

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

In re:) Chapter 11
)
DT INDUSTRIES, INC., et al.,¹) Case No. 04-34091
) (Jointly Administered)
Debtors.)
) Honorable Lawrence S. Walter

**EMERGENCY EX PARTE MOTION OF DEBTORS FOR AN ORDER
CONVENING AN EXPEDITED HEARING ON THE DEBTORS' MOTION
FOR ORDERS AUTHORIZING AND APPROVING (I) THE SALE OF CERTAIN
OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND
INTERESTS, (II) THE ASSUMPTION AND ASSIGNMENT OF CERTAIN
EXECUTORY CONTRACTS AND UNEXPIRED LEASES, (III) THE FORM AND
MANNER OF SALE NOTICES, AND (IV) CERTAIN SALE PROCEDURES,
INCLUDING THE PAYMENT OF A BREAK-UP FEE**

The above captioned debtors and debtors in possession (collectively, the "Debtors"), respectfully request that the Court enter an order convening an expedited hearing on or about May 25, 2004 to consider that portion of the Debtors' Motion for Orders Authorizing and Approving (I) the Sale of Certain of the Debtors' Assets Free and Clear of Liens, Claims and Interests, (II) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (III) the Form and Manner of Sale Notices, and (IV) Certain Sale Procedures Including the Payment of a Break-up fee (the "Sale Motion"), pertaining to the establishment of procedures for the auction sale of the Debtors' assets, the form and manner of notice thereof and the payment of a break-up fee to the prospective purchaser and entry of the Order Approving (A) Bidding Procedures; (B) the Form and Manner of Notice of (I) the Sale of Certain Assets, and (II) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and

¹ 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.

(C) the Break-up Fee (the “Procedures Order”)², pursuant to section 105 of title 11 of the United States Code (the “Bankruptcy Code”) and Local Bankruptcy Rule 9073-1. In support of this Motion, the Debtors respectfully represent as follows:

I. JURISDICTION

1. The Court has jurisdiction over this Motion under 28 U.S.C. §§ 157 and 1334 and Bankruptcy Rule 5005. This matter is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

II. INTRODUCTION

2. On May 12, 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.

3. On May 12, 2004, DT Industries, Inc., Detroit Tool and Engineering Company, Assembly Technology and Test, Inc., and Advanced Assembly Automation, Inc. (collectively, the “Sellers”) entered into the Asset Purchase Agreement (the “Sale Agreement”) with Assembly and Test Worldwide, Inc. (the “Purchaser”) subject to court approval.

4. No trustee, examiner or committee has been appointed in these chapter 11 cases.

III. RELIEF REQUESTED

5. The Debtors respectfully request that the Court enter an order convening an expedited hearing to establish the procedures for the sale of the assets of the Debtors, approve the form and manner of notice thereof and consider approval of the break up fee (collectively, the “Sale Procedures”) on or about May 25, 2004.

A. Reasons for Expedited Hearing

² The Procedures Order is Exhibit B to the Sale Motion.

6. The Debtors have extensively marketed their assets for three months prior to the Petition Date with Houlihan Lokey Howard & Zukin acting as their investment bankers in the sale of the assets. On the Petition Date, the Sellers entered into the Sale Agreement with the Purchaser. Pursuant to the Sale Agreement, the Sale Procedures must be approved by this Court on or before May 30, 2004 and an order approving the sale must be entered by June 30, 2004 with a closing on or before July 15, 2004. If the Sale Procedures are not approved on or before May 30, 2004, the Purchaser may terminate the Sales Agreement. Such termination would constitute a default under the Debtors' Debtor-in-possession loan facility, resulting almost certainly in the liquidation of the Debtors' estates substantially reducing the recovery for the creditors of the Debtors. Further, the Debtor's cash position will deteriorate substantially if the sale does not close by the required closing date of July 15, 2004. If no other financing is obtained at that time, the Debtors' will not be able to maintain their operations at the present level resulting in a decrease in the value of the assets of these estates. Thus, it is critical that the Sale Procedures be heard on an expedited basis so that the Debtors are able to seek entry of an order approving the sale by June 30, 2004.

B. Parties Affected by the Relief Requested

7. The parties affected by the relief requested in the Sale Motion pertaining to the Procedures Order are those parties listed on the Debtors' Master Service List.

C. Proposed Method of Notification of Expedited Hearing

8. The Debtors propose to serve notice of the Sale Motion and the Notice of Expedited Hearing thereon via **Fed-Ex Next Day Delivery**, on the Debtors' Master Service List.

D. Summary of the Evidence

9. In accordance with Local Rule 9073-1, attached hereto as "Exhibit A" is the proposed *Notice of Expedited Hearings* and attached as "Exhibit B" is the proposed Order Granting Emergency Ex Parte Hearing on Sale Motion filed by the Debtors on May 17, 2004.

WHEREFORE, the Debtors respectfully request that the Court enter an order: (i) setting an expedited hearing on the portion of the Sale Motion pertaining to the Sale Procedures and the Procedures Order on or about May 25, 2004; (ii) approving the form of notice attached hereto as Exhibit A; (iii) finding that service of the Sale Motion upon the Master Service List shall be sufficient and adequate notice under the circumstances and in full compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules of this Court; and (iv) granting such other and further relief as the Court may deem proper.

Dated: May 17, 2004

Respectfully Submitted,

DT INDUSTRIES, INC., et al.

By: s/ Julia Brand

One of its attorneys

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EXHIBIT A

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

In re:) Chapter 11
)
DT INDUSTRIES, INC., et al.,¹) Case No. 04-34091
) (Jointly Administered)
Debtors.)
) Honorable Lawrence S. Walter

NOTICE OF EXPEDITED HEARINGS

PLEASE TAKE NOTICE that on May 17, 2004 the above captioned debtors and debtors in possession (collectively, the “Debtors”), filed their Motion for Orders Authorizing and Approving (I) the Sale of Certain of the Debtors’ Assets Free and Clear of Liens, Claims and Interests, (II) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (III) the Form and Manner of Sale Notices, and (IV) Certain Sale Procedures Including the Payment of a Break-up fee (the “Sale Motion”).

PLEASE TAKE FURTHER NOTICE that an expedited hearing will be held before the Honorable Lawrence S. Walter at the United States Bankruptcy Court for the Southern District of Ohio, Western Division - Dayton, 120 West Third Street, Dayton, Ohio 45402, on **May __, 2004 at __: __ .m.**, or as soon thereafter as counsel may be heard to consider the procedures for the sale of the Debtors’ assets, the form and manner of notice thereof, the payment of a break-up fee and entry of the Order Approving (A) Bidding Procedures; (B) the Form and Manner of Notice of (I) the Sale of Certain Assets, and (II) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (C) the Break-up Fee.

¹ 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.

Attached hereto as Exhibit A is a copy of the Sale Motion that is the subject of the expedited hearing.

Dated: May 17, 2004

Respectfully Submitted,

DT INDUSTRIES, INC., at al.

By: s/ Julia Brand

One of its attorneys

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EXHIBIT B

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

In re:) Chapter 11
)
DT INDUSTRIES, INC., et al.³) Case No. 04-34091
) (Jointly Administered)
Debtors.)
) Honorable Lawrence S. Walter

**ORDER GRANTING EXPEDITED HEARINGS ON THE DEBTORS' MOTION FOR
ORDERS AUTHORIZING AND APPROVING (I) THE SALE OF CERTAIN OF THE
DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS, (II)
THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS
AND UNEXPIRED LEASES, (III) THE FORM AND MANNER OF SALE NOTICES,
AND (IV) CERTAIN SALE PROCEDURES, INCLUDING
THE PAYMENT OF A BREAK-UP FEE**

This matter is before the Court on the Emergency Ex Parte Motion of Debtors for an Order Convening Expedited Hearings on the Debtors' Motion for Orders Authorizing and Approving (I) the Sale of Certain of the Debtors' Assets Free and Clear of Liens, Claims and

³ 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.

Interests, (II) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (III) the Form and Manner of Sale Notices, and (IV) Certain Sale Procedures, Including the Payment of a Break-up Fee (the “Motion”) filed by the above captioned debtors and debtors in possession (collectively, the “Debtors”). The Court having reviewed the Motion and having read the statements of counsel in support of the relief requested therein; the Court finding that (a) the Court has jurisdiction over these matters pursuant to 28 U.S.C. §§ 157 and 1334, (b) these are core proceedings pursuant to 28 U.S.C. § 157(b)(2), and (c) the Court finding that notice of the Motion was sufficient under the circumstances; and the Court being fully advised in the premises and having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein:

IT IS HEREBY ORDERED THAT:

1. The Motion shall be, and hereby is, GRANTED.
2. An expedited hearing on the portion of the Sale Motion pertaining to the Sales Procedures and the Procedures Order (as such terms are defined in the Motion), shall be, and hereby is, set for May _____, 2004, at ____:____ m.
3. The form of the notice attached to the Motion as Exhibit A and incorporated therein by reference shall be, and hereby is, approved.
4. Service of the notice of filing of the Motion and the expedited hearing thereon via **overnight delivery on the Debtors’ Master Service List** is deemed to be sufficient and adequate notice under the circumstances and in full compliance with the applicable provisions of the Bankruptcy Code, 11 U.S.C. §§ 101-1330, the Federal Rules of Bankruptcy Procedure and the Local Rules of this Court.

cc:

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See attached service list.

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