

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	
	)	Chapter 11
Met-Coil Systems Corporation,	)	
	)	Case No. 03-12676 (MFW)
	)	
Debtor.	)	

**DEBTOR'S MOTION TO LIMIT NOTICE WITH RESPECT TO  
DEBTOR'S MOTION TO APPROVE SETTLEMENT AGREEMENTS  
REGARDING CLAIM NOS. 175, 195, 196, 197, 198, 199 AND 200**

Met-Coil Systems Corporation, debtor and debtor-in-possession (the "**Debtor**"), by and through its undersigned counsel, hereby moves this Court for the entry of an order ("**Motion to Limit Notice**"), pursuant to Rule 2002(i) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), limiting notice with respect to the Debtor's Motion To Approve Settlement Agreements Regarding Claim Nos. 175, 195, 196, 197, 198, 199 and 200 (the "**Motion to Approve**")<sup>1</sup>, and in support hereof, respectfully states as follows:

**JURISDICTION**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. Consideration of this Motion to Limit Notice is a core proceeding pursuant to 28 U.S.C. § 157(b)(A) and (B).

2. The predicates for the relief requested herein are Bankruptcy Rules 2002 and 9019.

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion to Approve.

## INTRODUCTION

3. On August 26, 2003 (the "**Petition Date**"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

4. The Debtor is operating its business as a debtor in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. An official committee of unsecured creditors (the "**Committee**") has been appointed.

5. On June 22, 2004, the Debtor filed the Fourth Amended Chapter 11 Plan of Reorganization Proposed by Met-Coil Systems Corporation and Mestek, Inc., as Co-Proponents (as amended, modified or supplemented, the "**Plan**"). The confirmation hearing with respect to the Plan is scheduled to commence on July 28, 2004.

6. The Debtor has been involved in several personal injury lawsuits over the alleged release of trichloroethylene ("**TCE**") into the soil at its facility in Lisle, Illinois (the "**Lisle Facility**"). The Lisle Facility is operated by one of the Debtor's operating divisions, The Lockformer Company ("**Lockformer**"). The personal injury lawsuits are: Pelzer and Pepping v. Lockformer et al., Case No. 01-C-6485, Meyer v. Lockformer et al., Case No. 02-C-2672, Wroble v. Lockformer et al., Case No. 02-C-4992, Hallmer v. Lockformer et al., Case No. 02-C-7066, Ehrhart v. Lockformer et al., Case No. 02-CV-7068 and Schreiber v. Lockformer et al., Case No. 02-C-6097 (collectively, the "**Lawsuits**").

7. To avoid the costs of litigating the Lawsuits, the Debtor and the plaintiffs in the Lawsuits have agreed to settle the matters among them as set forth in the Settlement Agreements. The Debtor has determined in its sound and reasonable business judgment that its

creditors will benefit from the Settlement Agreements because the settlements will eliminate the expenses that the Debtor would be required to incur to continue to litigate the Lawsuits.

### **Relief Requested**

8. In the Motion to Approve, the Debtor seeks entry of an order approving the Settlement Agreements. As more fully described in such motions, the Debtor has concluded, in the exercise of its sound and reasonable business judgment, that entering into the Settlement Agreements is in the best interests of the Debtor's estate and its creditor constituencies. By this Motion, the Debtor requests that the Court enter an order limiting the parties upon whom notice is normally required for settlement motions to the following: (a) the Office of the United States Trustee for the District of Delaware; (b) counsel for the Debtor's secured lender; (c) counsel for the Committee; (d) counsel for the respective plaintiffs; (e) counsel for the future claimants' representative; and (f) all parties that have requested notice of pleadings pursuant to Bankruptcy Rule 2002. In the Disclosure Statement, the Debtor included a description of the settlement terms with Schreiber, and advised recipients of the Disclosure Statement that agreements in principle had been reached with the other plaintiffs in the Lawsuits.

### **Basis for Relief**

9. Bankruptcy Rule 9019(a) provides, "[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Notice shall be given to creditors, the United States trustee, the debtor, and indenture trustees as provided in Rule 2002 and to any other entity as the court may direct." Fed. R. Bankr. P. 9019.

10. Bankruptcy Rule 2002(a)(3) requires 20 days notice by mail to the debtor, the trustee, all creditors and indenture trustees of "a hearing on approval of compromise or settlement of a controversy. . . ." Fed. R. Bankr. 2002(a)(3).

11. Bankruptcy Rule 2002(i) provides:

Copies of all notices required to be mailed pursuant to this rule shall be mailed to the committees elected under § 705 or appointed under § 1102 of the Code or to their authorized agents. Notwithstanding the foregoing subdivisions, the court may order that notices required by subdivisions (a)(2), (3) and (6) of this rule be transmitted to the United States trustee and be mailed only to the committees elected under § 705 or appointed under § 1102 of the Code or to their authorized agents and to the creditors and equity security holders who serve on the trustee or debtor in possession and file a request that all notices be mailed to them.

Fed. R. Bankr. P. 2002(i).

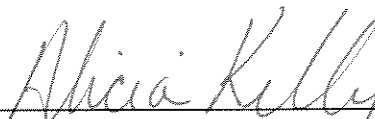
12. The Debtor submits that cause exists to limit notice of the Motion to Approve to the parties listed in Paragraph 8 above. There are thousands of creditors in this case. Requiring the Debtor to give notice to each creditor would be burdensome and would defeat the purpose of the Motion to Approve, to efficiently and economically settle the disputes among the parties thereto.

13. There is no likelihood of material prejudice to creditors and parties-in-interest if the Court grants the relief requested herein, particularly in light of the fact that the settlements under the Settlement Agreements were generally described in the Disclosure Statement.

WHEREFORE, the Debtor respectfully requests that the Court enter an order (i) approving the form, manner and sufficiency of the notice of the Motion to Approve as contemplated herein and (ii) granting such other and further relief as the Court deems just and proper.

Dated: July 20, 2004

MORRIS, NICHOLS, ARSHT & TUNNELL



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