.

## **II. CONFIRMATION REQUIREMENTS: VOTE REQUIRED FOR APPROVAL OF THE PLAN**

PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THE PLAN SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON CONFIRMING A PLAN IS VERY COMPLEX.

The following discussion is intended solely for the purpose of alerting readers about basic confirmation issues, which they may wish to consider, as well as certain deadlines for filing Claims. The Plan Proponent CANNOT and DOES NOT represent that the discussion contained below is a complete summary of the law on this topic.

### ***a. Who May Object to Confirmation of the Plan?***

Any party in interest may object to confirmation of the Plan, but as explained below not everyone is entitled to vote to accept or reject the Plan.

A Creditor has a right to vote for or against the Plan if that Creditor has a Claim which is both (1) Allowed or Allowed for voting purposes and (2) classified in an Impaired Class, and that Creditor has not assigned such right to vote to another Creditor pursuant to a subordination agreement or other contractual arrangement.

### ***b. What is an Allowed Claim?***

As noted above, a Creditor must first have an Allowed Claim to have the right to vote. Generally, any Proof of Claim will be Allowed for voting purposes, unless a party in interest brings a motion objecting to the Claim. When an objection to a Claim is filed, the Creditor holding the Claim cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the Claim for voting purposes.

THE BAR DATE FOR FILING A PROOF OF CLAIM IN THE BANKRUPTCY CASE WAS JANUARY 17, 2017. A Creditor may have an Allowed Claim even if a Proof of Claim is not timely filed. A Claim is deemed Allowed if (1) it is scheduled on the Schedules and such Claim is not scheduled as Disputed, Contingent, or Unliquidated, and (2) no party in interest has objected to the Claim.

### ***c. What is an Impaired Claim?***

As noted above, a Holder of an Allowed Claim only has the right to vote such Claim if it is in a Class that is Impaired under the Plan. A Class is Impaired if the Plan alters the legal, equitable, or contractual rights of the members of that Class.

In this case the Plan Proponent believes that Classes 1-2, 4-6, 8-11, and 13 are Impaired (in whole or in part), and that Holders of Claims in these Classes that are Impaired are therefore entitled to vote to accept or reject the Plan as to their Impaired Claims. The Plan Proponent believes that Classes 3, 7 and 12 are Unimpaired and Holders of Claims in these Classes do not have the right to vote to accept or reject the Plan. Parties who dispute the Plan

Proponent's characterization of their Claim as being Impaired or Unimpaired may file an objection to the Plan contending that the Committee has incorrectly classified such Claim.

***d. Who is Not Entitled to Vote?***

The following four types of Claims are not entitled to vote: (1) Claims that have been Disallowed; (2) Claims in Unimpaired Classes; (3) Claims entitled to priority pursuant to Bankruptcy Code Sections 507(a)(2), (a)(3) and (a)(9); and (4) Claims or Interests in Classes that do not receive or retain any value under the Plan. Claims in Unimpaired Classes are not entitled to vote because such Classes are deemed to have accepted the Plan. Claims entitled to priority pursuant to Bankruptcy Code Sections 507(a)(2), (a)(3), and (a)(9) are not entitled to vote because such Claims are not placed in Classes and they are required to receive certain treatment specified by the Bankruptcy Code. Claims in Classes that do not receive or retain any value under the Plan do not vote because such Classes are deemed to have rejected the Plan. EVEN IF YOUR CLAIM IS OF A TYPE DESCRIBED ABOVE, YOU MAY STILL HAVE A RIGHT TO OBJECT TO CONFIRMATION OF THE PLAN.

***e. Who can Vote in More than One Class?***

A Creditor whose Claim has been Allowed in part as a Secured Claim and in part as an Unsecured Claim is entitled to accept or reject the Plan in both capacities, by casting one ballot for the Secured part of the Claim and another ballot for the Unsecured Claim.

***f. Votes Necessary to Confirm the Plan.***

Since Impaired Classes exist, the Court cannot confirm the Plan unless (1) at least one Impaired Class has accepted the Plan without counting the votes of any Insiders within that Class, and (2) all Impaired Classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cramdown" on non-accepting Classes, as discussed later in this Section.

***g. Votes Necessary for a Class to Accept the Plan.***

A Class of Claims is considered to have accepted the Plan when more than one-half (1/2) in number and at least two-thirds (2/3) in dollar amount of the Claims which actually voted, voted in favor of the Plan. A Class of Interests is considered to have accepted the Plan when at least two-thirds (2/3) in amount of the Interest holders of such Class which actually voted, voted to accept the Plan.

***h. Treatment of Non-Accepting Classes.***

As noted above, even if all Impaired Classes do not accept the Plan, the Court may confirm the Plan as long as the non-accepting Classes are treated in the manner required by the Bankruptcy Code. The process by which non-accepting Classes are forced to be bound by the terms of the Plan is commonly referred to as "cram-down." The Bankruptcy Code allows the Plan to be "crammed down" on non-accepting Classes of Claims or Interests if the Plan meets all requirements of Bankruptcy Code § 1129(a), except the voting requirements of Bankruptcy Code § 1129(a)(8), and if the Plan does not "discriminate unfairly" and is "fair and equitable" toward

each Impaired Class that has not voted to accept the plan, as referred to in Bankruptcy Code § 1129(b), and applicable case law.

*i. Secured Claims.*

There are three ways to satisfy the fair and equitable standard with respect to a dissenting Class of Secured Claims. The first way is to provide that Class members retain their security interests to the extent of their Allowed Secured Claims, and to give each Secured Creditor in the Class deferred Cash payments that aggregate to at least the amount of the allowed Secured Claim, and which have a present value equal to the value of the collateral.

The Bankruptcy Code § 1111(b)(2) Election converts an Unsecured Deficiency Claim into a Claim secured by the collateral of the electing Creditor. If an eligible Creditor holding a Secured Claim so elects, the Debtor must treat the Creditor's entire Claim as a Secured Claim, and the Plan must provide for the Creditor to receive (on account of its Claim), payments (either present or deferred), of a principal amount equal to the amount of the Claim and of a present value equal to the value of the collateral.

A second alternative for complying with the fair and equitable standard with respect to a Class of dissenting Secured Creditors is for the Plan to provide for the realization of the "indubitable equivalent" of their Secured Claims.

The third alternative for satisfying the fair and equitable standard is for the Plan to provide for the sale of the collateral free and clear of liens, with the liens to attach to the sale proceeds.

*j. Unsecured Claims.*

There are two ways of satisfying the fair and equitable standard with respect to a dissenting Class of Unsecured Claims. The first way is for the Plan to provide for Distributions to the dissenting Class worth the full amount of their Allowed Claims. The Allowed Claims need not be paid in full on the Effective Date of the Plan. The Plan may provide for deferred payments with an appropriate discount factor used so that the present value of deferred payments equals the full amount of the Allowed Unsecured Claims of the dissenting Class.

The second way to satisfy the fair and equitable test with respect to a dissenting Class of Unsecured Creditors, is for the Plan to provide that all Claims and/or Interests that are junior to the dissenting Class do not receive or retain any property on account of their Claims or Interests. Accordingly, if a dissenting Unsecured Creditor Class is to receive property worth only one-half of its Allowed Claims, the Plan may still be fair and equitable if all junior Classes are to receive or retain nothing, and if no senior Class is to receive more than 100% of its Allowed Claims.

*k. Interests.*

There are two ways of satisfying the fair and equitable standard with respect to a dissenting Class of Interests. The first is where the Plan provides that each Holder of an Interest of such Class receive or retain on account of such Interest property of a value, as of the Effective

Date of the Plan, equal to the greatest of the Allowed amount of any fixed liquidation preference to which such Holder is entitled, any fixed redemption price to which such Holder is entitled, or the value of such Interest; or

Where the Holder of any Interest that is junior to the interests of such Class will not receive or retain under the Plan on account of such junior Interest any property.

*l. Request for Confirmation Despite Non-acceptance by Impaired Class(es).*

If any Impaired Class does not accept the Plan, the Plan Proponent will seek confirmation by the cram-down provisions of section 1129(b), provided that all of the applicable requirements of Section 1129(a), other than Section 1129(a)(8), have been met.

**III. BACKGROUND ON WDC DEBTOR; EVENTS LEADING TO FILING OF THE BANKRUPTCY CASE; AND MATTERS ARISING DURING THE CASE**

The WDC Debtor was (prior to sale) an industry-leading producer of complex precision aluminum and magnesium sand castings for the aerospace and defense industries. Its castings were differentiated from most of its competitors due to their size and complexity. The WDC Debtor owned the only molds for the majority of its products. The WDC Debtor was the sole source of the majority of its castings. According to the WDC Debtor, every U.S. military helicopter program relied upon WDC Debtor castings produced in Creston, Iowa.

In early 2015, the Debtors' commercial lender, Fifth Third Bank, placed the Fifth Third Loan in "workout," indicating it did not want to renew the Fifth Third Loan following its maturity in June, 2016.

On September 1, 2016, Fifth Third Bank and TCTM notified the Debtors that Fifth Third Bank had assigned the Fifth Third Loans to TCTM.

Fansteel was unable to negotiate the terms of a "workout" on its secured loans with TCTM. The Debtors each filed their Petitions under Chapter 11 on the Petition Date. Subsequently, during the Bankruptcy Case, the WDC Debtor, among others, sought to use the TCTM Cash Collateral. After hearings on this request, the Cash Collateral Order was entered allowing the WDC Debtor, among others, to use the TCTM Cash Collateral under certain terms and conditions including the Cash Collateral Budget, which Cash Collateral Order and Cash Collateral Budget were continued, as amended.

The WDC Debtor continued to operate during the Case. The Debtors filed their Debtor Plans (providing for the restructuring of the Debtors and their debts) on or about January 11, 2017. The Debtor Plans were subsequently amended three times through early April of 2017. On April 13, 2017, the Debtor Plans were withdrawn by the Debtors due to lack of funding. The Court terminated the Debtors' exclusive time period under the Bankruptcy Code to file their plans and solicit votes as of April 19, 2017.

Given the Debtors' inability to fund reorganization plans, the Committee made a request of the WDC Debtor to consider selling its assets through an orderly bankruptcy sale process in

order to maximize the value of its assets for Creditors in this Case. The WDC Debtor eventually agreed to proceed voluntarily with a sale.

The Memorandum of Understanding was negotiated and agreed to by and among the WDC Debtor, the Committee, and TCTM, to resolve the parties' issues in connection with the proposed sale process of the WDC Assets and to set forth a frame-work to allow a plan process to move forward in the Bankruptcy Case. It was filed on December 21, 2017, at Docket No. 444 under seal. The funding for the Plan is primarily the Plan Carve-Out, which is a result of the Memorandum of Understanding.

On February 26, 2018, the WDC Debtor conducted an auction sale of the WDC Assets which ultimately were sold to the Buyer. The purchase price and other terms of the sale are set forth in the APA. The APA is a public record and available for examination through the Court's CM/ECF and PACER systems. Copies will be provided at no cost by email by contacting the WDC Debtor's or Committee's Counsel (identified at the end of this Disclosure Statement and Plan) and requesting same.

The APA was approved pursuant to the Sale Order. The Sale was consummated on the Closing Date. The Plan Proponent has authorized this Plan which principally provides for the distribution of the WDC Sale Proceeds and other Available Cash, and the orderly wind down and final liquidation of the WDC Debtor. The Sale Order is a public record and available for examination through the Court's CM/ECF and PACER systems. Copies will be provided at no cost by email by contacting the WDC Debtor's or Committee's Counsel (identified at the end of this Disclosure Statement and Plan) and requesting same.

#### **IV. ASSETS, LIABILITIES & FINANCIAL STATUS OF THE DEBTOR**

When the Bankruptcy Case was filed, the WDC Debtor filed its Schedules. The Petition and Schedules are public records and available for examination through the Court's CM/ECF and PACER systems. Copies will also be provided at no cost by email by contacting the WDC Debtor's or Committee's Counsel (identified at the end of this Disclosure Statement and Plan) and requesting same.

After the Petition Date, the WDC Debtor also prepared and filed initial financial statements and records and comprehensive monthly reports of operations. The monthly reports of operations included balance sheets, profit and loss statements, cash receipts and disbursements, check registers and bank statements. These too are public records and available for examination through the Court's CM/ECF and PACER systems. Copies will also be provided at no cost by email by contacting the WDC Debtor's or Committee's Counsel (identified at the end of this Disclosure Statement and Plan) and requesting same.

**YOU ARE ADVISED TO CONSULT WITH YOUR ACCOUNTANT OR FINANCIAL ADVISOR IF YOU HAVE ANY QUESTIONS PERTAINING TO THE SCHEDULES, FINANCIAL STATEMENTS, MONTHLY REPORTS OF OPERATIONS OR ANY OTHER FINANCIAL INFORMATION, DOCUMENTS OR DATA RELATED TO THE CASE OR THE WDC DEBTOR.**

## **V. LABOR/UNION MATTERS**

The Debtor maintained certain Collective Bargaining Agreements (“CBAs”) with its Unions. Those CBAs are available for review upon request to WDC Debtor’s counsel or Committee counsel. The CBAs are rejected, to the extent not previously rejected or expired, as of the Effective Date. Any Claims asserted by the Unions as a result of the rejected CBAs shall be made by and in accordance with the Rejection Damages Bar Date as set forth in the Plan.

## **VI. PENSION PLAN MATTERS**

The WDC Debtor sponsors and maintains the Single Employer Pension Plan. The Single Employer Pension Plan is covered by ERISA. The PBGC is the wholly-owned United States government corporation and agency of the United States created under Title IV of ERISA to administer the federal pension insurance programs and enforce compliance with the provisions of Title IV. PBGC guarantees the payment of certain pension benefits upon termination of a pension plan covered by Title IV. The WDC Debtor, and all members of its controlled group, are obligated to pay the contributions necessary to satisfy the minimum funding standards under the IRC and ERISA. The Single Employer Pension Plan may be terminated only if the statutory requirements of ERISA are met. In the event of a termination of the Single Employer Pension Plan, the WDC Debtor and all members of its controlled group are jointly and severally liable for the unfunded benefit liabilities of the Pension Plan. The WDC Debtor and all members of its controlled group are also jointly and severally liable to PBGC for all unpaid premium obligations owed by the WDC Debtor on account of the Pension Plan. If the Single Employer Pension Plan terminates in a distress termination or in an involuntary termination, before the Effective Date, statutory termination premiums may also arise.

The Single Employer Pension Plan is not being assumed by the WDC Debtor and assigned to the Buyer. As a result, certain Claims arise in favor of the PBGC. The Plan provides for treatment of these Claims according to their nature with the largest Claims being Unsecured Claims included in Class 9.

The WDC Debtor also maintains the Multi-Employer Pension Plans. The Multi-Employer Plans are not being assumed by the WDC Debtor. Certain of these Plans have filed, or attempted to file in the Bankruptcy Case, priority Class 1 Claims.

## **VII. ENVIRONMENTAL MATTERS**

The EPA filed a proof of claim on January 17, 2017, in the Case (the “EPA Proof of Claim”). The EPA Proof of Claim contains representations regarding the nature, extent and validity of the Claims which the EPA asserted against the WDC Debtor (the “EPA Claim(s)”) and other obligations which the EPA asserted are WDC Debtor obligations which may not be dischargeable. The EPA Proof of Claim also asserts EPA Claims which are contingent in nature. The reader of this Disclosure Statement is directed to the EPA Proof of Claim filed for additional detail as to the substance and nature of the EPA’s assertions regarding alleged environmental liability of the WDC Debtor.

The EPA and Iowa Agencies settled their Claims against the WDC Debtor and Estate pursuant to, among other matters, the ESA. The Plan provides for Classification and Treatment of any Allowed EPA Claims as follows:

The EPA and Iowa Agencies have agreed to be bound by the ESA relative to their Claims, whether filed in the Case or not. As of the Closing Date, all Claims of the EPA and Iowa Agencies in the Case, whether scheduled, filed or not, shall be deemed withdrawn and discharged, and the WDC Debtor, the Estate and the Liquidation Trust shall have no further obligation or liability for such Claims which are released as to the WDC Debtor and its Estate, the Property and the Liquidation Trust.

### **VIII. LIQUIDATION ANALYSIS**

Another confirmation requirement is the “Best Interest Test,” which requires a hypothetical liquidation analysis. Under the Best Interest Test, if a Creditor holds an Allowed Claim in an Impaired Class, and that Creditor does not vote to accept the Plan, then that Creditor must receive or retain under the Plan property of a value not less than the amount that such Holder would receive or retain if the debtor were liquidated under Chapter 7 of the Bankruptcy Code.

In a Chapter 7 case, the debtor’s assets are usually sold by a Chapter 7 Trustee. Secured Creditors are paid first, in their respective order of priority, from the sales proceeds of property and assets in which the Secured Creditor has a lien. Administrative Expense Claims are paid next. Unsecured Creditors are paid from any remaining sales proceeds, according to their rights to priority. Unsecured Creditors with the same priority share in proportion to the amount of their Allowed Unsecured Claims. Finally, Interest Holders receive the balance that remains after all Creditors are paid, if any.

For the Court to be able to confirm this Plan, the Court must find that all Creditors who do not accept the Plan will receive at least as much under the Plan as such Holders would receive under a hypothetical Chapter 7 liquidation. This Plan provides for an orderly post-sale liquidation of the WDC Debtor which the Plan Proponent believes (based on the Liquidation Analysis annexed hereto as Exhibit “B”) will maximize the value of Property over the liquidation of same in a Chapter 7. The Plan Proponent therefore believes the Plan is more likely to result in a greater return to Creditors in a more timely fashion than a liquidation under Chapter 7.

Annexed hereto as Exhibit “C” is a Chapter 11 Waterfall Analysis (“Waterfall”) setting forth estimated distributions based on information available to the Plan Proponent. The Waterfall is an estimation only based upon the Plan Proponent’s analysis of certain information available to it, projections and estimations as to certain Claims. Those projections and estimations, and the resultant distributions on Allowed Claims under the Plan, may change.

### **IX. FEASIBILITY**

Another requirement for confirmation involves the feasibility of the Plan. This means that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization of the WDC Debtor or any successors to the WDC Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan. This Plan provides for the



liquidation of the WDC Debtor and therefore the Plan Proponent submits that it meets the feasibility test.

The Plan is being funded by the Plan Carve-Out, Cash on hand with the Debtor, other Cash as may be recovered as Litigation Claims Recoveries, the Creditor Note and the TCTM Plan Funding. The Plan Proponent believes that with the foregoing funding of the Plan, there will be sufficient cash to effectuate the Plan and consummate it.

**X. MANAGEMENT; COMPENSATION AND POST-CONFIRMATION GOVERNANCE**

The Buyer has taken over management and operation of the WDC Assets purchased. The Plan provides that employment of current management (the officers of the WDC Debtor) and Board of Directors (if any) shall terminate, if not sooner terminated, as of the Confirmation Date. Accordingly, the Plan does not provide for any continuing compensation to management of the WDC Debtor. The Plan provides that from the Confirmation Date through the Effective Date, the Liquidation Trustee shall have authority to act as reasonable and necessary on account of corporate matters which may arise relative to the WDC Debtor including, but not limited to, signing such documents as may be necessary in connection therewith.

On the Effective Date, the Liquidation Trustee shall be authorized, but not required, to continue the retention of any Employee (as an Employee, consultant or in another capacity) which the Liquidation Trustee deems necessary for him to continue with and ultimately conclude his liquidation of the WDC Debtor, including with respect to the Causes of Action. Creditors are urged to review the Liquidation Trust Agreement for the full scope of terms, conditions and duties governing and applicable to the Liquidation Trustee and his appointment.

**XI. UNITED STATES TRUSTEE SYSTEM FUND FEES**

A fee is required by the provisions of Title 28 United States Code § 1930(a)(6), to be paid quarterly to the United States Trustee by any debtor in a Chapter 11 case. The amount of the fee is based on a debtor's disbursements for the preceding quarter. A debtor's obligation to pay the fee continues after confirmation and until the Chapter 11 case is fully administered and closed.

All fees payable pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court on the Confirmation Date, shall be paid on the Effective Date. Any statutory fees accruing after the Confirmation Date shall be paid in accordance with the Plan until such time as the Bankruptcy Court enters an order (a) dismissing the Case, (b) converting the Case to a case under chapter 7 of the Bankruptcy Code, or (c) approving a final decree closing the Case.

**XII. TAX ANALYSIS**

The Plan Proponent will not seek a ruling from the Internal Revenue Service prior to the Effective Date with respect to any of the tax aspects of the Plan.

ANY PERSON CONCERNED WITH THE TAX CONSEQUENCES OF THE PLAN IS STRONGLY URGED TO CONSULT WITH THEIR OWN ACCOUNTANTS, ATTORNEYS,

AND/OR ADVISORS TO DETERMINE HOW THE PLAN MAY AFFECT THEIR FEDERAL, STATE, LOCAL AND FOREIGN TAX LIABILITY.

The following disclosure of possible tax consequences is intended solely for the purpose of alerting readers about possible tax issues relating to the Plan. The Plan Proponent CAN NOT and DOES NOT represent that the tax consequences contained below shall be or are the only tax consequences of the Plan, as the IRC and other applicable tax law, if any, embodies many complicated rules and procedures which make it difficult to completely and accurately state all of the tax implications of the Plan.

**A. *Tax Impact on the Liquidation Trust.***

The Liquidation Trustee will be responsible for filing tax returns for the Liquidation Trust and other tax documents to report Distributions to Creditors as grantors of the Liquidation Trust. The Liquidation Trust is a grantor trust subject to 26 U.S.C. 671 et seq.

**B. *Tax Impact on Creditors and Interests.***

Creditors and Holders of Interests are advised to consult with their tax advisors as the Plan Proponent believes there may be tax consequences to Creditors and Interests as a result of any Distributions made to them by the Liquidation Trustee from the Liquidation Trust.

Any Distributions, Dividends, Property or other consideration or value (including imputed) received by Creditors or Interests otherwise attributable to them under or by virtue of the Plan may have tax consequences to them. Any tax consequences of the Plan may vary for individual Creditors or Interests, each of which is urged to seek advice from their own counsel or tax advisor with respect to the tax consequences resulting from the Plan and Confirmation of the Plan.

The Liquidation Trustee will withhold all amounts required by law to be withheld from payments to Holders of Allowed Claims. In addition, such Holders may be required to provide certain tax information to the Liquidation Trustee as a condition of receiving Distributions under the Plan and Liquidation Trust. The Liquidation Trustee will comply with all applicable reporting requirements of the IRC.

**XIII. RISKS TO CREDITORS UNDER THE PLAN**

As the Plan provides for the liquidation of the WDC Assets, there is risk to Creditors that the Liquidation Trust will not have sufficient Cash on the Effective Date, or thereafter, to fully pay and satisfy all Allowed Claims of Creditors.

**PLAN OF LIQUIDATION**

**I. UNCLASSIFIED CLAIMS AND TREATMENT THEREOF**

***a. Unclassified Claims***

As set forth below, the Administrative Claims and Priority Tax Claims shall be

treated in accordance with sections 1129(a)(9)(A) and 1129(a)(9)(C) of the Bankruptcy Code, respectively.

***b. Treatment of Administrative Claims***

Except as set forth below, the Liquidation Trustee shall make payment to Holders of Allowed Administrative Expense Claims, from Available Cash, in an amount equal to such Allowed Administrative Expense Claim, on the later of (i) the Effective Date (or as soon as practicable thereafter) or (ii) five (5) days after the date of entry of a Final Order Allowing such Administrative Expense Claim.

***c. Administrative Bar Date***

Requests for payment of Administrative Expense Claims, excluding Professional Fee Claims, must have been filed by the Administrative Bar Date. Holders of Administrative Expense Claims who are required to file a request for payment of such Claims and who did not file such requests by the Administrative Bar Date, shall be forever barred from asserting such Claims against the WDC Debtor and its Property, the Estate, the Liquidation Trust, or otherwise, and the Holder thereof shall be enjoined from commencing or continuing any action, employment of process, or act to collect, offset, or recover such Administrative Expense Claim.

***d. Payment of Professional Fees and Expenses***

Holders of Allowed Professional Fee Claims have agreed to different treatment of their Allowed Claims by accepting cash payments from the Liquidation Trustee on the Effective Date (or as soon as practicable thereafter) equal to 75% of such Claims and deferring payment of the remainder of such Claims until there is Available Cash sufficient to pay such Claims. Notwithstanding the forgoing, the WDC Debtor's reorganization counsel, Bradshaw, Fowler, Proctor & Fairgrave has agreed to different treatment of its Allowed Claim by accepting a cash payment from the Liquidation Trustee on the Effective Date (or as soon as practicable thereafter) equal to 60% of its Claim and deferring payment of the remainder of such Claim until there is Available Cash sufficient to pay such Claim.

All Professional Fee Claims for fees incurred prior to the Confirmation Date must be submitted to the Court for approval pursuant to a Fee Application not later than the Professional Fee Bar Date or such fee requests shall be forever barred from asserting such Claims against the WDC Debtor and its Property, the Estate, the Liquidation Trust, or otherwise, and the Holder thereof shall be enjoined from commencing or continuing any action, employment of process, or act to collect, offset, or recover such Administrative Expense Claim.

Requests for payment of unpaid but Allowed Professional Fee Claims shall be submitted to the Liquidation Trustee for payment together with the Order approving same. Requests for payment of Professional Fees incurred subsequent to the Confirmation Date, shall be submitted to the Liquidation Trustee on ten (10) business days prior notice to the Post Confirmation Oversight Committee. The Liquidation Trustee shall be authorized to make payment on such invoices from Available Cash absent receipt of written objection from the Post Confirmation Oversight Committee. Court approval shall not be required absent an unresolved objection.

*e. Payment of Professional Fees and Expenses After the Effective Date*

The Liquidation Trustee shall pay reasonable fees and expenses of any professionals he may retain after the Effective Date to assist in the administration of the Liquidation Trust from Available Cash without the necessity of Court approval.

*f. Payment of 503(b)(9) Claims*

Holders of Administrative Expense Claims arising under section 503(b)(9) of the Bankruptcy Code have agreed to and/or shall receive different treatment of their Allowed Claims in the form of cash payments on the Effective Date equal to 75% of their Claims and deferral of the payment of the remainder of such Claims until there is Available Cash sufficient to pay such Claims.

*g. Consenting Administrative Claims*

Consenting Administrative Claimholders shall receive cash payments on the Effective Date equal to 75% of their Claims and deferring payment of the remainder of such Claims until there is Available Cash sufficient to pay such Claims.

*h. Treatment of Priority Tax Claims*

Each holder of an Allowed Priority Tax Claim shall receive, on account of such Claim, payment of the Allowed amount of the Priority Tax Claim by the Liquidation Trustee from Available Cash pursuant to 11 U.S.C. § 1129(a)(9)(c) or pursuant to such other less favorable treatment as may be agreed upon by the Holder.

**II. CLASSIFICATION AND TREATMENT OF IMPAIRED AND UNIMPAIRED CLASSES AND INTERESTS**

**Class 1 - Priority Non-Tax Claims**

Treatment: Holders of an Allowed Priority Non-Tax Claims will receive cash payments equal to 45% of the Allowed amount of their Claim from Available Cash on the later of (i) the Effective Date (or as soon as practicable thereafter) or, as to a Disputed Claim, (ii) five (5) days after the entry of a Final Order Allowing such Claim. The remainder of such Allowed Claims shall be included in and paid as Class 9 Claims.

If there is insufficient Available Cash to pay Allowed Priority Non-Tax Claims as set forth above, the Liquidation Trustee shall make a pro-rata payment on account of such Allowed Claims in accordance with the amounts that Holders of such Claims are to receive above, on the Effective Date, from Available Cash, and the balance of such Allowed Claims shall be paid pro-rata as part of Class 9.

The Class 1 Claims are Impaired.

## **Class 2 - Secured Claim of TCTM Financial FS LLC**

Classification: Class 2 consists of the Allowed TCTM Secured Claim.

Treatment: The TCTM Allowed Secured Claim is secured by, among other things, the WDC Sale Proceeds. TCTM has agreed to allow the WDC Sale Proceeds to be used to fund this Plan consistent with the provisions herein. TCTM has further agreed that the TCTM Allowed Secured Claim shall be paid by the Liquidation Trustee on a pro rata basis, with Allowed Claims in Class 9, from net Litigation Claims Recoveries (not from the Creditor Note), to the extent of Available Cash, on a semi-annual basis.

The Class 2 Claim is Impaired.

## **Class 3 - Secured Claim of Fifth Third Bank**

Classification: Class 3 consists of the Secured Claim of Fifth Third Bank which arises from the LC's provided by Fifth Third Bank for the benefit of the WDC Debtor.

Treatment: Fifth Third Bank's contingent obligation under the LC's will be terminated and released, if not sooner terminated and released, on the Effective Date. The LC's will be cancelled and it will have no further obligation to or Claim against the WDC Debtor, TCTM, Property, under this Plan, the Liquidation Trust or otherwise relative to the Estate.

The Class 3 Claim is not Impaired.

## **Class 4 - Claim of William F. Bieber**

Classification: Class 4 consists of the Bieber Secured Claim. The Plan Proponents have settled the Bieber Secured Claim pursuant to the Bieber Stipulation which bifurcates Bieber's Claims into Allowed Secured and Unsecured Claims.

Treatment: The Bieber Secured Claim shall be in the amount of \$250,000. \$200,000 of the Bieber Secured Claim shall be paid by the Liquidation Trustee from Available Cash on the Effective Date. The remaining \$50,000 of the Bieber Secured Claim shall be paid by the Liquidation Trustee, after satisfaction of all Allowed Administrative Claims, first out from Available Cash in the Liquidation Trust as set forth in the Bieber Stipulation.

The Allowed Unsecured Claim of Bieber shall be in the amount of \$5,000,000 and shall be paid as part of the General Unsecured Class of Claims (Class 9) of this Plan.

The Encumbrance held by Bieber shall be preserved for the benefit of, and assigned to the Estate on the Effective Date.

The Class 4 Claim is Impaired.

**Class 5 - Secured Claim of Cedar Valley Bank & Trust.**

Classification: Class 5 consists of the Cedar Valley Purchase Money Secured Claim (“Cedar Valley Claim”). The Plan Proponent has settled the Cedar Valley Claim.

Treatment: The Cedar Valley Claim shall be an Allowed Unsecured Claim in the amount of \$200,000 and shall be paid as part of the General Unsecured Class of Claims (Class 9) of this Plan. Any Encumbrance held by Cedar Valley shall be preserved for the benefit of, and assigned to the Estate.

The Class 5 Claim is Impaired.

**Class 6 - Secured Tax Claim of Gardenia Ventures, LLC**

Classification: Class 6 consists of the Secured Tax Claim of Gardenia Ventures, LLC (“Gardenia” and such Claim, the “Gardenia Secured Claim”), which asserted a tax lien on the Creston Property and which may now constitute a lien on WDC Sale Proceeds.

Treatment: To the extent the Gardenia Secured Claim is Allowed, it will be paid pursuant to 11 U.S.C. 1129(a)(9)(C). If all or part of the Claim is deemed an Unsecured Claim, such part will be paid as part of Class 9.

The Class 6 Secured Claim is not Impaired. The Class 9 Unsecured Claim is Impaired.

**Class 7 - Secured Claim of MCH Systems, LLC**

Classification: Class 7 consists of the Secured Claim of MCH Systems, LLC (“MCH Secured Claim”).

Treatment: The MCH Secured Claim will be paid in full on the Effective Date and MCH shall have no further Claims or Encumbrances against the WDC Debtor, Estate, Liquidation Trust, Property or otherwise.

The Class 7 Claim is Not Impaired.

**Class 8 - Secured Lease Claims.**

Classification: Class 8 consists of the Secured Lease Claims .

Treatment: All Assigned Lease Claims are deemed satisfied as of the Closing Date and any such Assigned Lease Claims are waived, released and relinquished by the Holder thereof against the WDC Debtor, Estate, Property and the Liquidation Trust under the Plan. As to the Rejected Leases, any property subject to such Rejected Lease shall be returned to the lessor; any rejection claims shall be asserted by such lessors in accordance with the provisions of the Plan; and, if Allowed, shall constitute Claims under Class 9 of the Plan.

Class 8 Claims are Impaired.

### **Class 9 - General Unsecured Claims**

Classification: Class 9 consists of all General Unsecured Claims.

Treatment: Class 9 General Unsecured Claims shall be paid by the Liquidation Trustee from the proceeds of the Creditor Note and from Available Cash. The Liquidation Trustee shall make distribution on Allowed General Unsecured Claims from the Creditor Note and Available Cash on the later of (i) the Effective Date, or as soon as practicable after the Effective Date or, as to a Disputed Claim, (ii) five (5) days after entry of a Final Order Allowing such Claim. If there is insufficient Available Cash on the Effective Date to pay such Claims, the first Distribution to this Class shall be made by the Liquidation Trustee from the Available Cash and from payments received on the Creditor Note, as set forth in the Plan, on a semi-annual basis. The Creditor Note is reserved solely for payment on Class 9 Allowed Claims. Available Cash shall be used first by the Liquidation Trustee to pay deferred Allowed Administrative Claims prior to any distributions to Class 9.

The Claim of PCX Aerostructures, which was filed as a Secured Claim, will be an Allowed Unsecured Claim under the Plan by written consent of the Holder.

Class 9 Claims are Impaired.

### **Class 10 - PBGC Claims**

Classification: Class 10 consists of the Claims filed by the PBGC relating to the Single Employer Pension Plan.

No provision of this Plan, the Order Confirming the Plan or section 1141 of the Bankruptcy Code, except as set forth herein, shall be construed as discharging, releasing or relieving any party, other than those parties receiving discharges and releases herein, in any capacity, from any liability with respect to the Single Employer Pension Plan under any law, government policy or regulatory provision. Except as set forth herein, the PBGC shall not be enjoined or precluded from enforcing such liability or responsibility against any party as a result of any of provisions for satisfaction, release, injunction, exculpation, and discharge of Claims in the Plan, Confirmation Order, Bankruptcy Code, or any other document filed in any of the Debtor Cases. The PBGC shall have no Claims against the WDC Debtor, its Estate, Property or the Liquidation Trust other than as set forth in this Plan on its Allowed Claims.

Treatment:

#### **Class 10a – Contingent Unfunded Benefit Liabilities Claim.**

(i) The PBGC filed an estimated contingent claim (Claim No. 65) against the WDC Debtor, among others, for unfunded benefit liabilities owed upon Single Employer Pension Plan termination. The Class 10a Claim is contingent upon termination of the Single Employer Pension Plan pursuant to 29 U.S.C. §§ 1341-1342.

(ii) The Single Employer Pension Plan is not being assumed as a liability of the WDC Debtor by the Buyer which gives rise to a termination Claim in favor of the PBGC, upon

termination, in an amount to be fixed by agreement or determination by the Court (the “PBGC Unfunded Benefits Claim”). The PBGC Unfunded Benefits Claim shall be treated, as Allowed, as a general Unsecured Claim under Class 9.

The Class 10a Claim is Impaired.

**Class 10b – Minimum Funding Contributions Claim.**

(iii) The PBGC filed, on behalf of the Single Employer Pension Plan, estimated Class 10b Claims of \$565,695 for minimum funding contributions asserted to be due by the WDC Debtor.

(iv) \$16,578 of the Class 10b Claim is asserted against the WDC Debtor, among others. This portion of the Claim is asserted as an Administrative Expense Claim under Bankruptcy Code Section 507(a)(2) and shall, unless the PBGC accepts other less favorable treatment, be paid by the Liquidation Trustee (a) on the later of (i) the Effective Date, or as soon as thereafter practicable or (ii) five (5) days from the date of entry of a Final Order Allowing such Administrative Expense Claim, from Available Cash or, (b) if there is insufficient Available Cash on the Effective Date, thereafter from Available Cash on a pro rata basis with other unpaid but Allowed Administrative Expense Claims.

(v) \$26,904 of the Class 10b Claim is asserted as a Priority Non-Tax Claim under Bankruptcy Code Section 507(a)(5). Unless the PBGC agrees to other less favorable treatment, 45% of this portion of the Claim shall be paid by the Liquidation Trustee (a) on the later of (i) the Effective Date, or as soon as thereafter practicable or (ii) five (5) days from the date of entry of a Final Order Allowing such Priority Claim, from Available Cash; or, (b) in the event there is insufficient Available Cash to pay such Allowed Claim as set forth, the balance of such Claim shall be deemed an Allowed Unsecured Claim under Class 9 of the Plan.

(vi) The remainder of the Class 10b Claim, in the amount of \$522,213, shall be treated as an Allowed General Unsecured Claim under Class 9.

Any Class 10b Claim payments made pursuant to the Plan shall be made to the Pension Plan.

The Class 10b Priority Non-Tax Claim of the PBGC is Impaired.

The Class 10b General Unsecured Claim of the PBGC is Impaired.

**Class 10c – Statutory Premiums Claim**

(vii) The PBGC filed an estimated Claim of \$99,736.89 for statutory premiums which are asserted to be due upon termination of the Single Employer Pension Plan. Unless the PBGC agrees to other less favorable treatment, this Claim shall be paid by the Liquidation Trustee as an allowed Class 9 Claim .

(viii) The Class 10c Claim is Impaired.



### **Class 10d – Settlement Agreement Claim**

(ix) The PBGC filed a claim for \$791,670 against the WDC Debtor, among others, as an Unsecured Claim based on the provisions of a September 8, 2015 settlement agreement.

(x) The Class 10d Claim shall be treated as a an Allowed Claim under Class 9 of the Plan.

The Class 10d Claim of the PBGC is Impaired.

### **Class 11 - Multi- Employer Pension Claims.**

Classification: Class 11 consists of the Multi-Employer Pension Claims.

Treatment: The Multi-Employer Pension Claims shall be paid, as Allowed, pursuant to Class 1 as follows: (a) 45% of such Allowed Claims shall be paid on the Effective Date by the Liquidation Trustee or, as to a Disputed Claim, on the date which is five (5) days after any such Claim becomes an Allowed Claim, from Available Cash; or (b) to the extent there is insufficient Cash to pay such Allowed Claims as set forth above on the Effective Date, the Allowed Claim shall be paid by the Liquidation Trustee, pro rata, with other Class 1 Allowed Claims, and the remainder of such Allowed Claims of the Multi-Employer Pension Plans shall be paid by the Liquidation Trustee from Available Cash as Class 9 Claims.

Class 11 Claims are Impaired.

### **Class 12 - EPA and Iowa Agencies' Claims**

Classification: Class 12 consists of the EPA Claims per the EPA Proof of Claim filed in the Case; and any Claims which the Iowa Agencies did assert or could have asserted in the Case.

Treatment: The Class 12 EPA Claim is subject to the ESA and is deemed withdrawn as of the Closing. The EPA Claim, any other claims of the EPA, and any Claims of the Iowa Agencies against the WDC Debtor and its Estate, Property and the Liquidation Trust are waived, released, and relinquished under this Plan as of the Closing Date. The EPA and Iowa Agencies shall have no Claims against the Liquidation Trust.

The Class 12 Claim is not Impaired.

### **Class 13 - Insider Secured Claim**

Classification: Class 13 consists of the 510 Ocean Claim.

Treatment: The 510 Ocean Secured Claim shall be treated under this Plan as follows:

The 510 Ocean Secured Claim (“510 Claim”) is contractually subordinated to TCTM pursuant to the 510 Subordination Agreement. Under the 510 Subordination Agreement, 510 Ocean may not receive any payments on the 510 Claim unless and until TCTM is fully repaid all debt. The TCTM Allowed Secured Claim is a Class 2 Claim. The 510 Ocean Secured Claim is

contractually subordinated to the TCTM Allowed Secured Claim and shall not receive any payments unless and until the Class 2 Claim is paid in full. TCTM has the right under the 510 Subordination Agreement to vote on the subordinated debt which comprises the 510 Claim in this Class.

In the event the Allowed Claims of Creditors in prior Classes 1-11 under the Plan are fully paid and satisfied, the 510 Claim, to the extent Allowed, shall be paid by the Liquidation Trustee from Available Cash.

All rights and remedies of the Plan Proponent, TCTM, and the Liquidation Trustee are reserved with respect to the 510 Claim and all defenses, claims and Causes of Action the Estate, Committee, the WDC Debtor, TCTM and/or the Liquidation Trustee hold with respect to 510 Ocean and any principal thereof, including, but not limited to, the right to seek enforcement of the 510 Subordination Agreement, equitable subordination and/or disallowance of the 510 Claim (and any other claims it might assert) and affirmative claims and Causes of Action including, but not limited to those set forth herein and in the schedule to the Liquidation Trust Agreement.

Class 13 is Impaired.

#### **Class 14 - Equity Interests**

Classification: Class 14 consists of the Equity Interests in the WDC Debtor.

Treatment: All Equity Interests shall be cancelled on the Effective Date. After payment and satisfaction of all Allowed Claims in Classes 1-13, Equity Interests shall receive payment by the Liquidation Trustee on account of their prior Interests, as Allowed, from Available Cash. No such payment shall be made to Class 14 Allowed Interests until all inter-company payables due by Fansteel to the WDC Debtor are paid in full to the Liquidation Trust who may offset Available Cash against such payables due by Fansteel.

The Class 14 Claims are Impaired.

#### ***Reservation of Rights on Classification Disputes***

In the event any Creditor challenges its classification under the Plan Proponent reserves the right to seek Court determination of the appropriate classification. Such determination shall not be a condition precedent to confirmation of the Plan and may be effected through the Claims Objection process. Should the Creditor prevail in its classification challenge, such Creditor shall be treated under the Plan as if such Creditor were classified as so determined. In addition, the classification of Claims in specific classes is not an admission of the ultimate extent, validity, enforceability, perfection, or liability of such Claims and the Plan Proponent expressly reserve all rights with respect to any objections to or other litigation of such Claims.

#### ***Insufficient Available Cash***

If, on the Effective Date, there is insufficient Available Cash in the Liquidation Trust to satisfy the cash portion of distributions to which Consenting Claimholders are entitled in accordance with the terms of this Plan, the Liquidation Trustee shall be entitled to (i) decrease the percentage

of the applicable Claim of the Consenting Claimholder to be paid in cash on the Effective Date, and (ii) increase the percentage of the applicable Claim of the Consenting Claimholder entitled to deferred payment from the Liquidation Trust from Available Cash (the “Ratio Adjustment”). The Ratio Adjustment shall be calculated on a pro rata basis among Consenting Claimholders who are entitled to receive cash on the Effective Date.

### **III. MEANS FOR IMPLEMENTATION OF THE PLAN**

#### **A. General Overview**

On the Effective Date, the Plan Carve-Out and other Available Cash on hand with the WDC Debtor, or held for the WDC Debtor’s Estate, shall be received by the Liquidation Trustee on behalf of the WDC Debtor and its Estate, which proceeds shall be transferred to him on behalf of the WDC Debtor and its Estate into the Liquidation Trust and promptly deposited by him in the Liquidation Trust Accounts. On the Effective Date, the Creditor Note shall be transferred to the Liquidating Trust by Buyer for the benefit of Allowed Claims in Class 9 or deemed to be in Class 9 hereunder. He shall administer the Liquidation Trust, including, but not limited to, satisfying expenses of the Liquidation Trust, making Distributions as provided in the Plan, pursuing Litigation Claims Recoveries and generally winding up the WDC Debtor. The Liquidation Trustee shall be entitled, but not required to, set aside from Available Cash on the Effective Date, a sum not to exceed \$175,000.00 in a separate Liquidation Trust Account for payment of expenses of the Liquidation Trust. The Liquidation Trustee may replenish this Account in his reasonable discretion subject to notice to the Post Confirmation Oversight Committee.

The Liquidation Trustee is Daniel Dooley of Morris Anderson. He and any successor Liquidation Trustee shall be compensated as set forth in the annexed Liquidation Trust Agreement.

The Liquidation Trustee shall be authorized to enter into the Liquidation Trust Agreement annexed hereto as Exhibit “A,” upon entry of the Confirmation Order. However, the Liquidation Trust shall not be established or become effective, and the Liquidation Trustee shall not be deemed the “Trustee” of the Liquidation Trust, until the Effective Date. The Liquidation Trustee shall act as Disbursing Agent under the Plan with respect to the Plan Carve-Out and other Available Cash. He shall administer the Liquidation Trust, including the reconciliation and resolution of Claims, administrative wind-down of the WDC Debtor and, following the full and final liquidation of all Liquidation Trust Assets, shall file with the Court a Notice of Trust Termination.

On the Effective Date, the Liquidation Trust shall be formed pursuant to the Plan and established and become effective in accordance with the Liquidation Trust Agreement. The Liquidation Trust shall be established for the sole purpose of liquidating and distributing the Liquidation Trust Assets, in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

On the Effective Date, (i) the Liquidation Trustee shall transfer, or cause to be transferred, on behalf of the WDC Debtor and its Estate, the Plan Carve-Out and other Cash into

the Liquidation Trust, (ii) the WDC Debtor shall transfer the Causes of Action (as more fully set forth in the Schedule to the Liquidation Trust Agreement and incorporated herein) into the Liquidation Trust, and (iii) Buyer shall transfer the Creditor Note into the Liquidation Trust, all of which shall vest in the Liquidation Trust free and clear of all Claims, including (without limitation) Encumbrances, except as may be specifically set forth in the provisions of this Plan; and (iv) TCTM shall pay the TCTM Plan Funding directly to the respective claimants or, if such claimants have already been paid prior to the Effective Date by TCTM or the Buyer, then a credit for that amount shall be issued against the TCTM Plan Funding.

The terms of the Liquidation Trust Agreement, which shall be in form and substance acceptable to the Plan Proponent, shall control as to all matters applicable to the Liquidation Trust. To the extent there is any conflict between the Liquidation Trust Agreement and the Plan, the Liquidation Trust Agreement shall govern.

The Liquidation Trustee shall have the right to request an expedited determination of the tax liability, if any, of the WDC Debtor and Liquidation Trust under Section 505(b) of the Bankruptcy Code with respect to any tax returns filed, or to be filed, for any and all taxable periods ending after the Petition Date through the liquidation of the WDC Debtor and through the termination of the Liquidation Trust, respectively.

**B. Use of Cash**

Available Cash in the Liquidation Trust subsequent to the Effective Date shall be used by the Liquidation Trustee in accordance with this Plan and Liquidation Trust Agreement.

**C. Establishment of Accounts and Liquidation Reserve**

The Liquidation Trustee shall open and use federally insured Liquidation Trust Accounts to hold funds. The Cash in the Liquidation Trust Accounts shall be used solely for payment of expenses of the Liquidation Trust and for Distributions under this Plan. Costs, fees and expenses of the Liquidation Trust may include, but shall not be limited to, administering the Liquidation Trust Accounts; making Distributions after the Effective Date; prosecuting and settling Causes of Action; and otherwise which the Liquidation Trustee must, in his reasonable discretion, subject to the Post Confirmation Oversight Committee's reasonable review, address from and after the Effective Date, in administering the Liquidation Trust, reconciling and resolving Claims and winding up the WDC Debtor.

**D. Interests in the Liquidation Trust**

On the Effective Date, or as soon as practicable thereafter, the Plan Proponent, through its Professionals, shall deliver to the Liquidation Trustee a list of each Creditor and other Person to receive interests in the Liquidation Trust ("Trust Interests") as of the Effective Date pursuant to the Plan, including the Allowed amounts of Claims, and the address of each such Creditor and other Person.

The Liquidation Trustee shall maintain a register of the holders of Trust Interests and shall adjust, without further order of the Bankruptcy Court, the register from time to time as to Disputed Claims that become Allowed and otherwise as necessary including as Claims are

satisfied. To the extent permitted in the Liquidation Trust Agreement, upon notice to the Liquidation Trustee by any holder of a Trust Interest, the Liquidation Trustee shall amend the register to reflect any transfer of a Trust Interest to a transferee as set forth in the notice; ***provided, however, that the Liquidation Trustee need not reflect any transfer (or make any distribution to any transferee) and will give notice to such holder that no transfer has been recognized in the event the Liquidation Trustee reasonably believes that such transfer (or the distribution to such transferee) may constitute a violation of applicable laws or might cause the Liquidation Trust to be required to register the General Unsecured Creditor Interests, or to become a reporting company, under the Securities Exchange Act of 1934, as amended.***

#### **E. Plan Transactions**

On or before the Effective Date or as soon as reasonably practicable thereafter, the Plan Proponent may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the transactions under and in connection with this Plan.

#### **F. Disbandment of the Committee**

On the Effective Date, the Committee shall be disbanded and replaced by the Post Confirmation Oversight Committee. The Post Confirmation Oversight Committee shall serve in an oversight capacity only without compensation except in the event a dispute arises which requires the Post Confirmation Oversight Committee to retain counsel, in which case the Post Confirmation Oversight Committee may seek reimbursement from the Liquidation Trust for its reasonable costs and attorney's fees upon agreement with the Liquidation Trustee or approval by the Court or other tribunal.

### **IV. DISTRIBUTIONS TO HOLDERS OF CLAIMS AND INTERESTS**

#### **A. Estimation of Claims.**

The Liquidation Trustee may, at any time, request that the Bankruptcy Court estimate any Claim not expressly Allowed by the terms of the Plan and otherwise subject to estimation under section 502(c) of the Bankruptcy Code and for which the WDC Debtor may be liable under the Plan, including any Claim for taxes, to the extent permitted by section 502(c) of the Bankruptcy Code, regardless of whether any party in interest previously objected to such Claim, and the Bankruptcy Court will retain jurisdiction to estimate any Claim pursuant to section 502(c) of the Bankruptcy Code at any time prior to the time that such Claim becomes an Allowed Claim. If the Bankruptcy Court estimates any contingent or unliquidated Claim, the estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. The foregoing objection, estimation, and resolution procedures are cumulative and not necessarily exclusive of one another. Claims may be estimated by the Bankruptcy Court and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

**B. No Recourse.**

Notwithstanding that the Allowed amount of any particular Disputed Claim is reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or is Allowed in an amount for which, after application of the payment priorities established by the Plan, there is insufficient Cash or value to provide a recovery equal to that received by other Holders of Allowed Claims in the respective Class, no Claim Holder shall have recourse against the WDC Debtor, the Estate, the Liquidation Trustee, Committee, or any of their respective Professionals, consultants, officers, directors, or members, or their successors or assigns, or any of their respective property. Except as specifically stated otherwise in the Plan, nothing in the Plan shall modify any right of a holder of a Claim under section 502(j) of the Bankruptcy Code.

**C. Automatic Disallowance and Expungement of Certain Claims.**

On the Effective Date and thereafter as applicable, all Claims filed after the applicable Claims Bar Date or other bar date, whether set by prior Order of the Court or in this Plan (the "Bar Dates") that were required to be filed in advance of such Bar Dates and under the terms of the order relating thereto, and/or this Plan, shall be expunged and disallowed without any further notice to or action, order, or approval of the Bankruptcy Court.

**D. Distribution on Account of Allowed Claims.**

Following the Effective Date and in accordance the Plan, Distributions shall be made by the Liquidation Trustee as set forth herein.

**E. Timing of Distributions.**

The Liquidation Trustee shall make Distributions to the holders of Allowed Claims, on the Effective Date, or as soon as practicable thereafter, or as otherwise set forth in the Plan, to the extent of Available Cash and thereafter on a semi-annual basis (or such other basis as reasonably determined by the Liquidation Trustee), from the Creditor Note as to Class 9 Claimants, and otherwise from Available Cash, except to the extent Available Cash is necessary to first fund unpaid Allowed Administrative Expenses and the reasonable costs, fees and expenses of the Liquidation Trust or the Plan otherwise provides or that Holder has otherwise agreed. The Creditor Note is reserved solely for payments to Allowed Claims under Class 9 or deemed to be in Class 9 of the Plan.

**F. Disputed Claims Reserve.**

On or after the Effective Date, in the event the Liquidation Trustee intends to make a distribution to any member of a Class whose claims remain disputed such that the Claim has not been Allowed or expunged, the Liquidation Trustee shall establish and fund a Disputed Claims Reserve from Available Cash, in an amount to be determined by the Liquidation Trustee to cover such disputed Claim, or pro rata portion thereof which, but for the dispute, would be subject to a Distribution under the Plan, in the event such Claim is later allowed by the Court or by agreement. The Disputed Claims Reserve shall be administered by the Liquidation Trustee.

**G. Objection to Claims.**

Unless otherwise ordered by the Bankruptcy Court, on and after the Effective Date, the Liquidation Trustee shall have the exclusive right to make, file, and prosecute objections to and settle, compromise, or otherwise resolve Disputed Claims, except that as to applications for allowances of Professional Fee Claims, objections may be made in accordance with the applicable Bankruptcy Rules by parties in interest. Subject to further extension by the Bankruptcy Court, the Liquidation Trustee shall file and serve a copy of any such objection upon the holder of the Claim to which an objection is made on or before the latest to occur of: (i) 180 days after the Effective Date and (ii) such other date as may be fixed by the Bankruptcy Court either before or after the expiration of the 180 day time period. Notwithstanding any authority to the contrary, an objection to a Claim shall be deemed properly served on the claimant if made (a) in accordance with Federal Rule of Civil Procedure 4, as modified, and made applicable by Bankruptcy Rule 7004; (b) by first-class mail, postage prepaid, on the signatory of the proof of claim or other representative identified in the proof of claim or any attachment thereto at the address of the Creditor set forth therein; or (c) by first-class mail, postage prepaid, on any counsel that has appeared on the claimant's behalf in the Case. From and after the Effective Date, the Liquidation Trustee may settle or compromise any Disputed Claim or Cause of Action without further order of the Bankruptcy Court.

**H. Resolution of Disputed Claims.**

No Distribution or payment shall be made on account of a Disputed Claim until such Disputed Claim becomes an Allowed Claim.

**I. Duties in Connection with Disputed Claims.**

The Liquidation Trustee shall object to, settle, or otherwise resolve Disputed Claims, and shall make Distributions to Holders of Disputed Claims that subsequently become Allowed Claims, in accordance with the Plan from the Disputed Claims Reserve.

**J. Distribution when a Disputed Claim is Resolved.**

On the next Distribution Date following the date upon which a Disputed Claim is ultimately Allowed, the Holder of such Claim shall receive from the Disputed Claims Reserve any amounts attributable to such Claim, in accordance with the Plan. Any Cash held in the Disputed Claims Reserve for the benefit of a Holder of a Disputed Claim, which is subsequently disallowed, in whole or in part, shall become Available Cash for distribution in accordance with the provisions of the Plan.

**K. No Distributions from Litigation Recoveries to Defendants.**

If a litigation recovery on account of a Cause of Action is obtained by the Liquidation Trustee, such defendant shall not be entitled to share directly or indirectly in the proceeds from such litigation recovery, including, but not limited to, any recoveries pursuant to Section 502(h) of the Bankruptcy Code.

**V. MISCELLANEOUS DISTRIBUTION AND OTHER PROVISIONS**

**A. No Distribution in Excess of Allowed Amount of Claim.**

Notwithstanding anything to the contrary herein or in the Plan, no Holder of an Allowed Claim shall receive in respect of such Claim any Distribution in excess of the amount of such Allowed Claim.

**B. De Minimis Distributions.**

The Liquidation Trustee shall not be required to make any Cash payment of less than twenty-five dollars (\$25.00).

**C. Allocation of Payment.**

Amounts paid to holders of Allowed Claims in satisfaction thereof shall be allocated first to the principal amounts (as determined for Federal income tax purposes) of such Claims, with any excess allocated to interest, if any, that has accrued on such Claims but remains unpaid.

**D. Timing of Distributions.**

Each Distribution shall be made on the relevant Distribution Date therefore and shall be deemed to have been timely made if made on such date or within ten (10) days thereafter. No interest shall accrue or be paid with respect to any Distribution as a consequence of such Distribution not having been made on any date specified herein.

**E. Manner of Payments Under the Plan.**

Unless the Person receiving a Distribution agrees otherwise, any Distribution to be made in Cash under the Plan shall be made, at the election of the Liquidation Trustee by check drawn on a domestic bank or by wire transfer from a domestic bank.

**F. Setoffs.**

The Liquidation Trustee is authorized, pursuant to and to the extent permitted by applicable law, to set off against any Allowed Claim and the Distributions to be made on account of such Allowed Claim, the Claims, rights, and Causes of Action of any nature that the Estate may hold against the Holder of such Allowed Claim; provided, that the Liquidation Trustee gives the Holder of such Allowed Claim no fewer than five (5) days' notice in writing (including email) of the proposed setoff and the holder of such Allowed Claim does not object to the proposed setoff within thirty (30) days of receiving such notice. If an objection is timely raised to a proposed setoff, the Liquidation Trustee may seek relief from the Bankruptcy Court to effectuate the setoff. Neither the failure to effect such a setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Estate or the Liquidation Trustee of any such Claims, rights, and Causes of Action the Estate may have against such Holder.



**G. Preservation and Application of Insurance.**

The provisions of the Plan shall not diminish or impair in any manner the enforceability of coverage of any insurance policies (and any agreements, documents, or instruments relating thereto) that may cover Claims or Causes of Action against the WDC Debtor, any directors, trustees, or officers of the WDC Debtor, or any other Person, including, without limitation, insurance for the WDC Debtor's directors and officers and any insurance coverage for directors and/or officers or shareholders of the WDC Debtor's parent, Fansteel, or any affiliated entity including WDMA.

**H. Address for Delivery of Distributions.**

Subject to Bankruptcy Rule 9010, any Distribution or delivery to a holder of an Allowed Claim shall be made at the address of such holder as set forth on the registers maintained by the Liquidation Trustee as provided for in the Plan. If any Distribution is returned to the Liquidation Trustee as undeliverable, no Distributions shall be made to such holder unless the Liquidation Trustee is notified of such holder's then current address within sixty (60) days after such Distribution was returned. After such date, if such notice was not provided, a holder shall have forfeited its right to such Distribution, and the undeliverable Distribution shall be reallocated and distributed to holders of Allowed Claims in accordance with the Plan. The Liquidation Trustee shall require any holder of a Trust Interest or other distributee to furnish to the Liquidation Trustee in writing an Employer Identification Number or Taxpayer Identification Number as assigned by the Internal Revenue Service and the Liquidation Trustee may condition any Distribution to any holder of a Trust Interest or other distributee upon receipt of such identification number. If the Employer Identification Number or Taxpayer Identification Number are not provided by the required deadline established by the Liquidation Trustee, the Claim of any Trust Interest or distributee may be expunged and no Distribution will be issued by the Liquidation Trustee to such holder. The amounts owed to such holder of a Trust Interest shall be reallocated and distributed to holders of Allowed Claims in accordance with the Plan.

**I. Time Bar to Cash Payments.**

Checks issued by the Liquidation Trustee in respect of Allowed Claims shall be null and void if not negotiated within sixty (60) days after the date of issuance thereof. Requests for reissuance of any check shall be in writing to the Liquidation Trustee by the holder of the Allowed Claim to whom such check originally was issued. Any such written claim in respect of such a voided check must be received by the Liquidation Trustee on or before 60 days after the expiration of the 60-day period following the date of issuance of such check. Thereafter, the amount represented by such voided check shall irrevocably revert to the Estate and be treated as Available Cash. Any Claim in respect of such voided check shall be discharged and forever barred from assertion against the WDC Debtor, the Estate or the Liquidation Trust or Trustee.

**J. Record Date for Distributions to Holders of Claims.**

As of the close of business on the Confirmation Date, there shall be no further changes in the record Holders of Claims for purposes of the Distribution of Available Cash. The Committee

and the Liquidation Trustee, as applicable, shall have no obligation to recognize any transfer of Claims occurring after the Confirmation Date and such transfers shall be void.

**K. Disputed Payments.**

If any dispute arises as to the identity of a Holder of an Allowed Claim who is to receive any Distribution, the Liquidation Trustee may, in lieu of making such Distribution to such Person, make such Distribution into an escrow account to be held in trust for the benefit of such Holder and such Distribution shall not constitute property of the Estate. Such Distribution shall be held in escrow until the disposition thereof shall be determined by order of the Bankruptcy Court or other court of competent jurisdiction or by written agreement signed by all of the interested parties to such dispute.

**L. Resignation of Directors.**

Upon the Confirmation Date, if not sooner occurring, the WDC Debtor's Board of Directors shall be deemed to have resigned.

**M. Officers of the WDC Debtor and Management of Employees.**

Upon the Confirmation Date, if not sooner occurring, the WDC Debtor's Officers shall be deemed to have resigned.

On the Effective Date, the Liquidation Trustee shall be authorized, but not required, to continue the retention of any Employee (as an Employee, consultant or in another capacity) which the Liquidation Trustee deems necessary for him to continue with and ultimately conclude his liquidation of the WDC Debtor, including with respect to the Causes of Action.

During the interim period between the Confirmation and Effective Dates, the Liquidation Trustee shall be duly authorized under this Plan to take such corporate actions on behalf of the WDC Debtor, including signing of corporate documents, as may be deemed reasonably necessary by the Liquidation Trustee in consultation with the Post Confirmation Oversight Committee.

**N. Resignation or Removal of Liquidation Trustee.**

If the Liquidation Trustee resigns or is removed, dissolves, or is incapacitated, the terms of the Liquidation Trust Agreement shall govern regarding the designation of a successor Liquidation Trustee, and following such designation, the successor Liquidation Trustee, without further act, shall become fully vested with all of the rights, powers, duties, and obligations of his or her predecessor, with the same compensation of the predecessor Liquidation Trustee. No successor Liquidation Trustee shall in any event have any liability or responsibility for the acts or omissions of any of his or her predecessors.

**O. No Agency Relationship.**

The Liquidation Trustee shall not be deemed to be the agent for any of the Holders of Claims or Interests in connection with the funds held or distributed pursuant to the Plan. The

Liquidation Trustee shall not be liable for any mistake of fact or law or error of judgment or any act or omission of any kind unless arising from gross negligence, willful misconduct, or breach of fiduciary duty. The Liquidation Trustee shall be indemnified and held harmless, including the cost of defending such claims and attorneys' fees in seeking indemnification, by the Estate, against any and all claims arising out of his respective duties under the Plan and Liquidation Trust Agreement, except to the extent his actions constitute gross negligence, willful misconduct, or breach of fiduciary duty. The Liquidation Trustee may conclusively rely, and shall be fully protected personally in acting upon any statement, instrument, opinion, report, notice, request, consent, order, or other instrument or document which he respectively believes to be genuine and to have been signed or presented by the proper party or parties. The Liquidation Trustee may also rely upon information previously generated by the WDC Debtor and such additional information provided to him by the Committee and other Persons. The liability of the Liquidation Trustee shall be capped at the amount of fees that the Liquidation Trustee receives in connection with the Case. This provision covers the Liquidation Trustee and his Representatives.

## **VI. EFFECT OF THE PLAN ON CLAIMS, INTERESTS AND CAUSES OF ACTION**

### **A. Binding Effect**

Except as otherwise provided in section 1141(d) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim or Interest against or in the WDC Debtor who held such Claim or Interest at any time during the Chapter 11 Case and its successors and assigns, whether or not the Claim of such holder is Impaired under the Plan and whether or not such holder has accepted (or has been deemed to accept) the Plan.

### **B. Term of Injunctions or Stays**

Unless otherwise provided in the Plan, all injunctions or stays provided for in the Chapter 11 Case pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Chapter 11 Case is closed.

### **C. Preservation of Causes of Action**

On the Effective Date, all Causes of Action, rights of setoff and other legal and equitable claims, rights and defenses of the WDC Debtor, Committee and Estate shall be transferred to and vested in the Liquidation Trust and Trustee, for the benefit of holders of all Allowed Claims, as set forth in the Plan unless expressly released, waived, or relinquished under the Plan, the Confirmation Order or other order of the Bankruptcy Court. No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as an indication that the Liquidation Trustee will not pursue a Cause of Action against them.

The Liquidation Trustee shall exclusively retain and may prosecute and enforce, and the Committee and WDC Debtor expressly reserve and preserve for these purposes, in accordance with sections 1123(a)(5)(B) and 1123(b)(3) of the Bankruptcy Code, any claims, demands, rights and Causes of Action, including, but not limited to, any and all Causes of Actions of potential but unknown value. Such Causes of Action include, but are not limited to, claims which the

WDC Debtor, its Estate, and the Plan Trustee believe exist against former and/or current officers and directors and shareholders of Fansteel (namely, but without limitation, Levie, Zamec and Cassady) and affiliated entities, including but not limited to, WDMA, for, among other claims and not by way of limitation, breaches of fiduciary duties of due care and loyalty, negligence, gross negligence, usurpation of corporate opportunities, mere instrumentality, piercing, and others based upon, without limitation or waiver, such Persons actions, and/or failures to act, with respect to, or otherwise affecting directly, the WDC Debtor resulting in substantial damages to the WDC Debtor, its Estate and Creditors.

No preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), claim splitting, failure to specifically identify claims or Causes of Action or parties to a claim or Cause of Action, or laches shall apply to such claims and Causes of Action by virtue of or in connection with the Confirmation, consummation or effectiveness of the Plan or otherwise.

**D. Satisfaction of Claims**

The treatment to be provided for Allowed Claims shall be in full satisfaction, settlement, and release of each such Claim.

**E. Scope of Injunction**

Except as otherwise provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that hold a Claim or who are otherwise bound by and on notice of the Plan, are permanently enjoined from taking any of the following actions against the WDC Debtor, the Committee, TCTM, Buyer, or the Liquidation Trustee and any subsidiaries, affiliates, managed accounts or funds, and all of their respective current and former officers, directors, principals, shareholders (regardless of whether such interests are held directly or indirectly), managers, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, investment managers, investment advisors, management companies, fund advisors, representative, and professionals or employees of the WDC Debtor, Committee, TCTM, Buyer, or the Liquidation Trustee, or any of their respective successors or assigns, or any of their respective assets or properties, including but not limited to the WDC Assets, or against the WDC Debtor, or Property, or Liquidation Trust, on account of any Claim they may hold or assert, or otherwise: (i) commencing or continuing in any manner any action or other proceeding with respect to such Claim or based upon a theory which arises out of such Holder's Claim; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree or order with respect to a Claim; (iii) creating, perfecting or enforcing any Encumbrance with respect to a Claim; (iv) asserting a setoff, right of subrogation or recoupment of any kind with respect to a Claim, the WDC Assets or other Property of the Estate or the Liquidation Trust; and (v) commencing or continuing any action that does not comply with or is inconsistent with the Plan. Nothing shall preclude the Holder of a Claim from pursuing any applicable insurance after the Case is closed, from seeking discovery in actions against third parties or from pursuing third party insurance that does not cover Claims against the WDC Debtor. For the avoidance of doubt, nothing in this Injunction shall limit the rights of a Holder of a Claim to enforce the terms of the Plan. Further, nothing herein shall act as an injunction, exculpation or release as to Fansteel, WDMA, or any of their current or former

officers, directors or shareholders (but excluding Mahoney, Grim, Downing and Compernelle), but including and not limited to, Leonard Levie, Curtis Zamec and Brian Cassady, none of which are exculpated or released, or entitled to injunctive relief, in any capacity under the Plan.

#### **F. Release of Collateral**

Except as expressly provided herein, on the Effective Date, the Creditor Note and all Property, including the Plan Carve-Out, Cash, and Causes of Action, shall revert to the Liquidation Trustee, free and clear of all Claims, including (without limitation) Encumbrances, except as may be specifically set forth in the provisions of this Plan. No Distribution shall be made to or on behalf of any Holder of any Claim with a lien on Collateral unless and until such Holder executes and delivers to the Liquidation Trustee such release. Any Holder that fails to execute and deliver such release within sixty (60) days of any demand thereof shall be deemed to have no further Claim and shall not participate in any Distribution hereunder.

#### **G. Cause of Action Injunction**

On and after the Effective Date, all Persons other than the Liquidation Trustee will be permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively, or otherwise) on account of, or respecting any claim, debt, right, or Cause of Action that the Liquidation Trustee retains authority to pursue in accordance with the Plan.

#### **H. Exculpation**

**Except as otherwise set forth in the Plan, the Exculpated Parties shall not have or incur any liability to any Person or otherwise for any action taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, implementation, confirmation, or consummation of the Plan, the Disclosure Statement, the Sale Order, the APA or any contract, release, or other agreement or document created or entered into, or any other action taken or omitted to be taken in connection with the Plan, the administration of the Plan or property to be distributed pursuant to the Plan, the WDC Sale, the WDC Sale Process, and actions taken or omitted to be taken in connection with the Chapter 11 Case or the operations, monitoring, or administration of the WDC Debtor during the Chapter 11 Case; *provided, however*, that the Exculpated Parties did not engage in fraud, gross negligence or willful misconduct. The Liquidation Trustee shall have no liability for any action taken or omitted to be taken in connection with or related to the winding down and post-confirmation administration of the Estate, except for fraud, gross negligence, or willful misconduct. For the avoidance of doubt, none of the Exculpated Parties are being exculpated in connection with any of the claims, objections, issues, disputes or Causes of Action that are otherwise expressly preserved by the Plan.**

#### **I. Compromise of Controversies**

Pursuant to Bankruptcy Rule 9019, and in consideration for the classification, distribution, and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims and controversies resolved pursuant to the Plan, including, without limitation, all Claims arising prior to the Effective Date,

whether known or unknown, foreseen or unforeseen, asserted or un-asserted, arising out of, relating to, or in connection with the business or affairs of or transactions with the WDC Debtor. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the WDC Debtor, the Estate, Creditors, and other parties in interest, and are fair, equitable, and within the range of reasonableness.

#### **J. Release of Released Parties**

**Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed released from any and all claims, obligations, rights, suits, damages, causes of action, choses in action, remedies, disputes, issues, and liabilities whatsoever, including any derivative claims, whether known or unknown, foreseen or unforeseen, listed on the WDC Debtor's Schedules or not, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, contract, violations of federal or state securities laws, or otherwise, based on or relating to, or in any manner arising from, in whole or in part, the Bankruptcy Case or the subject matter thereof, any Claim or Interest that is treated under the Plan, the negotiation, formulation, or preparation of the Plan, the Disclosure Statement, the Sale Process, the Sale Order, the APA or related agreements, instruments, or other documents, or upon any other act or omission, transaction, agreement, event, or other occurrence relating to the WDC Debtor or in connection with the Bankruptcy Case, *provided, however*, that the Released Parties did not engage in fraud, willful misconduct, or gross negligence, taking place on or before the Effective Date. For the avoidance of doubt, none of the Released Parties is being released in connection with any of the claims, objections, issues, disputes or Causes of Action that are otherwise expressly preserved by the Plan.**

**For the avoidance of doubt, the WDC Debtor, the Estate, the WDC Debtor's successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the WDC Debtor, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of the WDC Debtor, or similar responsible person or similar designee or litigation trust hereinafter appointed or elected for the Estate of the WDC Debtor), and the Committee hereby agree that: (i) to the extent not already waived by the Cash Collateral Order entered on November 4, 2016 (Fansteel Docket Item 251) or any other stipulation or order, the right to bring the causes of action identified in Fansteel's schedule of assets against TCTM or any of its affiliates, including a "potential cause of action against TerraMar Capital LLC for breach of Non-Disclosure Agreement," is irrevocably waived; and (ii) any existing right to investigate and/or pursue a Challenge (as that term is defined in Docket Item 238 paragraph 19) is hereby terminated.**

#### **K. Post-Confirmation Activity.**

As of the Effective Date, the Liquidation Trustee may conclude the winding down of the WDC Debtor's affairs and administer the Liquidation Trust, without supervision of the

Bankruptcy Court, other than those restrictions expressly imposed by the Plan, the Confirmation Order, and the Liquidation Trust Agreement, as applicable. Without limiting the foregoing, the Liquidation Trustee may pay any charges it incurs for taxes, professional fees, disbursements, expenses, or related support services, after the Effective Date without application to and approval of the Bankruptcy Court.

**L. Claims Against Affiliates of the WDC Debtor.**

Notwithstanding anything in the Plan to the contrary, any claims of the WDC Debtor, the Committee, and TCTM against a parent or an affiliate of the WDC Debtor, past or present, including but not limited to Fansteel and WDMA, their current and former officers, directors and shareholders (except Mahoney, Grim, Downing, and Compennolle), shall not be released, or discharged, and are hereby expressly preserved in all respects.

**VII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**A. Executory Contracts and Unexpired Leases**

To the extent not previously rejected, on the Effective Date, all executory contracts and unexpired leases of the WDC Debtor entered into prior to the Petition Date that have not previously been assumed or rejected, or have not been assumed and assigned to Buyer, shall be deemed rejected by the WDC Debtor pursuant to the provisions of section 365 of the Bankruptcy Code. All Assigned Leases and executory contracts assigned to the Buyer (“Assigned Contracts”) shall be the sole responsibility of the Buyer; and the WDC Debtor, its Estate, Property and Liquidation Trust shall have no liability for the Assigned Leases, Assigned contracts or any Claims arising therefrom. All other leases and contracts of the WDC Debtor are deemed rejected as of the Petition Date upon Confirmation and any Claim asserted as arising therefrom shall be filed by the Rejection Damages Bar Date.

**B. Rejection Damages Bar Date**

If rejection of an executory contract or unexpired lease results in a Claim, then such Claim shall be forever barred and shall not be enforceable against the WDC Debtor, its Estate, Property, or the Liquidation Trust or otherwise unless a proof of such Claim is filed with the Clerk of the Bankruptcy Court and served upon the Liquidation Trustee by the Rejection Damages Bar Date (the date which is not later than thirty (30) days after the Effective Date), or such other period set by the Bankruptcy Court.

**C. Effect of Post-Confirmation Rejection**

The entry by the Bankruptcy Court on or after the Confirmation Date of an order authorizing the rejection of an executory contract or unexpired lease of the WDC Debtor entered into prior to the Petition Date shall result in such rejection being a prepetition breach under sections 365(g) and 502(g) of the Bankruptcy Code and any Claim arising therefrom shall be a General Unsecured Claim as may be Allowed.

**VIII. CONDITIONS TO CONFIRMATION AND OCCURRENCE OF EFFECTIVE DATE**

**A. Conditions to Confirmation.**

The Plan may not be confirmed unless the Confirmation Order, in a form acceptable to the Plan Proponent, is entered by the Court.

**B. Conditions to Occurrence of Effective Date.**

The Effective Date for the Plan may not occur unless each of the conditions set forth below is satisfied. Any one or more of the following conditions may be waived in whole or in part at any time by the Committee:

- (a) The Bankruptcy Court shall have entered the Confirmation Order;
- (b) The Confirmation Order shall have become a Final Order; and
- (c) The Confirmation Order shall provide for the releases, injunctions and exculpation of the Persons provided for in the Plan.

**C. Effect of Nonoccurrence of the Conditions to Occurrence of Effective Date.**

If each of the conditions to the occurrence of the Effective Date has not been satisfied or duly waived on or before the date which is no later than the first Business Day after thirty (30) days after the Confirmation Date, or by such later date as is approved, after notice and a hearing, by the Bankruptcy Court, then upon motion by any party in interest made before the time that each of the conditions has been satisfied or duly waived, the Confirmation Order may be vacated by the Bankruptcy Court; provided, however, that, notwithstanding the filing of such a motion, the Confirmation Order shall not be vacated if each of the conditions to occurrence of the Effective Date is either satisfied or duly waived before the Bankruptcy Court enters an order granting the relief requested in such motion. If the Confirmation Order is vacated pursuant the Plan, then the Plan shall be null and void in all respects, and nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims by or against the WDC Debtor, or (b) prejudice in any manner the rights, claims and interests of the WDC Debtor, Committee, TCTM, Liquidation Trustee or of any other party in interest.

**IX. CONFIRMABILITY AND SEVERABILITY OF PLAN**

**A. Confirmability and Severability of Plan.**

Subject to the Plan, the Plan Proponent reserves the right to alter, amend, modify, revoke, or withdraw the Plan. If the Plan Proponent revokes or withdraws the Plan, then nothing contained herein or in the Plan shall be deemed to constitute a waiver or release of any Claims by or against the WDC Debtor, or claims, rights or interests of the Committee or other Persons or parties in interest, to prejudice in any manner the rights of the WDC Debtor, Committee, TCTM, Liquidation Trustee, or any Persons or parties in interest in any further proceedings involving the WDC Debtor. A determination by the Bankruptcy Court that the Plan is not confirmable



pursuant to section 1129 of the Bankruptcy Code shall not limit or affect the Committee's ability to modify the Plan to satisfy the confirmation requirements of section 1129 of the Bankruptcy Code. Each provision of the Plan shall be considered severable and, if for any reason any provision or provisions therein are determined to be invalid and contrary to any existing or future law, the balance of the Plan shall be given effect without relation to the invalid provision, to the extent it can be done without causing a material change in the Plan.

**X. ADMINISTRATIVE PROVISIONS**

**A. Retention of Jurisdiction.**

Notwithstanding confirmation of the Plan or occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction and authority for all purposes permitted under applicable law, including, without limitation, the following purposes:

(a) To determine any motion, adversary proceeding, Causes of Action, application, contested matter, or other litigated matter pending on or commenced after the Confirmation Date; however, nothing shall preclude the Liquidation Trustee from commencing a Cause of Action or bringing a claim in any other court of competent jurisdiction;

(b) To hear and determine applications for the assumption or rejection of executory contracts or unexpired leases and the allowance of Claims resulting therefrom;

(c) To ensure that Distributions to holders of Allowed Claims are accomplished as provided herein;

(d) To hear and determine objections to the allowance of Claims, whether filed, asserted, or made before or after the Effective Date, including, without limitation, to hear and determine objections to the classification of Claims and the allowance or disallowance of Disputed Claims, in whole or in part;

(e) To consider Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim;

(f) To enter, implement, or enforce such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(g) To issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any Person with the consummation, implementation, or enforcement of the Plan, the Confirmation Order, Liquidation Trust or Agreement, or any other order of the Bankruptcy Court;

(h) To hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

- (i) To hear and determine all matters relating to the Liquidation Trust Assets;
- (j) To hear and determine all Professional Fee Claims except as provided in the Plan;
- (k) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Confirmation Order or any transactions or payments contemplated hereby or thereby, or any agreement, instrument, or other document governing or relating to any of the foregoing;
- (l) To take any action and issue such orders as may be necessary to construe, enforce, implement, execute, and consummate the Plan, including any release, exculpation or injunction provisions set forth herein, or to maintain the integrity of the Plan following consummation;
- (m) To determine such other matters and for such other purposes as may be provided in the Confirmation Order;
- (n) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- (o) To enter a final decree closing the Chapter 11 Case;
- (p) To recover all Assets of the Debtor and property of the Estate, wherever located;
- (q) To hear and determine any matters for which jurisdiction was retained by the Bankruptcy Court pursuant to prior orders; and
- (r) To hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code, title 28 of the United States Code, and other applicable law.

**B. Governing Law.**

Except to the extent the Bankruptcy Code, Bankruptcy Rules, or other federal laws apply, the rights and obligations arising under the Plan shall be governed by the laws of the State of Delaware, without giving effect to principles of conflicts of law thereof.

**C. Continuing Effect of Sale Order.**

Notwithstanding anything in the Plan to the contrary, the Sale Order and any and all related documents shall not be modified, limited, or amended by the Plan or Confirmation Order absent a Final Order of the Court to the contrary.

**D. Effectuating Documents, Further Transactions.**

The WDC Debtor or the Liquidation Trustee, as applicable, shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

**E. Waiver of Bankruptcy Rules 3020(e) and 7062.**

The Plan Proponent may request that the Confirmation Order include (i) a finding that Bankruptcy Rule 7062 shall not apply to the Confirmation Order, and (ii) authorization for the Committee and Liquidation Trustee to consummate the Plan immediately after entry of the Confirmation Order.

**F. No Discharge.**

The WDC Debtor will not receive a discharge under the Plan in accordance with section 1141 of the Bankruptcy Code.

**G. Headings.**

The headings used in the Plan are inserted for convenience only, and neither constitute a portion of the Plan nor in any manner affect the construction of provisions of the Plan.

**H. Payment of U.S Trustee Fees and Other Statutory Fees.**

All fees payable pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court on the Confirmation Date, shall be paid on the Effective Date. Any statutory fees accruing after the Confirmation Date shall be paid in accordance with the Plan until such time as the Bankruptcy Court enters an order (a) dismissing the Case, (b) converting the Case to a case under chapter 7 of the Bankruptcy Code, or (c) approving a final decree closing the Case.

**I. Disposal of Books and Records.**

The Plan Proponent's or Liquidation Trustee's rights, as applicable, to seek authorization from the Bankruptcy Court for the destruction of books and records prior to the expiration of any statutory period requiring that such records be maintained are preserved.

**J. Pre-Confirmation Amendment.**

The Plan Proponent may modify the Plan at any time prior to the entry of the Confirmation Order, provided the modified Plan and the Disclosure Statement pertaining thereto meet applicable Bankruptcy Code requirements, including those set forth in section 1125.

**K. Post-Confirmation Amendment Not Requiring Re-solicitation.**

After the entry of the Confirmation Order, the Plan Proponent may modify the Plan to remedy any defect or omission or to reconcile any inconsistencies in the Plan or in the Confirmation Order, as may be necessary to carry out the purposes and effects of the Plan, provided: (i) the Committee obtains Bankruptcy Court approval of such modification, after notice and a hearing; and (ii) such modification shall not materially and adversely affect the interests, rights, or treatment of any Class under the Plan.

**L. Post-Confirmation Amendment Requiring Re-solicitation.**

After the Confirmation Date and before the Effective Date of the Plan, the Plan Proponent may modify the Plan in a way that materially or adversely affects the interests, rights, treatment, or Distributions of a class of Claims, provided: (i) the modified Plan meets applicable Bankruptcy Code requirements; (ii) the Plan Proponent obtains Bankruptcy Court approval for such modification, after notice to all creditors entitled to receive notice pursuant to the Bankruptcy Code and the Bankruptcy Rules and a hearing; (iii) such modification is accepted by at least two-thirds in amount, and more than one-half in number, of Allowed Claims voting in each Class affected by such modification; and (iv) the Plan Proponent complies with section 1125 of the Bankruptcy Code with respect to the modified Plan.

**M. Successors and Assigns.**

The rights, benefits, and obligations of any Person named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the heir, executor, administrator, successor, or assign of such Person.

**N. Confirmation Order and Plan Control.**

To the extent the Confirmation Order and/or the Plan is inconsistent with this Disclosure Statement or any other agreement entered into between the WDC Debtor and any third party, the Plan controls the Disclosure Statement and any such agreements, and the Confirmation Order controls the Plan; provided, however, that to the extent the Confirmation Order and/or Plan conflict with the Liquidation Trust Agreement, the Liquidation Trust Agreement shall control.

**O. Further Action.**

Nothing contained in the Plan will prevent the Plan Proponent or the Liquidation Trustee, as applicable, from taking such actions as may be necessary to consummate the Plan even though such actions may not be specifically provided for within the Plan.

**P. Exhibits.**

All Exhibits to the Disclosure Statement and/ or Plan are incorporated by reference and are intended to be an integral part of this document as though fully set forth in the Plan.

**Q. Notices.**

Any notice required or permitted to be provided under the Plan, unless otherwise provided herein, shall be in writing and served by either (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery, or (c) overnight delivery service, postage prepaid, upon the following and addressed to:

**Counsel to the WDC Debtor:      Counsel to the Committee:**

<i>Jeffrey D. Goetz</i>	<i>Stephen M. Packman</i>
<i>Bradshaw, Proctor, Fowler &amp;</i>	<i>Archer &amp; Greiner, P.C.</i>
<i>Fairgrave, P.C.</i>	<i>Three Logan Square</i>
<i>801 Grand Ave., Suite 3700</i>	<i>1717 Arch St., 35th Floor</i>
<i>Des Moines, Iowa 50309</i>	<i>Philadelphia, Pa. 19103</i>

**United States Trustee:**

*James Snyder, AUST*  
*Office of the United States Trustee*  
*Southern District of Iowa*  
*Federal Building Room 793*  
*210 Walnut St.*  
*Des Moines, Iowa 50309*

**R. Substantial Consummation.**

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

**S. Deemed Acts.**

Whenever an act or event is expressed under the Plan to have been deemed done or to have occurred, it shall be deemed to have been done or to have occurred without any further act by any party, by virtue of the Plan and the Confirmation Order.

**T. Termination of Committee.**

The Committee shall, absent Court Order to the contrary, terminate on the Effective Date.

Respectfully submitted,

Fansteel Foundry Corporation, f/k/a  
Wellman Dynamics Corp.

By: /s/ James Mahoney  
James Mahoney, CEO

The Official Committee of Unsecured  
Creditors of the WDC Debtor

By: /s/ Ken Clark  
Committee Chairman  
Ken Clarke

Prepared by:

Bradshaw, Fowler, Proctor & Fairgrave, P.C.

/s/ Jeffrey D. Goetz

Jeffrey D. Goetz

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ARCHER & GREINER, P.C.

/s/ Stephen M. Packman

Stephen M. Packman

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and,

Nyemaster Goode, P.C.

/s/ Kristina M. Stanger

Kristina M. Stanger (IA AT 0000255)

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Des Moines, IA 50323

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Fax: (515) 283-8045

[kmstanger@nyemaster.com](mailto:kmstanger@nyemaster.com)

Counsel for the Plan Proponent

214687525v2

# **EXHIBIT “A”**

**(TO BE SUPPLIED)**

# **EXHIBIT “B”**

**(TO BE SUPPLIED)**



# **EXHIBIT “C”**

**(TO BE SUPPLIED)**