

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION - DAYTON

FILED  
04 MAY 13 PM 1:55  
U.S. BANKRUPTCY COURT  
DAYTON, OHIO

In re:

DT INDUSTRIES, INC., et al.<sup>1</sup>

Debtors.

) Chapter 11  
)  
) Case No. 04-34091  
) (Jointly Administered)  
)  
) Honorable \_\_\_\_\_

**DEBTORS' APPLICATION FOR ORDER AUTHORIZING DEBTORS TO RETAIN  
HOULIHAN LOKEY HOWARD & ZUKIN AS INVESTMENT BANKER  
PURSUANT TO SECTIONS 327 AND 328(a) OF THE BANKRUPTCY CODE**

The above captioned debtors and debtors in possession (collectively, the "Debtors"), hereby submit this application (the "Application") for an order granting the employment and retention of retention of Houlihan, Lokey, Howard & Zukin ("HLHZ"), as their investment banker to assist in the sale of substantially all of their assets pursuant to Sections 327 and 328(a) of the Bankruptcy Code. In support of this Application, the Debtors respectfully represent as follows:

1. This court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of this proceeding and this Application is properly in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

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<sup>1</sup> The other debtors and debtors-in-possession include the following: Vanguard Technical Solutions, Inc., Mid-West Automation Enterprises, Inc., Mid-West Automation Systems, Inc., Assembly Technology and Test, Inc., Detroit Tool and Engineering Company, Advanced Assembly Automation, Inc., Assembly Machines, Inc., Hansford Manufacturing Corporation, DTI Leominster Subsidiary, Inc., DTI Pennsylvania Subsidiary, Inc., DTI Massachusetts Subsidiary, Inc., DTI Lebanon Subsidiary, Inc., and DT Resources, Inc.

2. The statutory predicates for the relief requested herein are sections 327 and 328 of title 11 of the United States Code (the "Bankruptcy Code") and Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") 2014 and 2016.

## **I. INTRODUCTION**

3. On May 10, 2004 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors continue to operate their businesses and manage their affairs as debtors-in-possession.

4. No trustee, examiner or committee has been appointed in these cases.

## **II. BACKGROUND**

### **A. Company Overview**

5. Debtor, DT Industries, Inc. is an engineering-driven designer, manufacturer, and integrator of automated production equipment and systems used to manufacture a variety of industrial and consumer products. Headquartered in Dayton, Ohio, DTI is a Delaware corporation that was formed in 1992. Through its operating subsidiaries, DTI maintains operations throughout the Midwestern U.S., as well as the United Kingdom and Germany.

6. Customers of DTI are found in a wide variety of industries, including automotive, appliance and consumer products manufacturing, electronics, and computers, as well as a diverse group of other industrial manufacturers. DTI maintains a significant foothold in each of these end-markets, serving a high quality customer base of Fortune 500 companies through its industry- leading product quality and engineering capabilities. In addition, DTI's custom machine building capabilities, which are a critical component of its customers' overall manufacturing processes, include engineering, project management, machining and fabrication of components, installation of electrical controls, and final assembly and testing.

7. DTI's operations are composed of two separate operating segments - Assembly and Test and Detroit Tool & Engineering. The Assembly and Test operating segment is composed of Advanced Assembly Automation, Inc. ("AAA"), Assembly Technology & Test, Inc. ("AT&T") (both direct, wholly-owned subsidiaries of DTI), DT Assembly and Test GMBH, a German limited liability corporation that is a direct, wholly-owned subsidiary of DTI, and DT Assembly & Test Limited, an English corporation that is an indirect, wholly-owned subsidiary of DTI. The business units in the Assembly and Test segment design and build custom assembly systems, electrified monorail material handling systems, fuel injection, engine and transmission test systems, and lean assembly systems primarily for customers in automotive-related and heavy equipment markets. The businesses in DTI's Assembly and Test segment work closely with their customers to design, engineer, assemble, test, and install equipment that meets the customers' manufacturing objectives. Purchase contracts typically include equipment design, and customers often retain rights to the design after delivery of the equipment. However, DTI often reapplies the engineering and manufacturing expertise gained in designing and building equipment in projects for other customers.

8. The Detroit Tool & Engineering operating segment consists of Detroit Tool and Engineering Company ("DTE"), a direct, wholly-owned subsidiary of DTI which manufactures special machines, automated systems, tooling and fixturing, and the Peer<sup>TM</sup> brand of automated welding equipment. DTE's products serve a wide variety of markets, including appliances, electronics, building construction, hardware, cosmetics, healthcare, and automotive. DTE's special automation equipment incorporates engineering capabilities ranging from refining and replicating existing equipment, to designing and building new equipment. DTE provides

systems integration and implements a wide range of applications including, dials, power and free, synchronous, indexing processes, metal forming, welding, and robotics.

9. The Debtors have approximately 852 employees, 15 of whom are at the corporate level. The Debtors' workforce is composed of 393 hourly and 459 salaried workers. The Debtors' workforce is highly skilled, with approximately one-third of its employees at all levels possessing an engineering background.

#### **B. Prepetition Financing**

10. DTI, DT Industries (UK) II, Limited, DT Assembly and Test GMBH, Kalish, Inc., and DT Canada, Inc., as borrowers (the "Borrowers"), and U.S. Bank National Association f/k/a Firstar Bank, N.A., Bear Sterns & Co., Hourglass Master Fund, Ltd., The Bank of Nova Scotia, William E. Simons & Sons Special Situation Partners, L.P., National City Bank and Oz Special Master Fund, Ltd., as lenders (collectively, with Bank of America, N.A. (formerly Nations Bank, N.A.), the "Lenders"), and Bank of America, N.A., as a lender and agent for the Lenders, are parties to that certain Fourth Amended and Restated Credit Facilities Agreement dated as of July 21, 1997 (as amended and supplemented from time to time, the "Credit Facilities Agreement"), pursuant to which the Lenders have provided to the Borrowers credit facilities and other financial accommodations. Under the terms of the Credit Facilities Agreement, the Borrowers had an aggregate commitment of \$175 million (\$10 million of term loans and \$165 million of revolving loans), which has, through subsequent amendments to the Credit Facilities Agreement, been reduced to \$32.8 million.

11. The Credit Facilities Agreement is secured by pledges of all of the shares of common stock of Borrowers' North American subsidiaries, 65% of the equity of Borrowers' European subsidiaries, and security interests in all of Borrowers' U.S. and Canadian assets

including, but not limited to, all accounts, inventories, machinery, equipment and intangible assets, as well as mortgages on real property located in Saginaw, Michigan, Benton Harbor, Michigan, and Lebanon, Missouri.

12. The Credit Facilities Agreement requires quarterly commitment reductions of \$1.5 million with additional commitment reductions under certain circumstances. The Borrowers must repay amounts outstanding under the Credit Facilities Agreement to the extent the outstanding principal amount (including the face amount of outstanding letters of credit issued under the Credit Facilities Agreement) exceeds the Lenders' aggregate commitment after the required quarterly commitment reductions. As of May 6, 2004, there was a total of \$32.8 million outstanding under the Credit Facility Agreement.

13. In addition to the credit facilities under the Credit Facilities Agreement, DTI, through DT Capital Trust, issued \$70 million in 7.16% Term Interest Deferrable Equity Securities ("Tides") in 1997, of which \$35 million in principal amount remain outstanding.

**C. Events Leading to the Filing of these Chapter 11 Cases**

14. Over the last several years, the Debtors have experienced deteriorating financial performance as a result of depressed economic activity and lower capital goods spending by their customers. As a result of their cash and revenue crisis, the Debtors have had difficulty meeting the financial covenants under the Credit Facilities Agreement, and failed to make timely prepayments required under the Credit Facilities Agreement as of December 31, 2003 and March 31, 2004. As part of an effort to restructure its finances, in 2002, DTI converted \$35 million of the Tides to equity, raised approximately \$22 million in additional equity, repaid a portion of the debt owed under the Credit Facilities Agreement, and extended the maturity thereof to July 2, 2004. Beginning in 2002 and continuing thereafter, the Debtors executed additional significant

restructuring strategies including expense reduction initiatives, facilities closings, and divestitures that resulted in the sale of substantially all of the assets of DTT's Converting Technologies and Packaging Systems businesses in early 2004 and application of the proceeds to reduce the debt under the Credit Facilities Agreement. The Debtors are currently in default under their Credit Facilities Agreement due to the above-referenced failure to make timely required principal payments on December 31, 2003 and March 31, 2004. The Debtors are also currently in violation of several financial and other covenants under the Credit Facilities Agreement. The Debtors have been unable to negotiate a waiver of defaults or forbearance from the Lenders or obtain a replacement credit facility to replace their existing Credit Facilities Agreement, which expires July 2, 2004. The Debtors have no availability under the Credit Facilities Agreement's revolving line and have been operating since January 1, 2004 through the management of their operating cash flow. The inability of the Debtors to access their credit facility has impaired their ability to obtain new customer orders and to pay vendors that have provided components and services on credit for completed projects. The Debtors' ability to meet their short-term liquidity needs and debt obligations have been materially adversely affected by a drop in new orders that are customarily accompanied by advance payments from customers.

15. The declining market and the Debtors' concomitant loss of revenue has made it difficult for the Debtors to continue operations and, at the same time, service their debt under the Credit Facilities Agreement. As a result, these chapter 11 filings were necessary.

### **III. RELIEF REQUESTED**

16. By this Application, the Debtors seek to retain, employ, and compensate the firm of HLHZ, as their investment banker to assist in the sale of substantially all the Debtors' assets. Accordingly, the Debtors respectfully request the entry of an order, substantially in the form

attached hereto, authorizing the Debtors to employ, retain, and compensate HLHZ pursuant to sections 327 and 328(a) of the Bankruptcy Code.

#### **IV. BASIS FOR THE RELIEF REQUESTED**

17. The Debtors seeks to retain HLHZ because the Debtors believe that it is necessary to retain an investment banking firm to assist the Debtors in facilitating an orderly sale of substantially all of their assets (the "Transaction"), and assisting the Debtors in relation to various issues that may arise during these chapter 11 proceedings, including, but not limited to, the following:

- a) Assisting the Debtors in effectuating a sale, merger, joint or other combination or disposition of the Debtors, their assets and/or their stock, or any portion thereof, in one or more transactions with any person or entity;
- b) Interacting with potential purchasers to create interest in the Transaction;
- c) Coordinating and distributing the offering memorandum prepared by HLHZ and the Debtors, and relevant due diligence information concerning the Debtors to interested purchasers;
- d) Facilitating a coordinated sales effort and assisting in the negotiation and structuring of the financial aspects of the Transaction;
- e) Coordinating with the Debtors and other advisors (e.g., attorneys, outside consultants, etc. . . .), as well as with the Debtors' secured lenders, in the negotiation process;
- f) Actively participating in negotiations and otherwise reasonably assisting the Debtors in effectuating the Transaction;
- g) Providing expert testimony in conjunction with the Debtors' efforts to consummate the Transaction and other financial valuation matters associated with the Debtors' chapter 11 proceedings;
- h) Performing all other investment banking and financial advisory services that are desirable and necessary for the efficient and economic administration of these chapter 11 cases.

18. The Debtors have selected HLHZ as their investment banker because HLHZ has considerable familiarity with the Debtors' assets, business, and related financial and operational affairs having been employed by the Debtors in the months preceding the filing of the chapter 11

cases to assist in the marketing of the Debtors' assets. In addition, HLHZ possesses the requisite expertise to handle complex distressed sale transactions, including bankruptcy and reorganization matters associated therewith, as well as the vast spectrum of associated financial and valuation issues that often arise in reorganization cases.

19. HLHZ is a nationally recognized investment banking/financial advisory firm with 9 offices worldwide, and more than 500 professionals. HLHZ provides investment banking and financial advisory services and execution capabilities in a variety of areas, including financial restructuring, where HLHZ is one of the leading investment bankers and advisors to debtors, bondholder groups, secured and unsecured creditors, acquirors, and other parties-in-interest involved in financially distressed companies, both in and outside of bankruptcy. HLHZ's Financial Restructuring Group, which has over 100 professionals dedicated to such engagements, will be providing the agreed upon financial advisory services to the Debtors. HLHZ has served as a financial advisor in some of the largest and most complex restructuring matters in the United States.

20. Based upon the Affidavit of David Rosen (the "Rosen Affidavit," attached hereto as Exhibit A) the Debtors believe that HLHZ does not hold or represent any interest adverse to the Debtors, and that HLHZ and each of its directors, officers, consultants, associates, analysts and other professionals is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code.

21. Based upon the Rosen Affidavit, the Debtors believe that HLHZ's directors, officers, consultants, associates, analysts, and other professionals have no connection with the Debtors, any of the Debtors' subsidiaries or affiliates, any creditors of the Debtors, the United States Trustee for this District, or any person employed in the United States Trustee's office, or



any other party in interest in the Debtors' chapter 11 proceedings, or their respective attorneys or accountants, except as set forth in the Rosen Affidavit.

## **VII. PROFESSIONAL COMPENSATION**

22. HLHZ will seek compensation and reimbursement of expenses pursuant to the agreed-upon terms of the Letter Agreement (a copy of which is attached hereto as Exhibit B). The Debtors submit that the terms of the Letter Agreement including, without limitation, the terms of the compensation, are reasonable and, therefore, should be approved by the Court.

23. A statement of the compensation paid for services rendered or to be rendered in contemplation of or in connection with this case by HLHZ, and the source of such compensation, is included in the Rosen Affidavit and the attached Letter Agreement.

24. As set forth in the Rosen Affidavit, during the period prior to the Petition Date, HLHZ was paid \$250,000 under its prepetition engagement agreement for services on behalf of the Debtors and was reimbursed for \$21,462.53 in out-of-pocket expenses associated therewith. These amounts represent payment in full for HLHZ's prepetition services and HLHZ waives any claim it might otherwise have for additional prepetition payments. As of the Petition Date, HLHZ will continue to be paid for postpetition investment banking services under the existing Letter Agreement between the Debtors and HLHZ.

25. Were the Debtors required to retain an investment banker other than HLHZ in connection with these cases, the Debtors, their estates, and all parties in interest would be unduly prejudiced by the time and expense necessarily attendant to such restructuring advisor's familiarization with the intricacies of the Debtors' business in general, and various factual and financial issues that will have to be addressed in these cases.

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### **VIII. NOTICE AND PRIOR MOTIONS**

26. Notice of this Motion has been given to the United States Trustee, counsel for the Lenders and each of the twenty largest unsecured creditors of the Debtors at their respective last known addresses. In light of the nature of the relief requested herein, the Debtors submit that no further notice of the Motion is necessary or required.

27. No previous request for the relief sought herein has been made to this or any other court.

**WHEREFORE**, the Debtors respectfully request that this Court enter an order substantially in the form attached to this Application: (a) granting the employment of HLHZ as investment banker to the Debtors in these chapter 11 cases pursuant to Sections 327 and 328(a) of the Bankruptcy Code; and (b) granting such other and further relief as is just and proper.

Dated: \_\_\_\_\_, 2004

Respectfully Submitted,

**DT INDUSTRIES, INC., ET AL.**

By: s/ Julia Brand

One of its attorneys

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Proposed Attorneys for Debtors and Debtors-In-Possession

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION - DAYTON**

In re:	) Chapter 11
	)
DT INDUSTRIES, INC., et al. <sup>1</sup>	) Case No. 04-_____
	) (Jointly Administered)
Debtors.	)
	) Honorable _____

**DEBTORS' MEMORANDUM OF LAW IN SUPPORT OF APPLICATION  
FOR ORDER AUTHORIZING DEBTORS TO RETAIN  
HOULIHAN LOKEY HOWARD & ZUKIN AS INVESTMENT BANKER  
PURSUANT TO SECTIONS 327 AND 328(a) OF THE BANKRUPTCY CODE**

The above captioned debtors and debtors in possession (collectively, the "Debtors"), submit this Memorandum of Law ("Memorandum")<sup>2</sup> in support of their Application for Order Authorizing Debtors to Retain Houlihan Lokey Howard & Zukin as Investment Banker (the "Application") pursuant to Sections 327 and 328(a) of the Bankruptcy Code.

**I. FACTUAL BACKGROUND**

The factual support for this Memorandum is set forth in the Application, which may be supplemented by testimony at the hearing on the Application.

**II. LEGAL ARGUMENT**

Section 327(a) of the Bankruptcy Code provides in pertinent part:

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<sup>1</sup> The other debtors and debtors-in-possession include the following: Vanguard Technical Solutions, Inc., Mid-West Automation Enterprises, Inc., Mid-West Automation Systems, Inc., Assembly Technology and Test, Inc., Detroit Tool and Engineering Company, Advanced Assembly Automation, Inc., Assembly Machines, Inc., Hansford Manufacturing Corporation, DTI Leominster Subsidiary, Inc., DTI Pennsylvania Subsidiary, Inc., DTI Massachusetts Subsidiary, Inc., DTI Lebanon Subsidiary, Inc., and DT Resources, Inc.

<sup>2</sup> All capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

Except as otherwise provided in this section, the trustee, with the court's approval, may employ one or more attorneys, accountants, appraisers, auctioneers, or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title.

11 U.S.C. § 327(a).

Courts apply a two-part test to determine whether a particular professional may be employed by a debtor under section 327(a). First, the professional to be retained must hold no interest adverse to the bankruptcy estate. Second, the professional must be a "disinterested person." *In re Pierce*, 809 F.2d 1356, 1362 (8th Cir. 1987). Both of these two elements must be satisfied before the proposed retention can be approved by the bankruptcy court. *Id.* (citing *In re Leisure Dynamics, Inc.*, 32 B.R. 753 (D. Minn. 1983)). See also, *In re Keller Fin. Servs. of Florida, Inc.*, 248 B.R. 859, 892 (Bankr. M.D. Fla. 2000); *In re Benjamin's-Arnolds, Inc.*, No. 4-90-6127, 1997 WL 86463 at \*4 (Bankr. D. Minn. Feb. 28, 1997).

An interest adverse to the bankruptcy estate exists where: (1) the professional to be retained possesses or asserts any economic interest that would tend to lessen the value of the bankruptcy estate; or (2) where the professional has a predisposition under circumstances that render a bias against the estate. *In re Prince*, 40 F.3d 356, 361 (11th Cir. 1994); *Benjamin's-Arnolds*, 1997 WL 86463 at \*4 .

The Bankruptcy Code defines "disinterested person" as a:

person that – (A) is not a creditor, an equity security holder, or an insider; (B) is not and was not an investment banker for any outstanding security of the debtor; (C) has not been, within three years before the date of the filing of the petition, an investment banker for a security of the debtor, or an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of the debtor; (D) is not and was not, within two years before the date of filing of the petition a director, officer or employee of the debtor or of an investment banker specified in

subparagraphs (B) or (C) of the paragraph; and (E) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor or an investment banker specified in subparagraphs (B) or (C) of the paragraph, or for any other reason.

11 U.S.C § 101(14).

As explained in the Rosen Affidavit, HLHZ does not hold an interest adverse to the Debtors' estates and HLHZ has no predisposition that would tend toward any bias against the estates. Furthermore, as detailed in the Application and accompanying Rosen Affidavit, HLHZ is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code.

### **III. PROFESSIONAL COMPENSATION**

HLHZ will seek compensation and reimbursement of expenses pursuant to the agreed-upon terms of the Letter Agreement. The Debtors submit that the terms of the Letter Agreement including, without limitation, the terms of the compensation, are reasonable and, therefore, should be approved by the Court. *See* 11 U.S.C. § 328(a); *In re Home Express, Inc.*, 213 B.R. 162 (Bankr. N.D. Cal. 1997) (use of flat monthly fee arrangement is reasonable within the meaning of 11 U.S.C. § 328(a)). Accordingly, because the Debtors seek to employ HLHZ pursuant to 11 U.S.C. § 328, the Debtors request that the Court, in addition to approving the Letter Agreement, make the appropriate and necessary findings that the terms of the Letter Agreement are, in fact, reasonable. *In re Reimers*, 972 F.2d 1127, 1128 (9th Cir. 1992) (reasonableness of terms of engagement is the standard for approval of employment under 11 U.S.C. § 328).

With reasonableness (in terms of both the terms and conditions of a professional's employment) as the standard for determining whether or not a professional may be employed under 11 U.S.C. § 328, it is no wonder that compensation based upon hourly rates (commonly

referred to as "lodestar") is not the only permissible billing method, and other billing practices in bankruptcy have been emerging. *See generally, In re Home Express, Inc.*, 213 B.R. 162 (Bankr. N.D. Ca. 1997) (use of "flat fee" arrangement for all professionals in mega chapter 11 bankruptcy cases filed in the Bankruptcy Court of the Northern District of California). The compensation mechanism set forth in the Bankruptcy Code, including 11 U.S.C. § 330, "by no means ossifies the lodestar approach as the point of departure in fee determinations." *In re Busy Beaver*, 19 F.3d 833, 856 (3rd Cir. 1994). In fact, "the flexibility written into [11 U.S.C. § 328] encourages bankruptcy judges to approve compensation arrangements that reflect market conditions and to fashion arrangements suitable to the circumstances of the case before it." *In re Niover Bagels, Inc.*, 214 B.R. 291 B.R. 294 (Bankr. E.D.N.Y. 1997) (*emphasis added*).

Here, the terms of the Letter Agreement are entirely reasonable and do, in fact, reflect market conditions. HLHZ, like most investment banks and advisory firms, does not bill by the hour. This billing practice is almost as common, if not as common, in bankruptcy as it is outside of the bankruptcy practice. Flat fee arrangements are often charged, on a monthly basis throughout the pendency of a bankruptcy case, in conjunction with a "success fee" at the conclusion of a professional's employment. In fact, such a practice is commonplace in the investment banking community for deals of similar size and complexity.

Accordingly, the Debtors believe, and hereby submit, that the employment of HLHZ, pursuant to the terms and conditions of the Letter Agreement, as described in this Application, are reasonable. In connection therewith, the Debtors submit further that the subject employment is in the best interests of the Debtors and their estates and, accordingly, the Debtors desire to employ HLHZ pursuant to the terms of the Letter Agreement. In addition, the Debtors seek authority to compensate HLHZ and reimburse its expenses, in accordance with the terms of the

Letter Agreement, as an administrative expense, pursuant to applicable provisions of the Bankruptcy Code. Because the Debtors are seeking to employ HLHZ under 11 U.S.C. § 328, and not under 11 U.S.C. § 330, "[t]here should be no subsequent inquiry into the reasonableness of the fees and their benefit to the estate...". See *In re B.U.M. Int'l, Inc.*, 229 F.3d 824, 828 (9th Cir. 2000).

A statement of the compensation paid for services rendered or to be rendered in contemplation of or in connection with this case by HLHZ, and the source of such compensation, is included in the Rosen Affidavit, and the attached Letter Agreement.

As set forth in the Rosen Affidavit, during the period prior to the Petition Date, HLHZ was paid \$250,000 under its prepetition engagement agreement for services on behalf of the Debtors and was reimbursed for \$21,462.53 in out-of-pocket expenses associated therewith. These amounts represent payment in full for HLHZ's prepetition services and HLHZ waives any claim it might otherwise have for additional prepetition payments. As of the Petition Date, HLHZ will continue to be paid for postpetition investment banking services under the existing Letter Agreement between the Debtors and HLHZ.

Were the Debtors required to retain an investment banker other than HLHZ, in connection with their representation in this case, the Debtors, their estate, and all parties in interest would be unduly prejudiced by the time and expense necessarily attendant to such restructuring advisor's familiarization with the intricacies of the Debtors' business in general and various factual and financial issues that will have to be addressed in this case.



### **III. CONCLUSION**

For the foregoing reasons, the Debtors respectfully request that this Court enter an order granting the employment of HLHZ as financial advisors to the Debtors in these chapter 11 cases.

Dated: \_\_\_\_\_, 2004

Respectfully Submitted,

**DT INDUSTRIES, INC., ET AL.**

By: s/ Julia Brand

One of its attorneys

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Proposed Attorneys for Debtors and Debtors-In-Possession

## **EXHIBIT A**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION - DAYTON**

In re:	) Chapter 11
	)
DT INDUSTRIES, INC., et al. <sup>1</sup>	) Case No. 04-_____
	) (Jointly Administered)
Debtors.	)
	) Honorable _____

**AFFIDAVIT OF DAVID ROSEN IN SUPPORT OF THE DEBTORS'  
APPLICATION FOR ORDER AUTHORIZING DEBTORS TO RETAIN  
HOULIHAN LOKEY HOWARD & ZUKIN AS INVESTMENT BANKER  
PURSUANT TO SECTIONS 327 AND 328(a) OF THE BANKRUPTCY CODE**

I, David Rosen, being duly sworn, deposes and says:

1. I am an officer of the firm Houlihan Lokey Howard & Zukin Capital ("HLHZ"), which maintains offices at 123 North Wacker Drive, Suite 400, Chicago, Illinois 60606. I submit this Affidavit in support of the Application to Retain, Employ and Compensate Houlihan Lokey Howard & Zukin Capital as Investment Banker submitted by the Debtors (the "Application") in these chapter 11 cases, pursuant to sections 327 and 328(a) of title 11 of the United States Code (the "Bankruptcy Code") and in compliance with section 504 of the Bankruptcy Code and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

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<sup>1</sup> The other debtors and debtors-in-possession include the following: Vanguard Technical Solutions, Inc., Mid-West Automation Enterprises, Inc., Mid-West Automation Systems, Inc., Assembly Technology and Test, Inc., Detroit Tool and Engineering Company, Advanced Assembly Automation, Inc., Assembly Machines, Inc., Hansford Manufacturing Corporation, DTI Leominster Subsidiary, Inc., DTI Pennsylvania Subsidiary, Inc., DTI Massachusetts Subsidiary, Inc., DTI Lebanon Subsidiary, Inc., and DT Resources, Inc.

2. HLHZ was retained by the Debtors in March 2004 for the purposes of developing a coordinated sales effort, contacting potential purchasers, and assisting in the negotiations and structuring of the financial aspects of any proposed sale of the Debtors' business as a going concern.

3. Initially, HLHZ produced an offering memorandum, which enabled the Debtors to be marketed to a wide variety of both strategic and financial buyers. Through HLHZ's extensive industry knowledge and relationships, HLHZ identified over 30 strategic buyers (industrial companies with similar operations to the Debtor) and 91 financial buyers (private equity firms that have previously expressed an interest to HLHZ in investing in distribution, retail and/or distressed companies). Of the 121 potential buyers contacted, 41 executed a confidentiality agreement and received the confidential offering memorandum prepared by HLHZ. Of the remaining parties, a significant portion conducted some level of due diligence. HLHZ answered numerous inquiries from potential buyers and provided additional financial and other information as requested. In addition, the Debtors' Management conducted numerous telephonic and in person meetings with interested parties. As a result of HLHZ's efforts, eight parties submitted formal bids to acquire certain of the Debtors' assets. Three additional parties expressed interest in acquiring the Debtors in whole or in part but did not provide written indications of that interest.

4. After the Debtors identified Thompson Street Capital Partners LP as having provided the best offer, HLHZ assisted the Debtors and its professionals in negotiating a favorable Asset Purchase Agreement.

5. Neither I, the firm of HLHZ, nor any director, officer, consultant, associate, analyst or other professional thereof, insofar as I have been able to ascertain, has any connection with the Debtors, any of the Debtors' affiliates, any creditors of the Debtors, the United States Trustee for this District or any person employed in the United States Trustee's office, or any other party in interest in the Debtors' chapter 11 cases, or their respective attorneys and accountants, except as set fourth below.

6. The Debtors employed HLHZ as its investment banker pursuant to a letter agreement dated as of March 4, 2004 as amended (the "Letter Agreement").

7. The Debtors believe that it is necessary to retain an investment banking firm to assist the Debtors in facilitating an orderly sale of their assets (the "Transaction"), and assisting the Debtors in relation to various issues that may arise during these Chapter 11 proceedings, including:

- a) Assisting the Debtors in effectuating a sale, merger, joint or other combination or disposition of the Debtors, their assets and/or their stock, or any portion thereof, in one or more transactions with any person or entity;
- b) Interacting with potential purchasers to create interest in the Transaction;
- c) Coordinating and distributing the offering memorandum prepared by HLHZ and the Debtors, and relevant due diligence information concerning the Debtors to interested purchasers;
- d) Facilitating a coordinated sales effort and assisting in the negotiation and structuring of the financial aspects of the Transaction;
- e) Coordinating with the Debtors and other advisors (e.g., attorneys, outside consultants, etc. . . .), as well as with the Debtors' secured lenders, in the negotiation process;
- f) Actively participating in negotiations and otherwise reasonably assisting the Debtors in effectuating the Transaction;

- g) Providing expert testimony in conjunction with the Debtors' efforts to consummate the Transaction and other financial valuation matters associated with the Debtors' chapter 11 proceedings;
- h) Performing all other investment banking and financial advisory services that are desirable and necessary for the efficient and economic administration of these chapter 11 cases.

8. The Debtors have selected HLHZ as their investment banker because HLHZ has considerable familiarity with the Debtors' assets, business and related financial and operational affairs having been employed by the Debtors in the months preceding the filing of the Chapter 11 cases to assist in the marketing of the Debtors' assets. In addition, HLHZ possesses the requisite expertise to handle complex distressed sale transactions, including bankruptcy and reorganization matters associated therewith, as well as the vast spectrum of associated financial and valuation issues that often arise in reorganization cases. HLHZ has significant experience in the restructuring, financing and disposition of assets and businesses as going concerns, both in and out of the context of a bankruptcy case.

9. Neither I, the firm of HLHZ, nor any director, officer, consultant, associate, analyst or other professional thereof, insofar as I have been able to ascertain, represents any interest adverse to that of the Debtors' estates in the matters upon which the Debtors seek to retain HLHZ. I believe that I am, and the firm of HLHZ, and each director, officer, consultant, associate, analyst or other professional thereof, is, a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code. Neither I, the firm of HLHZ, nor any director, officer, consultant, associate, analyst or other professional thereof, insofar as I have been able to ascertain, is connected with any bankruptcy judge for the Southern District of Ohio, or the United States Trustee for the Southern District of Ohio or any person employed in the United

States Trustee's office, as to render the appointment of HLHZ as investment banker for the Debtors' inappropriate under Bankruptcy Rule 5002(b). HLHZ has conducted, and continues to conduct, extensive research into its relations with the Debtors, their creditors, employees of the Office of the United States Trustee, attorneys and accountants of the foregoing, and other parties interested in this case.

10. As part of this inquiry, HLHZ obtained from the Debtors' senior management and others the names of the Lenders and the 20 largest creditors in each of these chapter 11 cases (the "Potential Parties in Interest"). HLHZ circulated an internal nationwide conflict check via e-mail. This conflict check contained a complete list of the Potential Parties in Interest. This internal inquiry revealed that four of the 20 largest creditors were former clients of HLHZ. These clients, as well as a brief description of the services that HLHZ performed, are as follows:

Creditor	Service
Earle M. Jorgensen	ESOP Update/FMV Non-Transaction Based Opinion
GE Capital Corporation	FMV Non-Transaction Based Opinion/Buyer Representation
MCI Telecommunications Corporation	Consulting
MCI WorldCom Communications	Creditor Advisory

HLHZ determined that the representation of these clients was completely unrelated to the Debtors.

11. In addition to the above internal investigation, HLHZ sent an inquiry to all staff to determine whether any such individuals hold any securities of the Debtors. To date, there have been no responses from HLHZ employees indicating that they do hold securities of the Debtors.

HLHZ's policy is that any employee owning stock which is put on our internal "restricted" list, must hold the stock until it is removed. This process is monitored by our Compliance Officer.

12. Because of the size of the Debtors' corporate organization, contacts and relationships between HLHZ (on the one hand) and the Debtors and/or their creditors (on the other hand) have taken place in past years and will likely take place in the future. HLHZ submits that any such contacts or relationships do not create any conflicts with respect to HLHZ advising the Debtors. If, in our continuing efforts, we identify any additional relationships, we will advise the Court. HLHZ submits that any such contacts or relationships do not create any conflicts with respect to HLHZ advising the Debtors.

13. While HLHZ has undertaken, and continues to undertake, extensive efforts to identify connections with the Debtors and other parties in interest, it is possible that connections with some parties in interest have not yet been identified. Should HLHZ, through its continuing efforts, learn of any new connections of the nature discussed herein, HLHZ will so advise the Court.

14. HLHZ will not, while employed by the Debtors, advise against the Debtors or any other entity having an adverse interest in the matters upon which the Debtors seek to retain HLHZ during the pendency of this case.

15. I have read the application of the Debtors for an order approving the retention of HLHZ as investment banker that accompanies this declaration and, to the best of my knowledge, information and belief, the contents of said application are true and correct.



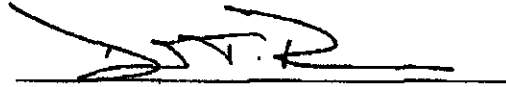
16. In accordance with section 504 of the Bankruptcy Code and Bankruptcy Rule 2016, neither I, nor the firm of HLHZ, nor any director, officer, consultant, associate, analyst or other professional thereof, has entered into any agreements, express or implied, with any other party in interest, including the Debtors, any creditor, or any attorney for such party in interest in this case (i) for the purpose of sharing or fixing fees or other compensation to be paid to any such party in interest or its attorneys for services rendered in connection therewith, (ii) for payment of such compensation from the assets of the estates in excess of the compensation allowed by this Court pursuant to the applicable provisions of the Bankruptcy Code, or (iii) for payment of compensation in connection with this case other than in accordance with the applicable provisions of the Bankruptcy Code. HLHZ earned and was paid prepetition fees of \$250,000.

17. HLHZ intends to apply for compensation for professional services and reimbursement of expenses rendered in connection with this chapter 11 case pursuant to the terms of the Letter Agreement.

18. The terms of the Letter Agreement (including, without limitation, the compensation consisting of both the upfront fees of \$250,000 and the success fee) are entirely reasonable and do, in fact, reflect market conditions. HLHZ, like most investment banks and advisory firms, does not bill by the hour. This billing practice is almost as common, if not as common, in bankruptcy as it is outside of the bankruptcy practice. Flat fee arrangements are often charged, on a monthly basis throughout the pendency of a bankruptcy case, in conjunction with a "success fee" at the conclusion of a professional's employment. In fact, such a practice is commonplace in the investment banking community for deals of similar size and complexity.

I declare under penalty of perjury that the foregoing is true and correct. Executed this

11 day of May 2004, at Chicago, Illinois.

  
David J. Rosen

SWORN TO AND SUBSCRIBED before  
me this 11<sup>th</sup> day of May, 2004.

  
Notary Public  
My Commission Expires: 11-01-05



## **EXHIBIT B**



# HOULIHAN LOKEY HOWARD & ZUKIN CAPITAL

INVESTMENT BANKERS

www.hlh.com

Winstead Draft 4/19/04

Strictly Confidential

April \_\_, 2004

Mr. Stephen J. Perkins  
 President and Chief Executive Officer  
 DT Industries, Inc.  
 90/ West Fifth Street  
 Dayton, Ohio 45407-3306

Dear Mr. Perkins:

This letter supercedes the Agreement between Houlihan Lokey and the Company dated March 4, 2004, although the Effective Date of this Agreement remains March 4, 2004, and confirms the understanding and agreement (the "Agreement") between DT Industries, Inc. and its subsidiaries (together the Company") and Houlihan Lokey Howard & Zukin Capital ("Houlihan Lokey") as follows:

1. **Engagements Services Term.** The Company hereby retains Houlihan Lokey as its exclusive advisor for investment banking services in connection with a possible Transaction. For purposes of this Agreement, a "Transaction" shall mean, collectively, (a) any merger, consolidation, reorganization, recapitalization, business combination or other transaction pursuant to which the Company is acquired by, or combined with, any person, group of persons, partnership, corporation or other entity (including, without limitation, existing creditors, employees, affiliates, and/or shareholders) (collectively, an "Investor"), and/or (b) the acquisition, directly or indirectly by an Investor (or by one or more persons acting together with an Investor pursuant to a written agreement or otherwise), in a single transaction or a series of transactions, of (i) all of, or any material, assets or operations of the Company or (ii) any outstanding or newly-issued shares of the Company's capital stock (or any securities convertible into, or options, warrants or other rights to acquire such capital stock) remaining in holders of shares of the Company's capital stock immediately prior thereto owning less than 50% of such capital stock immediately thereafter.

Houlihan Lokey's services will include, if appropriate or if requested by the Company, (a) reviewing the Company's financial condition, operations, competitive environment, business plans, historical and projected financial results, and forecasted capital requirements, (b) assisting in the drafting, preparation and distribution of selected information and other related documentation describing the Company and the terms of a potential Transaction, (c) evaluating indications of interest and proposals regarding a Transaction, (d) advising the Company as to the financial terms of any Transaction, (e) negotiating the financial aspects, and facilitating the consummation, of any Transaction, and (f) providing such other financial advisory and investment banking services reasonably necessary to accomplish the foregoing.

This Agreement may be terminated at any time by either party upon thirty days' prior written notice to the other party, provided, however, that no expiration or termination of this Agreement shall affect (a) the Company's indemnification and other obligations as set forth on Schedule A attached hereto, (b) the confidentiality provisions set forth herein and Sections 6-10 hereof, and (c) Houlihan Lokey's right to receive, and the Company's obligation

Chicago • 123 North Wacker Drive, 4th Floor • Chicago, Illinois 60606 • tel. 312.466.4700 • fax. 312.348.0981  
 Los Angeles New York San Francisco Washington D.C. Minneapolis Dallas Atlanta London

Mr. Stephen J. Perkins  
DT Industries, Inc.  
April \_\_, 2004

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to pay, any and all fees and expenses due, and whether or not any Transaction shall be consummated prior to or subsequent to the effective date of termination of this Agreement, all as more fully set forth herein.

**2. Fees and Expenses.** The Company shall pay Houlihan Lokey an initial fee of \$250,000. This initial fee shall be paid as follows: (i) \$150,000 upon the signing of this Agreement, and (ii) \$100,000 at the 30 day anniversary of this Agreement if this agreement is continuing and not subject to a termination notice at the time. Upon the consummation of a Transaction, and in addition to the initial fee, the Company shall pay Houlihan Lokey a fee ("Transaction Fee") equal to \$500,000 plus 10.0% of the amount by which the aggregate Transaction Value of such Transaction or Transactions exceeds \$10,000,000. As an example, if two transactions with a value of \$9 million each were consummated, Houlihan Lokey would be paid \$500,000 plus \$200,000 (10% of the difference between \$18 million and \$10 million), or a total of \$1.3 million at closing. In the event that more than two Transactions are consummated, the Company shall pay Houlihan Lokey an additional \$250,000 minimum fee per Transaction consummated in excess of two transactions. So as to clarify the prior sentence, if the total Transaction Value from three Transactions is greater than \$10,000,000, and if the third Transaction consummated has a Transaction Value of less than \$2,500,000, then a minimum transaction fee of \$250,000 would apply (\$250,000 is 10% of \$2,500,000). If the third Transaction has a Transaction Value of more than \$2,500,000, then the overall formula for the Transaction Fee would apply and the minimum transaction fee would not apply.

For the purpose of calculating the Transaction Fee, the Transaction Value shall be the total proceeds and other consideration paid or received by the Company, or to be paid or received by the Company, in connection with a Transaction (which consideration shall be deemed to include amounts in escrow), including, without limitation, cash, notes, securities, deferred non-contingent payments (such as installment payments); other property received or to be received by the Company; plus the amount any of the Company's existing senior secured debt assumed by a purchaser in connection with a Transaction. The Transaction Value shall include without duplication any interest bearing current liabilities (excluding accounts payable) and any long-term indebtedness of the Company (including the principal amount of any debt for borrowed money) (i) repaid or retired in connection with or anticipation of a Transaction and (ii) existing on the Company's balance sheet at the time of a Transaction (if such Transaction takes the form of a merger or a sale of stock) or assumed by a buyer in connection with a Transaction (if such Transaction takes the form of a sale of assets).

For the purpose of calculating the consideration received in the Transaction, any securities (other than a promissory note) will be valued at the time of the closing of the Transaction as follows: (i) if such securities are traded on a stock exchange, the securities will be valued at the average last sale or closing price for the ten trading days immediately prior to the closing of the Transaction; (ii) if such securities are traded primarily in over-the-counter transactions, the securities will be valued at the mean of the closing bid and asked quotations similarly averaged over a ten trading day period immediately prior to the closing of the Transaction; and (iii) if such securities have not been traded prior to the closing of the Transaction, Houlihan Lokey will prepare a valuation of the securities (without regard to any restrictions on transferability), and Houlihan Lokey and the Company will negotiate in good faith to agree on a fair valuation thereof for the purpose of calculating the Transaction Fee. The value of any purchase money or other promissory notes, installment sales contracts or other deferred non-contingent consideration shall be deemed to be the face amount thereof, and shall be included as part of Transaction Value for the purpose of determining the Transaction Fee due to Houlihan Lokey upon the consummation of the Transaction. In the event the Transaction Value includes any contingent payments, the Company and Houlihan Lokey will negotiate in good faith to agree on a fair valuation thereof. If the parties cannot reach an agreement on a fair valuation, an independent third party acceptable to the Company, Houlihan Lokey and Required Lenders shall be engaged to provide such valuation. Notwithstanding anything to the contrary contained herein, the Transaction Fee shall be paid to Houlihan Lokey in the form received and if, as and when received by the Company, its senior secured lenders and/or other creditors (such that to the extent consideration received includes securities or notes or other property which is not cash, Houlihan Lokey shall receive its pro rata part thereof and at the same time that such amounts are received by the Company or the Lenders, as applicable). It is contemplated that as a result of the foregoing sentence, the purpose for calculating the consideration received shall be limited to determining Houlihan Lokey's and the other applicable parties' pro rata share of consideration received. Each such valuation shall, in addition to all of the foregoing, include a discount for any restrictions applicable to non-cash proceeds received (whether securities, notes or other property), a discount for any credit or liquidity risk applicable to the issuer, and shall additionally be discounted to the present value thereof.

Mr. Stephen J. Perkins  
DT Industries, Inc.  
April \_\_, 2004

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If this Agreement is terminated for any reason, Houlihan Lokey shall promptly provide the Company and Bank of America, N.A. as agent for the Company's senior secured lenders with a list of all parties contacted by Houlihan Lokey as part of the process contemplated by this Agreement and parties that participated in the process (individually and collectively a "Houlihan Party"). If this Agreement is terminated for any reason, and the Company consummates, or enters into an agreement in principle to engage in (and which subsequently closes at any time), any Transaction within twelve (12) months after such termination date, Houlihan Lokey shall be entitled to receive its Transaction Fee upon the consummation of such Transaction as if no such termination had occurred; provided that such Transaction is consummated with a Houlihan Party.

Any Transaction Fee shall be paid to Houlihan Lokey by instructing the payer(s) of the Transaction Value to wire transfer the Transaction Fee directly to Houlihan Lokey upon the consummation of the Transaction.

Houlihan Lokey bills its clients for its reasonable out-of-pocket expenses for (i) travel-related expenses, without regard to volume-based or similar credits or rebates Houlihan Lokey may receive from travel agents and airlines on a periodic basis, and (ii) research, database and similar information charges paid to third party vendors, and postage, telecommunication and duplicating expenses, to perform client-related services that are not capable of being identified with, or charged to, a particular client or assignment in a reasonably practicable manner, based upon a uniformly applied monthly assessment or percentage of the fees due to Houlihan Lokey percentage of the fees due to Houlihan Lokey.

3. **Information Confidentiality.** The Company will furnish Houlihan Lokey with such information regarding the business and financial condition of the Company as is reasonably requested, all of which will be, to the Company's best knowledge, accurate and complete in all material respects at the time furnished. The Company will promptly notify Houlihan Lokey if it learns of any material misstatement in, or material omission from, any information previously delivered to Houlihan Lokey. Houlihan Lokey may rely, without independent verification, on the accuracy and completeness of all information furnished by the Company or any other potential party to any Transaction. The Company understands that Houlihan Lokey will not be responsible for independently verifying the accuracy of such information, and shall not be liable for any inaccuracies therein. Except as may be required by law, subpoena or similar judicial process, any opinions or advice (whether written or oral) rendered by Houlihan Lokey pursuant to this Agreement are intended solely for the benefit and use of the Company, and may not be publicly disclosed in any manner or made available to third parties without the prior written consent of Houlihan Lokey, which consent shall not be unreasonably withheld. This Agreement and the engagement contemplated hereby and any non-public information regarding the Company shall not be disclosed by Houlihan Lokey or any of its affiliates, directly or indirectly, to any other person without the prior consent of the Company, except that such information may be disclosed (i) as may be compelled in a judicial or administrative proceeding or as otherwise required by law; and (ii) to their directors, officers, employees, advisors and agents, in each case on a confidential and "need-to-know" basis and only in connection with a Transaction. Notwithstanding anything to the contrary set forth herein or in any other written or oral understanding or agreement to which the parties hereto are parties or by which they are bound, the parties acknowledge and agree that (i) any obligations of confidentiality contained herein and therein do not apply and have not applied from the commencement of discussions between the parties to the tax treatment and tax structure of any Transaction (and any related transactions or arrangements), and (ii) each party (and each of its employees, representatives, or other agents) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of any Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to such party relating to such tax treatment and tax structure, all within the meaning of Treasury Regulations Section 1.6011-4; provided, however, that each party recognizes that the privilege each has to maintain, in its sole discretion, the confidentiality of a communication relating to any Transaction, including a confidential communication with its attorney or a confidential communication with a federally authorized tax practitioner under Section 7525 of the Internal Revenue Code, is not intended to be affected by the foregoing.

4. **Bankruptcy Court Approval.** If the Company becomes a debtor under Chapter 11 of the Bankruptcy Code, the Company shall seek an order authorizing the employment of Houlihan Lokey pursuant to the terms of this Agreement as a professional person pursuant to (and subject to the standard of review of) Section 328(a) of the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders. The employment application and the order authorizing the retention of Houlihan Lokey shall be acceptable to Houlihan Lokey in its sole discretion.

Mr. Stephen J. Perkins  
DTI Industries, Inc.  
April \_\_, 2004

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5. **Lender Consent.** Houlihan Lokey's obligations under this Agreement shall be subject to Houlihan Lokey's receipt of an agreement from the senior secured lenders of the Company evidencing their consent to the payment of Houlihan Lokey's fees and expenses free and clear of the senior secured lenders' liens.

6. **Indemnification Standard of Care.** The Company agrees to provide indemnification, contribution and reimbursement to Houlihan Lokey and certain other parties in accordance with, and further agrees to be bound by the other provisions set forth in, Schedule A attached hereto.

7. **Other Services.** To the extent Houlihan Lokey is requested by the Company to perform any financial advisory or investment banking services which are not within the scope of this assignment, such fees shall be mutually agreed upon by Houlihan Lokey and the Company in writing, in advance, depending on the level and type of services required, and shall be in addition to the fees and expenses described herein above. Except as set forth in the preceding sentence, if after the termination of this Agreement Houlihan Lokey is required to render services directly or indirectly relating to the subject matter of this Agreement (including, but not limited to, producing documents, answering interrogatories, giving depositions, giving expert or other testimony, and whether by subpoena, court process or order, or otherwise), the Company shall pay Houlihan Lokey's then current hourly rates for the persons involved by the time expended in rendering such services, including, but not limited to, time for meetings, conferences, preparation and travel, and all related reasonable out-of-pocket costs and expenses, and the reasonable legal fees and expenses of Houlihan Lokey's legal counsel incurred in connection therewith.

8. **Attorneys' Fees.** If any party to this Agreement brings an action directly or indirectly based upon this Agreement or the matters contemplated hereby against another party, the prevailing party shall be entitled to recover, in addition to any other appropriate amounts, its reasonable costs and expenses in connection with such proceeding, including, but not limited to, reasonable attorneys' fees and court costs.

9. **Credit.** Upon the consummation of a Transaction, Houlihan Lokey may, at its own expense, place a customary "tombstone" advertisement or similar announcement in such form and in such media as Houlihan Lokey deems appropriate, subject to the prior written approval of the Company.

10. **Miscellaneous.** This Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, however, is intended to confer or does confer on any person or entity, other than the parties hereto and their respective successors and permitted assigns and, to the extent expressly set forth in Schedule A attached hereto, the Indemnified Parties, any rights or remedies under or by reason of this Agreement or as a result of the services to be rendered by Houlihan Lokey hereunder.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect pursuant to the terms hereof.

The Company agrees that it will be solely responsible for ensuring that any Transaction complies with applicable law.

This Agreement incorporates the entire understanding of the parties regarding the subject matter hereof, and supersedes all previous agreements or understandings regarding the same, whether written or oral.

This Agreement may not be amended, and no portion hereof may be waived, except in a writing duly executed by the parties.

**THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO SUCH STATE'S RULES CONCERNING CONFLICTS OF LAWS. EACH OF HOULIHAN LOKEY AND THE COMPANY (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS EQUITY HOLDERS) WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) RELATED TO OR ARISING OUT OF THE ENGAGEMENT OF HOULIHAN LOKEY PURSUANT TO, OR THE PERFORMANCE BY HOULIHAN LOKEY OF THE SERVICES CONTEMPLATED BY, THIS AGREEMENT.**

Mr. Stephen J. Perkins  
DT Industries, Inc.  
April \_\_, 2004

Page 5 of 6

Please confirm that the foregoing is in accordance with your understanding of our agreement by signing and returning to us a copy of this letter, together with your payment of the initial portion of the retainer in the amount of \$150,000.

Very truly yours,

**HOULIHAN LOKEY HOWARD & ZUKIN CAPITAL**By: 

David J. Rosen  
Senior Vice President

Accepted and agreed to as of May 7, 2004 by:

DT INDUSTRIES, INC. in its individual capacity  
and on behalf of its subsidiaries

By: 

Name:  
Title:



**SCHEDULE A**

This Schedule is attached to, and constitutes a material part of, that certain agreement dated March 4, 2004, addressed to DT Industries, Inc. by Houlihan Lokey (the "Agreement"). Unless otherwise noted, all capitalized terms used herein shall have the meaning set forth in the Agreement.

As a material part of the consideration for the agreement of Houlihan Lokey to furnish its services under the Agreement, the Company agrees to indemnify and hold harmless Houlihan Lokey and its affiliates, and their respective past, present and future directors, officers, shareholders, employees, agents and controlling persons within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively, the "Indemnified Parties"), to the fullest extent lawful, from and against any and all losses, claims, damages or liabilities (or actions in respect thereof), joint or several, arising out of or related to the Agreement, any actions taken or omitted to be taken by an Indemnified Party (including acts or omissions constituting ordinary negligence) in connection with the Agreement, any Transaction or proposed Transaction contemplated thereby. In addition, the Company agrees to reimburse the Indemnified Parties for any legal or other expenses reasonably incurred by them in respect thereof at the time such expenses are incurred. Notwithstanding the foregoing, the Company shall not be liable under the foregoing indemnity and reimbursement agreement for any, claim, damage or liability which is finally judicially determined to have resulted from the willful misconduct or gross negligence of any Indemnified Party.

If for any reason the foregoing indemnification is unavailable to any Indemnified Party or insufficient to hold it harmless the Company shall contribute to the amount paid or payable by the Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by the Company, on the one hand, and Houlihan Lokey, on the other hand, in connection with the actual or potential Transaction and the services rendered by Houlihan Lokey. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or otherwise, then the Company shall contribute to such amount paid or payable by any Indemnified Party in such proportion as is appropriate to reflect not only such relative benefits, but also the relative fault of the Company, on the one hand, and Houlihan Lokey, on the other hand, in connection therewith, as well as any other relevant equitable considerations. Notwithstanding the foregoing, the aggregate contribution of all Indemnified Parties to any such losses, claims, damages, liabilities and expenses shall not exceed the amount of fees actually received by Houlihan Lokey pursuant to the Agreement.

The Company shall not effect any settlement or release from liability in connection with any matter for which an Indemnified Party would be entitled to indemnification from the Company, unless such settlement or release contains a release of the Indemnified Parties reasonably satisfactory in form and substance to Houlihan Lokey. The Company shall not be required to indemnify any Indemnified Party for any amount paid or payable by such party in the settlement or compromise of any claim or action without the Company's prior written consent.

The Company further agrees that neither Houlihan Lokey nor any other Indemnified Party shall have any liability, regardless of the legal theory advanced, to the Company or any other person or entity (including the Company's equity holders and creditors) related to or arising out of Houlihan Lokey's engagement, except for any liability for losses, claims, damages, liabilities or expenses incurred by the Company which are finally judicially determined to have resulted from the willful misconduct or gross negligence of any Indemnified Party. The indemnity, reimbursement, contribution and other obligations and agreements of the Company set forth herein shall apply to any modifications of the Agreement, shall be in addition to any liability which the Company may otherwise have, and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Company and each Indemnified Party. The foregoing provisions shall survive the consummation of any Transaction, and any termination of the relationship established by the Agreement.



**HOULIHAN LOKEN HOWARD & ZUKIN**

INVESTMENT BANKING SERVICES

www.hlhaz.com

**PERSONAL & CONFIDENTIAL**

March 4, 2004

DT Industries, Inc.  
907 West Fifth Street  
Dayton, Ohio 45407-3306

ATTN: Mr. Stephen J. Perkins

Initial Fee

\$150,000.00

**TOTAL AMOUNT DUE AND PAYABLE**

\$150,000.00

**PAYMENT DUE UPON RECEIPT**

Wire Transfer Instructions:

Wells Fargo Bank

Transit & ABA #121000248

Bank Account #4645-039439

Federal ID #95-4024056

DATE AS 1139453796  
9766-669 04/19/2004

DALLAS 1\3955174\6  
9766-669 04/19/2004

Page 5 of 5

Whitstead Draft 4/19/04

**CONSENT**

This Consent is given by Bank of America, N.A., as Agent under the Fourth Amended and Restated Credit Facilities Agreement (as amended, the "Credit Agreement") among DT Industries, Inc. (along with its affiliates and subsidiaries, the "Company"), the Agent and the institutions from time to time parties thereto as Lenders (collectively, with the Agent, the "Lenders"), and by each of the Lenders and is made with reference to the attached engagement agreement (the "Engagement Agreement") (any terms not defined herein shall have the meaning ascribed in the Engagement Agreement) between the Company and Houlihan Lokey Howard & Zukin Capital ("Houlihan Lokey"), and each of the foregoing parties' successors and assigns.

In consideration for Houlihan Lokey's agreement to render financial advisory and investment banking services to the Company under the terms of the Engagement Agreement, the Agent and the Lenders agree and acknowledge that Houlihan Lokey's Transaction Fee and expenses incurred directly in connection with any Transaction that are due and payable pursuant to the Engagement Agreement, if not otherwise paid by the Company, shall be paid as a cost of each Transaction, which fees and expenses shall be paid to Houlihan Lokey free and clear of any lien, claim or interest that the Lenders may have in the Company's assets or the proceeds thereof. Notwithstanding the foregoing, in the event that the Company becomes obligated to pay a fee to Houlihan Lokey in connection with any Transaction which occurs after the release by the Agent and/or the Lenders, of their liens upon and claims against the Company (whether due to repayment or compromise of such claims), Houlihan Lokey acknowledges and agrees that the Agent and/or the Lenders under the Credit Agreement shall have no obligation hereunder with respect to such fees, except and to the extent that such fees are payable in conjunction with a Transaction that results in the repayment or compromise that results in the release of the liens and satisfaction in whole, or in part, of the claims of the Lenders, in which event, the Agent and/or Lenders shall hold any proceeds of such Transaction in constructive trust for Houlihan Lokey to satisfy any Transaction Fee and expenses due and payable to Houlihan Lokey pursuant to the Engagement Agreement in connection with such Transactions (but not any other Transactions). No constructive trust shall arise or exist unless notice thereof is provided by Houlihan Lokey to the Agent and the Lenders within fifteen (15) days of the closing of the relevant Transaction.

Solely for the purposes of this Consent, a Transaction shall NOT include: (i) any restructure or rearrangement of the Company's senior secured debt, or any conversion of all or a portion thereof to equity; or (ii) any restructure or rearrangement of the Company's 7.15% Convertible Junior Subordinated Deferrable Interest Debentures, or conversion of all or a portion thereof to equity; or (iii) any Transaction with a party other than a Houlihan Party after termination of Houlihan Lokey's engagement.

To the extent that the Lenders are ever required pursuant to this Consent to pay over to Houlihan Lokey a Transaction Fee or hold any monies in a constructive trust for such purpose, then any valuation required under the terms of the Engagement Letter shall be required to be satisfactory to Houlihan Lokey and the Lenders (without the need for the agreement of the Company), and furthermore no agreement of the Company shall be required in connection with the selection of an independent third party to provide a valuation if required.

The Agent and each of the Lenders hereby agree, to the extent that the Lenders obtain title to, or control over, the assets of the Company, consensually or non-consensually, by foreclosure or otherwise, and the Lenders within one year after the earlier of termination of Houlihan Lokey's engagement or such acquisition of title or control over, sell all or substantially all of the Company's assets as a going concern to a Houlihan Party, that the Lenders shall pay to Houlihan Lokey, solely from the proceeds of such sale, if, as and when received by Lenders, a Transaction Fee calculated in the same manner described in the Engagement Agreement. For purposes of such calculation Transaction Value shall be determined based upon the total proceeds and other consideration received by the Lenders in such sale in the same fashion as if the Company, rather than the Lenders, were the seller. This paragraph shall not apply to any sale of the Company's stock which the Lenders may receive in satisfaction of all or part of their claims against the Company.

Notwithstanding anything to the contrary contained herein, no Transaction Fee shall be payable with respect to the sale of all or any part of the European assets of the Company unless and until, and only to the extent that, the

proceeds thereof are received by the Company or its estate or its creditors including the Lenders. Furthermore, for purposes of calculating Transaction Value, the parties hereto specifically agree that any liabilities and indebtedness of the subsidiaries and affiliates of the Company organized under the laws of a jurisdiction other than the United States of America or a state thereof (the "Foreign Companies") which are assumed in connection with a Transaction shall not be included in the calculation of Transaction Value, nor shall any liabilities or indebtedness of the Company and its subsidiaries who are organized under the laws of the United States of America or a state thereof for the obligations of the Foreign Companies, whether by guarantee or otherwise, which are relieved or released in connection with a Transaction be included in the calculation of Transaction Value.

The Agent and each of the Lenders hereby agree that, in the event that the Company becomes a debtor in a Chapter 11 proceeding (whether voluntarily or involuntarily), the Agent and each of the Lenders shall use their best efforts to support the Company's efforts to have the Bankruptcy Court authorize Houlihan Lokey's retention as the Company's investment banker pursuant to the Engagement Agreement so long as there are at that time continuing negotiations with respect to a pending Transaction which the Lenders and the Company agree to continue pursuing towards closure (provided that this shall not constitute a consent by the Lenders to any such Transaction). Notwithstanding the foregoing, Houlihan Lokey's failure, for any reason, to be retained in the Chapter 11 case, or Houlihan Lokey's retention on different terms that are no more burdensome to the Company, shall not affect the obligations of the Agent and the Lenders hereunder, except that in such event Houlihan Lokey's Transaction Fee shall be reduced by the amount of any similar kind of fee paid to any other investment banker, liquidator or similar person whose retention is authorized by the Bankruptcy Court to perform the services to be performed by Houlihan Lokey under the Engagement Agreement, except that such Transaction Fee shall be payable solely from consideration actually received by the Lenders and shall be payable only if, as and when received by the Lenders. For clarity, if the Lenders have not received consideration from Transactions or have already paid all consideration received from Transactions to Houlihan Lokey in payment of Transaction Fees, the Lenders shall have no obligation to pay Houlihan Lokey unless and until such time as the Lenders receive additional consideration from one or more Transactions.

Nothing in this Consent shall be deemed to be a consent to any Transaction, and the Agent and the Lenders hereby reserve all their rights under the Credit Agreement and at law, including the right to consent or withhold their consent with respect to any proposed Transaction for any reason, including, without limitation, the form or amount of net proceeds therefrom, and the right to exercise their rights and remedies under the Credit Agreement, at law or equity. This Consent shall not be affected by any action taken by the Company pursuant to the United States Bankruptcy Code, 11 U.S.C. §§101 et seq.

This Consent shall be effective as of the Effective Date under the Engagement Agreement.

The agreements of the Agent and the Lenders herein are several, and not joint and several, obligations of such persons. Neither the Agent nor any Lender shall have any liability for the performance of the obligations hereunder of any other Lender. Each Lender's obligation to pay Houlihan Lokey a Transaction Fee is limited to such Lender's pro rata share thereof determined in accordance with such Lender's pro rata share of the Lenders' Exposure under and as defined in the Credit Agreement.

**HOULIHAN LOKEY HOWARD & ZUKIN CAPITAL**

By: 

David J. Rosen  
Senior Vice President

Bank of America, N.A., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_

Its: \_\_\_\_\_

**Dear Stearns & Co., on its own behalf and on behalf of its successors and assigns**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**The Bank of Nova Scotia, on its own behalf and on behalf of its successors and assigns**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**William E. Simons & Sons Special Situation Partners, L.P., on its own behalf and on behalf of its successors and assigns**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**National City Bank, on its own behalf and on behalf of its successors and assigns**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**Hourglass Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**OZ Special Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**U.S. Bank National Association, on its own behalf and on behalf of its successors and assigns**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**Acknowledged and agreed by:**

**DT Industries, Inc., on its own behalf and on behalf of its affiliates and subsidiaries and each of the foregoing's successors and assigns**

By:   
Its: \_\_\_\_\_

Page 3 of 5

Hollis and Larry Carson 4/24/04

Dear Stearns &amp; Co., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

The Bank of Nova Scotia, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

William R. Simmons &amp; Sons Special Situation Partners, L.P., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

National City Bank, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Houffman Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

OZ Special Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_~~XXXXXXXXXXXXXXXXXXXX~~ on its own behalf and on behalf of its successors and assignsBy:   
Its: Timothy N. Schor  
Vice President

Acknowledged and agreed by:

DT Industries, Inc., on its own behalf and on behalf of its affiliates and subsidiaries and each of the foregoing's successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

(c)

(c)

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From-0075005005

To-HOULIHAN LOKEY

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### CONSENT

This Consent is given by Bank of America, N.A., as Agent under the Fourth Amended and Restated Credit Facilities Agreement (as amended, the "Credit Agreement") among DT Industries, Inc. (along with its affiliates and subsidiaries, the "Company"), the Agent and the institutions from time to time parties thereto as Lenders (collectively, with the Agent, the "Lenders"), and by each of the Lenders and is made with reference to the attached engagement agreement (the "Engagement Agreement") (any terms not defined herein shall have the meaning ascribed in the Engagement Agreement) between the Company and Houlihan Lokey Howard & Zukin Capital ("Houlihan Lokey"), and each of the foregoing parties' successors and assigns.

In consideration for Houlihan Lokey's agreement to render financial advisory and investment banking services to the Company under the terms of the Engagement Agreement, the Agent and the Lenders agree and acknowledge that Houlihan Lokey's Transaction Fees and expenses incurred directly in connection with any Transaction that are due and payable pursuant to the Engagement Agreement, if not otherwise paid by the Company, shall be paid as a cost of each Transaction, which fees and expenses shall be paid to Houlihan Lokey free and clear of any lien, claim or interest that the Lenders may have in the Company's assets or the proceeds thereof. Notwithstanding the foregoing, in the event that the Company becomes obligated to pay a fee to Houlihan Lokey in connection with any Transaction which occurs after the release by the Agent and/or the Lenders, of their liens upon and claims against the Company (whether due to repayment or compromise of such claims), Houlihan Lokey acknowledges and agrees that the Agent and/or the Lenders under the Credit Agreement shall have no obligation hereunder with respect to such fees, except and to the extent that such fees are payable in conjunction with a Transaction that results in the repayment or compromise that results in the release of the liens and satisfaction in whole, or in part, of the claims of the Lenders, in which event, the Agent and/or Lenders shall hold any proceeds of such Transaction in constructive trust for Houlihan Lokey to satisfy any Transaction Fee and expenses due and payable to Houlihan Lokey pursuant to the Engagement Agreement in connection with such Transactions (but not any other Transactions). No constructive trust shall arise or exist unless notice thereof is provided by Houlihan Lokey to the Agent and the Lenders within fifteen (15) days of the closing of the relevant Transaction.

Solely for the purposes of this Consent, a Transaction shall NOT include: (i) any restructure or rearrangement of the Company's senior secured debt, or any conversion of all or a portion thereof to equity; or (ii) any restructure or rearrangement of the Company's 7.16% Convertible Junior Subordinated Deferrable Interest Debentures, or conversion of all or a portion thereof to equity; or (iii) any Transaction with a party other than a Houlihan Party after termination of Houlihan Lokey's engagement.

To the extent that the Lenders are ever required pursuant to this Consent to pay over to Houlihan Lokey a Transaction Fee or hold any monies in a constructive trust for such purpose, then any valuation required under the terms of the Engagement Letter shall be required to be satisfactory to Houlihan Lokey and the Lenders (without the need for the agreement of the Company), and furthermore no agreement of the Company shall be required in connection with the selection of an independent third party to provide a valuation if required.

The Agent and each of the Lenders hereby agree, to the extent that the Lenders obtain title to, or control over, the assets of the Company, consensually or non-consensually, by foreclosure or otherwise, and the Lenders within one year after the earlier of termination of Houlihan Lokey's engagement or such acquisition of title or control over, sell all or substantially all of the Company's assets as a going-concern to a Houlihan Party, that the Lenders shall pay to Houlihan Lokey, solely from the proceeds of such sale, if, as and when received by Lenders, a Transaction Fee calculated in the same manner described in the Engagement Agreement. For purposes of such calculation Transaction Value shall be determined based upon the total proceeds and other consideration received by the Lenders in such sale in the same fashion as if the Company, rather than the Lenders, were the seller. This paragraph shall not apply to any sale of the Company's stock which the Lenders may receive in satisfaction of all or part of their claims against the Company.

Notwithstanding anything to the contrary contained herein, no Transaction Fee shall be payable with respect to the sale of all or any part of the European assets of the Company unless and until, and only to the extent that, the

proceeds thereof are received by the Company or its estate or its creditors including the Lenders. Furthermore, for purposes of calculating Transaction Value, the parties hereto specifically agree that any liabilities and indebtedness of the subsidiaries and affiliates of the Company organized under the laws of a jurisdiction other than the United States of America or a state thereof (the "Foreign Companies") which are assumed in connection with a Transaction shall not be included in the calculation of Transaction Value, nor shall any liabilities or indebtedness of the Company and its subsidiaries who are organized under the laws of the United States of America or a state thereof for the obligations of the Foreign Companies, whether by guarantee or otherwise, which are relieved or released in connection with a Transaction be included in the calculation of Transaction Value.

The Agent and each of the Lenders hereby agree that, in the event that the Company becomes a debtor in a Chapter 11 proceeding (whether voluntarily or involuntarily), the Agent and each of the Lenders shall use their best efforts to support the Company's efforts to have the Bankruptcy Court authorize Houlthian Lokoy's retention as the Company's investment banker pursuant to the Engagement Agreement so long as there are at that time continuing negotiations with respect to a pending Transaction which the Lenders and the Company agree to continue pursuing towards closure (provided that this shall not constitute a consent by the Lenders to any such Transaction). Notwithstanding the foregoing, Houlthian Lokoy's failure, for any reason, to be retained in the Chapter 11 case, or Houlthian Lokoy's retention on different terms that are no more burdensome to the Company, shall not affect the obligations of the Agent and the Lenders hereunder, except that in such event Houlthian Lokoy's Transaction Fee shall be reduced by the amount of any similar kind of fee paid to any other investment banker, liquidator or similar person whose retention is authorized by the Bankruptcy Court to perform the services to be performed by Houlthian Lokoy under the Engagement Agreement, except that such Transaction Fee shall be payable solely from consideration actually received by the Lenders and shall be payable only if, as and when received by the Lenders. For clarity, if the Lenders have not received consideration from Transactions or have already paid all consideration received from Transactions to Houlthian Lokoy in payment of Transaction Fees, the Lenders shall have no obligation to pay Houlthian Lokoy unless and until such time as the Lenders receive additional consideration from one or more Transactions.

Nothing in this Consent shall be deemed to be a consent to any Transaction, and the Agent and the Lenders hereby reserve all their rights under the Credit Agreement and at law, including the right to consent or withhold their consent with respect to any proposed Transaction for any reason, including, without limitation, the form or amount of not proceeds therefrom, and the right to exercise their rights and remedies under the Credit Agreement, at law or equity. This Consent shall not be affected by any action taken by the Company pursuant to the United States Bankruptcy Code, 11 U.S.C. §§101 et seq.

This Consent shall be effective as of the Effective Date under the Engagement Agreement.

The agreements of the Agent and the Lenders herein are several, and not joint and several, obligations of such persons. Neither the Agent nor any Lender shall have any liability for the performance of the obligations hereunder of any other Lender. Each Lender's obligation to pay Houlthian Lokoy a Transaction Fee is limited to such Lender's pro rata share thereof determined in accordance with such Lender's pro rata share of the Lenders' Exposure under and as defined in the Credit Agreement.

**HOULTHIAN LOKEY HOWARD & ZUKEN CAPITAL**

By:

David J. Rosen  
Senior Vice President

Bank of America, N.A., on its own behalf and on behalf of its successors and assigns

By: Michael W. Colon  
Its: Principal

Bear Stearns & Co., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

The Bank of Nova Scotia, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

William E. Simons & Sons Special Situation Partners, L.P., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

National City Bank, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Hourglass Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

OZ Special Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

[REDACTED], on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Bear Stearns & Co., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
In: \_\_\_\_\_

The Bank of Nova Scotia, on its own behalf and on behalf of its successors and assigns

By: Brian Costa  
In: Director

William E. Simons & Sons Special Situation Partners, L.P., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
In: \_\_\_\_\_

National City Bank, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
In: \_\_\_\_\_

Houglum Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
In: \_\_\_\_\_

OZ Special Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
In: \_\_\_\_\_

~~DT Industries, Inc., on its own behalf and on behalf of its successors and assigns~~

By: \_\_\_\_\_  
In: \_\_\_\_\_

Acknowledged and agreed by:

DT Industries, Inc., on its own behalf and on behalf of its affiliates and subsidiaries and each of the foregoing's successors and assigns

By: \_\_\_\_\_  
In: \_\_\_\_\_

Dear Searns & Co., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

The Bank of Nova Scotia, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

William K. Simon & Sons Special Situation Partners, L.P., on its own behalf and on behalf of its successors and assigns

By:  JOHN E. KLINGE  
Its: Principal

National City Bank, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Houglass Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

OZ Special Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

U.S. Bank National Association, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Acknowledged and agreed by:

DT Industries, Inc., on its own behalf and on behalf of its affiliates and subsidiaries and each of the foregoing's successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Bear Stearns & Co., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

The Bank of Nova Scotia, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

William E. Simons & Sons Special Situation Partners, L.P., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

National City Bank, on its own behalf and on behalf of its successors and assigns

By:   
Its: Vice President

Highhaus Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

OZ Special Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

~~REDACTED~~ on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Acknowledged and agreed by:

DT Industries, Inc., on its own behalf and on behalf of its affiliates and subsidiaries and each of the foregoing's successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Dear Starns & Co., on its own behalf and on behalf of its successors and assigns

By: [Signature]  
Its: JOHN E. McDERMOTT  
SENIOR MANAGING DIRECTOR

The Bank of New York, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

William R. Simon & Sons Special Situation Partners, L.P., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

National City Bank, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Houglase Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns

By: [Signature]  
Its: Member

OZ Special Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

DT Industries, Inc., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Acknowledged and agreed by:

DT Industries, Inc., on its own behalf and on behalf of its affiliates and subsidiaries and each of the foregoing's successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Bear Stearns & Co., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

The Bank of Nova Scotia, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

William E. Simons & Sons Special Situation Partners, L.P., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

National City Bank, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Seavault Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

OZ Special Master Fund, Ltd., on its own behalf and on behalf of its successors and assigns  
By: OZ Management, L.L.C., its Investment Manager

By: \_\_\_\_\_  
Its: Senior Managing Member

U.S. Bank National Association, on its own behalf and on behalf of its successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Acknowledged and agreed by:

DT Industries, Inc., on its own behalf and on behalf of its affiliates and subsidiaries and each of the foregoing's successors and assigns

By: \_\_\_\_\_  
Its: \_\_\_\_\_