

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Chapter 11

Sheldahl, Inc.,

Bky Case No. 02-31674

Debtor.

**NOTICE OF HEARING AND STEERING COMMITTEE'S
FIRST OMNIBUS OBJECTION TO CLAIMS**

TO: Entities specified in Local Rule 3007-1.

1. The Sheldahl, Inc. Steering Committee (the "Steering Committee" or "Movant"), appointed pursuant to the joint plan of liquidation dated May 8, 2003, as modified on July 9, 2003 (the "Plan") of Sheldahl, Inc. (the "Debtor"), moves this Court for the relief requested below and gives notice of hearing herewith.

2. The Court will hold a hearing on the Movant's motion (the "Motion") on **September 1, 2004 at 10:30 a.m.**, or as soon thereafter as counsel may be heard, in Courtroom No. 228A, United States Courthouse, 316 North Robert Street, St. Paul, Minnesota.

3. Any response to this Motion must be filed and delivered to Movant so as to be received no later than **August 25, 2004**, which is seven (7) days before the date set for the hearing or filed and served by mail not later than **August 20, 2004**, which is ten (10) days before the date set for the hearing. **UNLESS A RESPONSE OPPOSING THIS MOTION IS TIMELY FILED, THE COURT MAY GRANT THE**

MOTION WITHOUT A HEARING. In the event a response is timely filed, Movant requests that the Court treat the hearing scheduled above as a scheduling conference for purposes of setting the matter for evidentiary hearing.

4. This Court has jurisdiction over this Motion under 28 U.S.C. §§157 and 1334, Rules 5005 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Local Bankruptcy Rule 1070-1. This is a core proceeding. The petition commencing the above-referenced Chapter 11 case was filed on April 30, 2002 (the “Petition Date”). The case is now pending in this Court.

5. This Motion arises under 11 U.S.C. §502 and Bankruptcy Rule 3007 and Local Bankruptcy Rule 3007-1. The Motion is filed under Bankruptcy Rule 3007 and Local Rule 9013-1 to 9013-5. Movant requests an Order of the Court disallowing, expunging, reducing, and/or subordinating certain proofs of claim filed by Claimants against the Debtor’s estate (collectively, the “Disputed Claims”).

BACKGROUND

6. On the Petition Date, the Debtor filed a voluntary petition for relief pursuant to Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Minnesota.

7. The United States Trustee for Region 12 appointed an Official Committee of Unsecured Creditors (the “Committee”) consisting of the following five (5) members: Qualitek Eng. & Manufacturing, Kaneka High-Tech Materials, Inc., Alps Automotive, Inc., Unisource Worldwide and BCC Equipment Leasing.

8. On May 29, 2002, the Debtor filed, pursuant to Bankruptcy Rule 1007, schedules of assets and liabilities and a statement of financial affairs, as may be amended from time to time (collectively, the "Schedules").

9. September 11, 2002 was fixed as the last date to assert claims against the Debtor that arose prior to the Petition Date (the "Bar Date"). October 28, 2003, was fixed as the last date for governmental units to file proofs of claim (the "Governmental Bar Date"). In addition, by order dated November 4, 2003, this Court fixed December 12, 2003, as the last date to file claims arising from and after the Petition Date through and including October 31, 2003 (the "Administrative Bar Date").

10. By order dated August 21, 2002 (the "Sale Order"), this Court approved a sale of substantially all of the Debtor's assets to Northfield Acquisition Co. ("NAC") pursuant to Section 363(b) of the Bankruptcy Code. A closing on the sale transaction was held and concluded on August 30, 2002.

11. By order dated February 6, 2004, the Bankruptcy Court confirmed the Plan, which became effective on February 16, 2004. Pursuant to the Plan, the members of the Committee were appointed to the Steering Committee.

12. Pursuant to the Plan, the Steering Committee and the Liquidating Agent are authorized to act as a representative of the estate within the meaning of 11 U.S.C. §1123(b)(3)(B). The Plan provides that the Steering Committee shall retain and enforce all rights and interests of the Debtor.

LEGAL BASIS FOR RELIEF REQUESTED

13. Movant seeks entry of an Order expunging, disallowing and/or subordinating the Disputed Claims enumerated in Exhibits A through D, pursuant to

Section 502 of the Bankruptcy Code and Bankruptcy Rule 3007. Section 502 of the Bankruptcy Code provides, in pertinent part, as follows:

(a) A claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest, including a creditor of a general partner in a partnership that is a debtor in a case under Chapter 7 of this title, objects.

14. Bankruptcy Rule 3007 provides:

An objection to the allowance of a claim shall be in writing and filed. A copy of the objection with notice of the hearing thereon shall be mailed or otherwise delivered to the claimant, the debtor or debtor in possession and the trustee at least 30 days prior to the hearing. If an objection to the claim is joined with a demand for relief of the kind specified in Rule 7001, it becomes an adversary proceeding.

15. The relief sought is in the best interests of the Debtor's estate.

Movant has reviewed the Disputed Claims and asserts objections to such claims on the following grounds:

RELIEF REQUESTED

A. Duplicate and/or Superseded Claims.

16. The claims set forth on Exhibit A are claims that have been filed in duplicate and/or have been superseded by a later filed claim. The Movant seeks to expunge the earlier filed claim as duplicative of and/or superseded by the later filed claim.

B. Proofs of Claims Filed By Shareholders.

17. The alleged claims set forth on Exhibit B are not claims as defined by 11 U.S.C. §101(5). Rather, they represent equity interests in the Debtor. Accordingly, the Debtor seeks to expunge all of the alleged claims set forth therein as

invalid claims against the Debtor's estate. In the alternative, the Movant seeks to subordinate the claims set forth on Exhibit B pursuant to 11 U.S.C. §510(b).

C. Claims Against Non-Debtor Entities.

18. The claims set forth on Exhibit C are claims that have been filed against two non-debtor affiliates of the Debtor, known as International Flex Holdings, Inc. ("Holdings") and International Flex Technologies, Inc. ("IFT"). Holdings, a Delaware corporation, is a wholly owned subsidiary of the Debtor that holds 100% of the stock of IFT, also a Delaware corporation. Upon information and belief, IFT ceased operation on or about May 31, 2002. A number of creditors of Holdings and IFT have filed claims against the Debtor. Accordingly, the Debtor seeks to expunge all of such claims on the ground that they are not properly assertable against the Debtor's estate.

D. Late Claims.

19. The claims set forth on Exhibit D are claims that were filed after the Bar Date, the Governmental Bar Date, or Administrative Bar Date. Thus, the Movant seeks to expunge any such late filed claims.

E. Additional Grounds For Objection.

20. In certain cases, the Steering Committee may also seek to further reduce, disallow, expunge and/or reclassify certain of the Disputed Claim in addition to the relief sought in a particular exhibit. Unless otherwise indicated, the "remaining claims" are general unsecured claims; secured claims, administrative claims and priority claims are denoted as "sec," "adm," and "pri," respectively. The Steering Committee reserves the right to assert additional objections to any of the "remaining claims" filed by Claimants.

21. Pursuant to Local Rule 3007-1 copies of the Proofs of Claim that are contained in Exhibits A, B, C, and D are filed with the Court as Exhibit E.

CONCLUSION

22. For all of the foregoing reasons, Movant requests that the Court disallow, expunge, reduce, and/or subordinate the Disputed Claims on the attached Exhibits A, B, C, and D. Pursuant to Local Rule 9013-2(c), Movant gives notice that it may call Michael Knight and James Hajek of Alliance Management, Inc., the Liquidating Agent, whose address is: Alliance Management, Inc., Carlson Tower, Suite 105, 0601 Carlson Parkway, Minneapolis, Minnesota 55305, to testify in support of the relief request by the Motion.

23. Pursuant to Local Rule 3007-1, Movant has provided notice of the relief requested herein by service of a copy of this Motion by regular, first-class mail upon (a) the holders of the Disputed Claims listed at the address listed on the proof of claim filed by the Claimants¹; (b) the United States Trustee; (c) the Debtor; and (d) the Debtor's attorneys. A copy of Exhibits A, B, C, and D, and the proof(s) of claim filed by the particular Claimant will be included in the copy of the Motion served upon such

¹ In certain instances, the Claimants listed on Exhibit B of the Claims Objection did not give addresses. The addresses of the Claimants may be known to the Debtor's former transfer agent, which maintains the official and confidential records of Debtor's shares. The Movant will attempt to ascertain the addresses from the transfer agent.

Claimant.² Movant submits and requests that this Court find that no other or further notice of this Motion is necessary or required.

WHEREFORE, Movant respectfully requests entry of the attached Order (i) disallowing, expunging, reducing, and/or subordinating the Disputed Claims; and (ii) granting such other and further relief as this Court deems just and proper.

Dated: June 29, 2004

HALPERIN & ASSOCIATES

By /e/ Ethan Ganc
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**Co-Counsel to the Steering Committee
of Sheldahl, Inc.**

² Pursuant to Local Rule 9013-2(e), Movant states that the exhibits, including proof of claim copies required pursuant to Local Rule 3007-1, were attached to the original motion filed with the court and Movant will upon request furnish a copy of the proof of claims to any entity. The proof of claim copies are filed in a separate docket entry as Exhibit E. Copies of the proof of claims have not been served on the Trustee, Debtor, or Debtor's attorneys because Exhibits A, B, C, and D summarize those proofs of claim.

**Sheldahl, Inc.
Exhibit A**

Duplicate and/or Superseded Claims

Name & Address of Claimant	Claim # #'s	Filed Claim Amount	Expunge Duplicate Claim #	Expunge Superseded Claim #	Remaining Claim #	Amount of Remaining Claim	Comments
Airlake Machine and Welding 21710 Granada Ave Lakeville, MN 55044	17 199	\$1,200.00	17		199	\$1,200.00	
Berger Transfer & Storage NW 7215 P O Box 1450 Minneapolis MN 55485	118 660	\$115,335.53	660			\$115,335.53	As an additional grounds for an objection the Steering Committee seeks to expunge the claim as having been filed after the applicable bar date in this case.
Campbell Sevey Inc 15350 Minnetonka Blvd Minnetonka, MN 55345	163 684	\$461.29	163		684	\$461.29	
Clarkliff Of Minnesota Inc P O Box 20028 501 W 78th St Bloomington, MN 55420	13 201	\$1,834.95	13		201	\$1,834.95	
Converter Accessory Corp 201 Alpha Ave Wind Gap, PA 18091-1204	61 226	\$605.43	61		226	\$605.43	
John Henry Foster MN 3103 Mike Collins Dr Eagan, MN 55121	21 307	\$991.80	21		307	\$689.28	As an additional grounds for an objection the Steering Committee seeks to reduce the claim as having been filed after the applicable bar date in this case.
Midwest Wireless Comm LLC P O Box 64414 St. Paul MN 55164	78 193	\$107.67	78		193	\$107.67	
Nardini Fire Equipment Co 405 W Cty Rd E St Paul, MN 55126	16 243	\$2,929.25	16		243	\$2,929.25	
Nissho Iwai American Corp Dept 78057 Detroit, MI 48278-0057	372 511	\$2,559.36	372		511	\$2,559.36	
Park Nicolet Clinic-Airport 7550 - 34th Ave S Minneapolis, MN 55450-1075	338 344	\$2,090.50	338		344	\$2,090.50	

Sheldahl, Inc.
Exhibit A

Duplicate and/or Superceded Claims

Name & Address of Claimant	Claim #'s	Filed Claim Amount	Expunge Duplicate Claim #	Expunge Superceded Claim #	Remaining Claim #	Amount of Remaining Claim	Comments
Perkin Elmer P O Box 101668 Atlanta, GA 30392-1668	293 356	\$3,422.58 \$4,574.46		293	356	\$4,574.46	
Techni-Tool 5 Apollo Rd P O Box 368 Plymouth Mfg. PA 19462	196 367	\$891.79 \$891.79	196		367	\$891.79	In addition the Steering Committee objects to the classification of the claim and requests that the claim be reclassified as a general unsecured claim.

**Sheldahl, Inc.
Exhibit B**

Shareholder Claims And/Or Claims To Be Subordinated Pursuant To Section 510(b)

Name & Address of Entity	Claim #s	Filed Claim Amount	Remaining Amount	Comments
A O Capital Corp C/o Edward Giles 645 Madison Ave New York NY 10022	523	\$250,000.00	\$0.00	Filed an unsecured priority claim (\$250,000.00 + dividends).
Adamek, Kathryn	296	\$1,914.50	\$0.00	
Aldeman, Maureen & Ira 144 S Mississippi River Blvd St Paul MN 55105	503	\$3,000.00	\$0.00	
Aledarime LLC C/o Edward Giles 645 Madison Ave New York NY 10022	521	\$50,000.00	\$0.00	Filed as priority claim.
Alexander, Lynne 946 Bararia Hills Ln Chaska MN 55318	488	\$10,562.50	\$0.00	
Ames, Jeanne Box 38 Bowling Green, VA 22427	379	\$870.07	\$0.00	
Andre, David 433 S 7th St - 1727 Minneapolis MN 55415	493	\$7,618.75	\$0.00	
Bennett, James 1300 Nicollet Ave 3077 Hyntt Mds Mart Minneapolis MN 55403	499	\$21,750.00	\$0.00	
Blender, Edward P O Box 1296 423 Lonhorn Rd Edwards CO 81632	611	\$100,000.00	\$0.00	Filed as priority claim.
Chapnick, Edith 2790 W 5th St Brooklyn NY 11224	397	\$0.00	\$0.00	No amount specified. Lists ownership of 125 shares.

Sheldahl, Inc.
Exhibit B

Shareholder Claims And/Or Claims To Be Subordinated Pursuant To Section 510(b)

Name & Address of Entity	Claim #s	Filed Claim Amount	Remaining Amount	Comments
Cisewski, Arlene 172 Sunrise Dr Minnesota City MN 55959	282	\$3,187.50	\$0.00	
CNA Trust Cost FBO Michael Remes P O Box 5024 Costa Mesa CA 92628	433	\$34,665.01	\$0.00	
Costello, Patricia 7979W Glenbrook - Apt 1014 Milwaukee WI 53223	531	\$0.00	\$0.00	No amount specified. Filed an unsecured priority claim.
Cummiffe, Maurice C/o Edward Giles 645 Madison Ave New York NY 10022	522	\$50,000.00	\$0.00	Filed an unsecured priority claim.
Cunningham, Russell 20882 York St Elk River, MN 55330	424	\$5,600.00	\$0.00	
Cunningham, Russell 20882 York St Elk River, MN 55330	425	\$3,000.00	\$0.00	
Daniel, Thomas 49 E 86th St Apt 6B New York NY 10028	496	\$22,500.00	\$0.00	
Dech, Michael 5433 Brookview Ave S Edina MN 55424	507	\$29,062.50	\$0.00	
Donnelly, Mark & Teresa 2099 Halfmoon Bluff Kennesaw GA 30152	605	\$1,148.91	\$0.00	Filed an unsecured priority claim.
Eckblad, David 2530 Maple Ln Roseville, MN 55113	354	\$0.00	\$0.00	No amount specified. Documents show ownership of 2000 shares.

Sheldahl, Inc.
Exhibit B

Shareholder Claims And/Or Claims To Be Subordinated Pursuant To Section 510(b)

Name & Address of Entity	Claim #s	Filed Claim Amount	Remaining Amount	Comments
Edward Giles IRA I C/o Edward Giles 645 Madison Ave New York NY 10022	518	\$300,000.00	\$0.00	Filed an unsecured priority claim.
Featherly, Donald 645 Valley Dr Barron WI 54812	498	\$21,500.00	\$0.00	
Fiedler, Robert 4604 Cascade Edina MN 55436	487	\$4,500.00	\$0.00	
Forte, Christopher	355	\$337.50	\$0.00	
Fray, Carolyn	327	\$4,082.93	\$0.00	
Frederickson, Katherine 161 Wheatley Pl Ridgeland MS 39157	484	\$4,987.50	\$0.00	
Gerten, Frank 267 Runge Ln W St Paul MN 55118	629	\$0.00	\$0.00	No amount specified.
Gerten, Jenna 267 Runge Ln W St Paul MN 55118	631	\$0.00	\$0.00	No amount specified.
Gerten, Patricia c/o Frank Gerten 267 Runge Ln W St Paul MN 55118	633	\$0.00	\$0.00	No amount specified.
Gerten, Patricia Gerten, Frank 267 Runge Ln W St Paul MN 55118	634	\$0.00	\$0.00	No amount specified.
Gerten, Steven c/o Frank Gerten 267 Runge Ln W St Paul MN 55118	630	\$0.00	\$0.00	No amount specified.

Sheldahl, Inc.
Exhibit B
Shareholder Claims And/Or Claims To Be Subordinated Pursuant To Section 510(b)

Name & Address of Entity	Claim #s	Filed Claim Amount	Remaining Amount	Comments
Gerten, Tiffany c/o Frank Gerten 267 Runge Ln W St Paul MN 55118	632	\$0.00	\$0.00	No amount specified.
Giles, Edward IRA 1 c/o Peter Cannell & Co 645 Madison Ave New York NY 10022	526	\$100,000.00	\$0.00	Filed an unsecured priority claim (\$100,000.00 + dividends).
Giles, Edward C/o Edward Giles 645 Madison Ave New York NY 10022	524	\$200,000.00	\$0.00	Filed an unsecured priority claim (\$200,000.00 + dividends).
Giles, Edward C/o Peter Cannell & Co 645 Madison Ave New York NY 10022	528	\$120,000.00	\$0.00	Filed an unsecured priority claim (\$120,000.00 + dividends).
Gledhill, Dorothy 26 Charter Oak Crt Doylestown PA 18901	616	\$0.00	\$0.00	
Grandy, Franklin 1101 Cockletown Rd Yorktown, VA 23692	391	\$85,836.00	\$0.00	File as an unsecured priority claim.
Grandy, Franklin 1101 Cockletown Rd Yorktown, VA 23692	398	\$36,009.00	\$0.00	Filed as unsecured priority claim.
Hall, Carla 1961 Grand Central Ave Apt H Horseheads NY 14345	441	\$94.50	\$0.00	
Hense, Joanne Atty. in Fact for Helen H. Kucera 884 North Highview Cir Mendota Hghts, MN 55118	312	\$1,485.00	\$0.00	

Sheldahl, Inc.
Exhibit B

Shareholder Claims And/Or Claims To Be Subordinated Pursuant To Section 510(b)

Name & Address of Entity	Claim #s	Filed Claim Amount	Remaining Amount	Comments
Hucka, Richard and Denisa 5225 124th Ct E Northfield MN 55057	589	\$8,340.00	\$0.00	
Hudnall, Christopher F. Jr. c/o Edward Giles 645 Madison Ave New York NY 10022	519	50,000.00 (PRJ)	\$0.00	Filed an unsecured priority claim (\$50,000.00 + dividends).
Isles Capital LP c/o Peter Cannell & Co 645 Madison Ave New York NY 10022	527	\$100,000.00	\$0.00	Filed an unsecured priority claim (\$100,000.00 + dividends).
JB Partners C/o Peter Cannell & Co 645 Madison Ave New York, NY 10022	404	\$970,000.00	\$0.00	Filed as unsecured priority claim.
Jones, Robert 1721 Morgan Ave S Minneapolis MN 55405	497	\$11,156.25	\$0.00	
Kalina, Lawrence 749 E Mantana Ave St Paul MN 55106	494	\$5,287.50	\$0.00	
Karels, Stanley Karels, Leona JT Ten 709 2nd Ave E Melrose MN 56352	535	\$0.00	\$0.00	No amount specified.
Klonowski, Carol 54585 Washington Chesterfield MI 48047	592	\$3,937.50	\$0.00	Filed as unsecured priority claim.
Kremer, James A Larson, David 15440 Iron Horse Cir Leanwood KS 66224	292	\$3,200.00	\$0.00	
	491	\$6,428.13	\$0.00	

Sheldahl, Inc.
Exhibit B

Shareholder Claims And/Or Claims To Be Subordinated Pursuant To Section 510(b)

Name & Address of Entity	Claim #’s	Filed Claim Amount	Remaining Amount	Comments
Leo Model Foundation Allen Model - President 1500 Walnut St Ste 1300 Philadelphia PA 19102	644	\$500,000.00	\$0.00	Filed as a priority claim. As an additional ground for objection, the Committee seeks to expunge the claim as filed after the applicable Bar Date in these cases.
Lindberg, Maynard Lindberg, Loraine 9153 Yarrow St Unit 1503 Weatmunster CO 80021	505	\$19,906.25	\$0.00	
Lukes, Diane 521 Wintergreer Alexandria, MN 56308	328	1,307.00 (PRJ)	\$0.00	
Mallery, Robert & Virginia 3622 Leonard Dr Endwall, NY 13760	384	\$0.01	\$0.00	
Marchek, Kyle Marchek, Rosemary 222 Rock Rd Greer SC 29651	587	\$2,377.14	\$0.00	
Martin, Ruth Massie, Beulah 2191 S Ventura St Aurora CO 80013	534	\$0.00	\$0.00	No amount specified.
McGahey, Michael & Debra 14948 Pixie Point Cir SE Prior Lake, MN 55372	458	\$8,968.75	\$0.00	
McLaughlin, W. James 33 Colony Sq Angleton TX 77515	278	\$80.00	\$0.00	Filed as unsecured priority claim.
Miller, Guy Miller, Mildred 11E Freman St Rice Lake WI 54868	357	\$489.90	\$0.00	
	456	\$5,332.50	\$0.00	

Sheldahl, Inc.
Exhibit B
Shareholder Claims And/Or Claims To Be Subordinated Pursuant To Section 510(b)

Name & Address of Entity	Claim #s	Filed Claim Amount	Remaining Amount	Comments
Moore, Diane 310 Cascade Ln Oswego, IL 60543	369	\$215.25	\$0.00	
Mundahl, Gary 2735 Simons Dr Chaska MN 55318	489	\$15,187.50	\$0.00	
Nichols, Marian 3809 Beard Ave S Minneapolis MN 55410	495	\$6,421.95	\$0.00	
Nicklow, Helen 130 Oregon Ave S Golden Valley MN 55426	555	\$7,373.55	\$0.00	
Norwest Bank MN Denise Hacka 5225 - 124th Ct E Northfield MN 55057	590	\$5,484.98	\$0.00	
Nutting, Ronald 7063 Harrison Hill Tr Chanhassen MN 55317	492	\$13,618.75	\$0.00	
Olson, Phillip 8661 Rich Rd Bloomington MN 55437	486	\$0.00	\$0.00	No amount specified.
Owen, Mary Kathleen Paul, Patrick c/o Edward Giles 645 Madison Ave New York NY 10022	553	\$0.00	\$0.00	Claim is for "27 shares" no dollar amount specified.
Pavelka, Joseph 521 - 12th St W Hastings, MN 55033	520	\$250,000.00	\$0.00	Filed an unsecured priority claim (\$250,000.00 + dividends).
Peterson, Florence RRT 1 Ringle, WI 54471	376	\$0.00	\$0.00	No amount specified.
	388	\$2,016.00	\$0.00	POC indicates that stock was purchased in 3/6/1969 (112 shares @ \$18.00 per share).

Sheldahl, Inc.
Exhibit B
Shareholder Claims And/Or Claims To Be Subordinated Pursuant To Section 510(b)

Name & Address of Entity	Claim #’s	Filed Claim Amount	Remaining Amount	Comments
Pierson, Mark 65 Hospital Hill Rd Binghamton, NY 13901	363	\$0.01	\$0.00	
Pope, William	390	\$750.00	\$0.00	Filed as unsecured priority claim.
Popp, James 3917 Vista Park Traverse City MI 49684	447	\$4,000.00	\$0.00	POC indicates 4000 shares of stock in amount of claim box.
Popp, James 3917 Vista Park Traverse City MI 49684	451	\$2,706.75	\$0.00	
Powers, James 3800 Galt Ocean Dr Penthouse SSS Fort Lauderdale FL 33308	483	\$5,806.25	\$0.00	
Pumper, Jeff	603	\$0.00	\$0.00	No claim amount listed only "400 shares."
Pumper, Jeff Quinnell, Karen	604	\$0.00	\$0.00	No claim amount listed only "440 shares."
Robbins, James	430	\$285,093.00	\$0.00	Filed as unsecured priority claim.
Rosander, Leland Apt 302 10540 - 43rd Ave N Plymouth MN 55442	359	\$1,097.85	\$0.00	
Rosendal, Hans & Angela 1242 Mokapv Blvd Kailua HI 96734	490	\$10,187.50	\$0.00	Filed an unsecured non-priority claim. Stockholder.
Salversin, Rodin Ada, MN	583	\$0.00	\$0.00	No amount specified but lists 10,000 shares.
Sarich, Peter	326	\$0.00	\$0.00	No amount specified.
Scherer, John	429	\$0.00	\$0.00	No amount specified.
20225 Chesterfield Wy Farmington MN 55024	570	\$1,979.63	\$0.00	
Schwab, Harry F	275	\$28.00	\$0.00	Filed as secured claim.

**Sheldahl, Inc.
Exhibit B**

Shareholder Claims And/Or Claims To Be Subordinated Pursuant To Section 510(b)

Name & Address of Entity	Claim #s	Filed Claim Amount	Remaining Amount	Comments
Soskin, Stephanie 5591 Bristol Ln Minnetonka MN 55343	485	\$25,375.00	\$0.00	
Sullivan, Pike H. C/o Edward Giles 645 Madison Ave New York NY 10022	525	\$200,000.00	\$0.00	Filed an unsecured priority claim (\$200,000.00 + dividends).
Tollefson, Chester 844 Adams St Anoka MN 55303	427	\$1,450.50	\$0.00	Filed as secured claim.
Wallerys, Robert 9600 - 14th Ave S Bloomington, MN 55425	304	\$1,132.00	\$0.00	
Weinkauff, David 2642 E Claire Phoenix AZ 85032	501	\$2,400.00	\$0.00	
Weiss Cust, Donna H. Weiss, Adam H. 1661 Princeton Ct St Paul MN 55105	453	\$3,375.00	\$0.00	
White, Ruth 924 S Chicago St Geneseo IL 61254	482	\$30,312.50	\$0.00	
Wilkinson, Charles 4325 W 43 1/2 St St Louis Pk MN 55424	504	\$41,875.00	\$0.00	
Wilkinson, Marcia 4325 W 43 1/2 St St Louis Pk MN 55424	506	\$31,750.00	\$0.00	
Wishart, Clyde 43570 Duck Point Rd Cable WI 54821	500	\$6,743.75	\$0.00	

Sheldahl, Inc.
Exhibit B

Shareholder Claims And/Or Claims To Be Subordinated Pursuant To Section 510(b)

Name & Address of Entity	Claim #s	Filed Claim Amount	Remaining Amount	Comments
Wongstom, Loretta 113 Riverview Dr Albany IL 61230	502	\$2,750.00	\$0.00	
Zappetillo, Mary 5217 - 13th Ave S Minneapolis MN 55417	584	\$0.00	\$0.00	Claim does not list a claim amount, but lists "45 shares" under other.
Zemke, Kimberly Ziolkowski, Lois	576	\$4,350.00	\$0.00	Filed as unsecured priority claim.
289 Meadowood Ln Vadnais Heights, MN 55127	415	\$7,403.08	\$0.00	
Zirwes, Greg 338 Redtail Hawk Sandpoint ID 83864	370	\$1,974.17	\$0.00	
	385	\$0.00	\$0.00	Claimant not identifiable from proof of claim form. No amount specified. Identifies 2000 shares of stock.
	284	\$329.95	\$0.00	Claimant not served due to lack of identity and address. Proof of claim not signed. Claimant not identifiable from proof of claim form. Identifies basis of claim as "stock purchase." Claimant not served due to lack of identity and address.

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**Sheldahl, Inc.
Exhibit C
IFT Claims**

Name & Address of Claimant	Claim #'s	Filed Claim Amount	Remaining Claim	Comments
Abba Rubber International Inc 1351 E Philadelphia St Ontario CA 91761	242	\$1,120.00	\$0.00	Creditor invoice is billed to IFT, Longmont, CO/Sheldahl.
Airborne Freight Corp 3131 Elliot Ave Ste 200 Seattle WA 98121	651	\$668.97	\$0.00	Proof of claim lists IFT as the Debtor. As an additional ground for objection, the Steering Committee seeks to expunge the claim as filed after the applicable Bar Date in this case.
Banc of America Securities LLC Gary Feinerman 190 S LaSalle St Chicago IL 60603	609	\$1,750,000.00	\$0.00	Exhibit B to the Proof of Claim lists IFT as the party to the agreement with Claimant.
Connor Manufacturing Serv 275 Shoreline Dr Ste 530 Redwood City CA 94065	75	\$17,216.02	\$16,506.00	Creditor invoices are billed to IFT, Longmont, CO.
Connor Manufacturing Serv 275 Shoreline Dr Ste 530 Redwood City CA 94065	76	\$99,073.00	\$0.00	Creditor invoices are billed to IFT (Longmont)/Sheldahl.
Denver Valve & Fitting Co P O Box 150639 Lakewood, CO 80215	71	\$5,147.35	\$0.00	Creditor invoices are billed to IFT, Longmont, CO.
Dewal Industries Inc 15 Ray Trainor Dr P O Box 372 Saunderstown, RI 02874	198	\$3,571.00	\$0.00	Creditor invoices are billed to IFT, Endicott, NY.
Infinite Graphics LB 7090 P O Box 9438 Minneapolis, MN 55440	378	\$43,691.43	\$299.00	Invoices are billed to IFT (Colorado).
US Filter 75 Technology Dr Lowell MA 01851	358	\$4,060.00	\$0.00	Customer is listed as International Flex Technologies.

**Sheldahl Inc.
Exhibit D
Late Filed Claims**

Name & Address of Claimant	Claim #'s	Filed Claim Amount	Remaining Amount	Comments
Claim Entered in Error by Clerk of Court Department of the Treasury Internal Revenue Service, 316 N. Robert St. Paul, MN 55101	659	\$0.00	\$0.00	Note by the Deputy Clerk that this claim number was entered in error.
Elinor Rosenstein 3912 IDS Ctr 80 S 8th St Minneapolis MN 55402	663	\$1,117,390.00	\$0.00	Proof of Claim filed on 12/19/02. Claim appears to be withdrawn.
Estate of Patricia K. Starr, Michael J. Hiebert Personal Rep 8761 Aberdeen Trl Northfield, MN 55057	690	\$0.00	\$0.00	Proof of Claim filed on 12/5/03. Previously filed Claim No. 682 on 11/18/03, which was disallowed by Order dated April 9, 2004. Claim No. 690 states that prior claim has been paid.
Hasler, Inc. 19 Forest Pkwy Shelton, CT 06614	667	\$1,776.47	\$0.00	Proof of Claim filed on 5/1/03.
Hirano Teesed Co., Patryk J. Drescher 220 S. 6th St. Ste 600 Minneapolis, MN 55402	686	\$383.39	\$175.92	Proof of Claim filed on 11/24/03. Claim includes prepetition amount of \$217.47 and post-petition charges of \$175.92.
Industrial Fabrics Corp 7160 Northland Circle Minneapolis, MN 55428	672	\$0.00	\$0.00	Proof of Claim filed on 9/19/03 for an unspecified amount. Claim states debt was incurred on June 11, 2001.
O C Tanner 1930 S State St Salt Lake City UT 84115	665	\$17,431.19	\$0.00	Proof of Claim filed on 3/17/03.
Precision Manufacturing Company, Inc. 2149 Valley Street Dayton, OH 45404	647	\$265.00	\$0.00	Proof of Claim filed on 9/17/02.
Proactive Maintenance Solutions 11952 - 350th Ave Waseca, MN 56093	661	\$74,295.00	\$0.00	Proof of Claim filed on 11/29/02.
	657	\$2,281.00	\$0.00	Proof of Claim filed on 11/8/02.

**Sheldahl Inc.
Exhibit D
Late Filed Claims**

Name & Address of Claimant	Claim #’s	Filed Claim Amount	Remaining Amount	Comments
Rice County Auditor Rice County 218 3rd St NE Fairbault, MN 55021-5316	662	\$0.00	\$0.00	Proof of Claim filed on 12/13/02. Supporting documentation indicates amount due was paid in full.
Technical Marketing Mtf., Inc. (TMMI) 5000 Robb Street, Bldg. 3, Ste. A Wheat Ridge, CO 80033	653	\$3,297.47	\$0.00	Proof of Claim filed on 10/21/02.
Velocity Express 33529 Treasury Ctf. Chicago, IL 60694-3500	656	\$834.45	\$0.00	Proof of Claim filed on 11/4/02.
Wells Fargo Bank NA Retirement Plan Serv N9309 050 510 Marquette Ave Minneapolis MN 55479	673	\$3,877.31	\$0.00	Proof of Claim filed on 10/2/03.

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Chapter 11

Sheldahl, Inc.,

Bky Case No. 02-31674

Debtor.

**MEMORANDUM OF LAW IN SUPPORT OF STEERING COMMITTEE'S
FIRST OMNIBUS OBJECTION TO CLAIMS**

INTRODUCTION

The Sheldahl, Inc. Steering Committee (the "Steering Committee" or "Movant") (the "Debtor") submits this Memorandum of Law in support of its First Omnibus Objection to Claims (the "Claims Objection"). The Movant respectfully requests that this Court enter an order granting the relief sought because no basis exists for any of the claims enumerated therein.

BACKGROUND

On April 30, 2002 (the "Petition Date"), the Debtor filed a voluntary petition for relief pursuant to Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Minnesota.

The United States Trustee for Region 12 appointed an Official Committee of Unsecured Creditors (the "Committee") consisting of the following five (5) members: Qualitek Eng. & Manufacturing, Kaneka High-Tech Materials, Inc., Alps Automotive, Inc., Unisource Worldwide and BCC Equipment Leasing.

On May 29, 2002, the Debtor filed, pursuant to Bankruptcy Rule 1007, schedules of assets and liabilities and a statement of financial affairs, as may be amended from time to time (collectively, the “Schedules”). September 1, 2002 was fixed as the last date to assert claims against the Debtor that arose prior to the Petition Date (the “Bar Date”). In addition, this Court fixed December 12, 2003 as the last date to file claims arising from and after the Petition Date through and including October 31, 2003, (the “Administrative Bar Date”).

By order dated August 21, 2002 (the “Sale Order”), this Court approved a sale of substantially all of the Debtor’s assets to Northfield Acquisition Co. pursuant to Section 363(b) of the Bankruptcy Code. A closing on the sale transaction was held and concluded on August 30, 2002.

The Debtor and the Committee filed a Joint Plan of Liquidation dated May 8, 2003, as modified on July 9, 2003 (the “Plan”). By order dated February 6, 2004, the Bankruptcy Court confirmed the Plan. The Plan became effective on February 16, 2004. Pursuant to the Plan, the members of the Committee were appointed to the Steering Committee.

Pursuant to the Plan, the Steering Committee and Liquidating Agent are authorized to act as a representative of the estate within the meaning of 11 U.S.C. §1123(b)(3)(B). The Plan provides that the Steering Committee shall retain and enforce all rights and interests of the Debtor.

ANALYSIS

Pursuant to section 502(a) of the Bankruptcy Code “[a] claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party

in interest, including a creditor of a general partner in a partnership that is a debtor in a case under Chapter 7 of this title, objects.”

A. Duplicate and/or Superseded Claims.

The Disputed Claims set forth in Exhibit A of the Claims Objection have been filed in duplicate and /or superseded by a later filed claim. In each instance, the individual creditors filed two or more claims that are identical in amount. The Movant submits that it is clear that the earlier claims in each instance are merely duplicative of or superseded by the later ones. Therefore, the earlier claims should be expunged.

B. Proofs Of Claims Filed By Shareholders.

11 U.S.C. §101(5) defines a “claim”, *inter alia*, as a “right to payment, whether or not such payment is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured...” The Disputed Claims set forth on Exhibit B are not claims against the Debtor, but rather equity interests in the Debtor. Accordingly, as a matter of law these parties do not have “claims” against the estate and the proofs of claims filed by such parties should be expunged.

In the alternative, to the extent such entities assert claims arising from the purchase or sale of equity interests in the Debtor, the Disputed Claims should be subordinated pursuant to 11 U.S.C. §510(b). Section 510(b) provides, in relevant part, that claims arising from the rescission of a purchase or sale of a security of the Debtor, are subject to subordination to the claims of unsecured creditors of the Debtor. See In re Granite Partners, L.P., 208 B.R. 332 (Bankr.S.D.N.Y. 1997); In re NAL Financial Group, Inc., 237 B.R. 225 (Bankr.S.D.Fla. 1999) (the scope of Section 510(b) is broad

covering a wide variety of causes of action arising out of securities transactions). To the extent that any of the Disputed Claims set forth in Exhibit B arise from such circumstances, they should be subordinated to those of unsecured creditors.

C. Claims Filed Against Non-Debtor Entities.

11 U.S.C. §101(10) defines “creditor”, *inter alia*, as an “entity that has a claim against the debtor that arose at the time of or before the order for relief concerning the debtor...” However, the claims asserted on Exhibit C are claims against two non-debtor affiliates of the Debtor, known as International Flex Holdings, Inc. (“Holdings”) and International Flex Technologies, Inc. (“IFT”). Holdings, a Delaware corporation, is a wholly owned subsidiary of the Debtor that holds 100% of the stock of IFT, also a Delaware corporation. Upon information and belief, IFT ceased operation on or about May 31, 2002. A number of creditors of Holdings and IFT have filed claims against the Debtor. Accordingly, the Debtor seeks to expunge all of such claims on the ground that they are not properly assertable against the Debtor’s estate.

D. Late Claims.

Rule 3003(c)(3) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) provides that “[t]he court shall fix... the time within which proofs of claim or interest may be filed.” In general, any claims filed after the date set by the court are barred. In the instant case, September 11, 2002 was fixed as the Bar Date for general unsecured claims and December 12, 2003 as the Administrative Bar Date. All of the claims listed in Schedule D were filed after the Bar Date or the Administrative Bar Date, as applicable. They are therefore late claims and should be expunged.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Chapter 11

Sheldahl, Inc.,

Bky Case No. 02-31674

Debtor.

CERTIFICATE OF SERVICE

Lois M. Huntley, employed by Moss & Barnett, with office address of 4800 Wells Fargo Center, 90 South 7th Street, Minneapolis, MN 55402, declares that on June 29, 2004, I served the annexed:

1. Notice of Hearing and Steering Committee's First Omnibus Objection to Claims;
2. Memorandum in Support of Motion;
3. Exhibits A-D and, where applicable, a copy of the relevant Proof of Claim;
4. Proposed Order; and
5. Certificate of Service.

upon all persons listed on the attached Service List by United States Mail, a copy thereof, addressed to them at their last known address.

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

Executed: June 29, 2004

Signed: /e/ Lois M. Huntley
Lois M. Huntley

SERVICE LIST
June 29, 2004
In re: Sheldahl, Inc.
Bky Case No. 02-31674

Airborne Freight Corp 3131 Elliot Ave Ste 200 Seattle WA 98121	Hall, Carla 1961 Grand Central Ave Apt H Horseheads NY 14345
Banc of America Securities LLC Gary Feinerman 190 S LaSalle St Chicago IL 60603	Hense, Joanne Atty. in Fact for Helen H. Kucera 884 North Highview Cir Mendota Hghts, MN 55118
Connor Manufacturing Serv 275 Shoreline Dr Ste 530 Redwood City CA 94065	Hucka, Richard and Denisa 5225 124th Ct E Northfield MN 55057
Denver Valve & Fitting Co P O Box 150639 Lakewood, CO 80215	Hudnall, Christopher F. Jr. c/o Edward Giles 645 Madison Ave New York NY 10022
Dewal Industries Inc 15 Ray Trainor Dr P O Box 372 Saunderstown, RI 02874	Isles Capital LP c/o Peter Cannell & Co 645 Madison Ave New York NY 10022
Infinite Graphics LB 7090 P O Box 9438 Minneapolis, MN 55440	JB Partners C/o Peter Cannell & Co 645 Madison Ave New York, NY 10022
US Filter 75 Technology Dr Lowell MA 01851	Jones, Robert 1721 Morgan Ave S Minneapolis MN 55405
A O Capital Corp C/o Edward Giles 645 Madison Ave New York NY 10022	Kalina, Lawrence 749 E Mantana Ave St Paul MN 55106
Abba Rubber International Inc. 1351 E. Philadelphia Street Ontario, CA 91761	Karels, Stanley Karels, Leona JT Ten 709 2nd Ave E Melrose MN 56352

Aldeman, Maureen & Ira 144 S Mississippi River Blvd St Paul MN 55105	Klonowski, Carol 54585 Washington Chesterfield MI 48047
Aledarmme LLC C/o Edward Giles 645 Madison Ave New York NY 10022	Alexander, Lynne 946 Bararia Hills Ln Chaska MN 55318
Ames, Jeanne Box 38 Bowling Green, VA 22427	Larson, David 15440 Iron Horse Cir Leanwood KS 66224
Andre, David 433 S 7th St - 1727 Minneapolis MN 55415	Leo Model Foundation Allen Model - President 1500 Walnut St Ste 1300 Philadelphia PA 19102
Bennett, James 1300 Nicollet Ave 3077 Hyntt Mds Mart Minneapolis MN 55403	Lindberg, Maynard Lindberg, Loraine 9153 Yarrow St Unit 1503 Weatmunster CO 80021
Blender, Edward P O Box 1296 423 Lonhorn Rd Edwards CO 81632	Lukes, Diane 521 Wintergreer Alexandria, MN 56308
Chapnick, Edith 2790 W 5th St Brooklyn NY 11224	Mallery, Robert & Virginia 3622 Leonard Dr Endwall, NY 13760
Cisewski, Arlene 172 Sunrise Dr Minnesota City MN 55959	Marchek, Kyle Marchek, Rosemary 222 Rock Rd Greer SC 29651
CNA Trust Cost FBO Michael Remes P O Box 5024 Costa Mesa CA 92628	Massie, Beulah 2191 S Ventura St Aurora CO 80013
Costello, Patricia 7979W Glenbrook - Apt 1014 Milwaukee WI 53223	McGahey, Michael & Debra 14948 Pixie Point Cir SE Prior Lake, MN 55372
Cunniffe, Maurice C/o Edward Giles 645 Madison Ave New York NY 10022	McLaughlin, W. James 33 Colony Sq Angleton TX 77515

Cunningham, Russell 20882 York St Elk River, MN 55330	Miller, Guy Miller, Mildred 11E Freman St Rice Lake WI 54868
Daniel, Thomas 49 E 86th St Apt 6B New York NY 10028	Moore, Diane 310 Cascade Ln Oswego, IL 60543
Dech, Michael 5433 Brookview Ave S Edina MN 55424	Mundahl, Gary 2735 Simons Dr Chaska MN 55318
Donnelly, Mark & Teresa 2099 Halfmoon Bluff Kennesaw GA 30152	Nichols, Marian 3809 Beard Ave S Minneapolis MN 55410
Eckblad, David 2530 Maple Ln Roseville, MN 55113	Nicklow, Helen 130 Oregon Ave S Golden Valley MN 55426
Edward Giles IRA I C/o Edward Giles 645 Madison Ave New York NY 10022	Norwest Bank MN Denise Hacka 5225 - 124th Ct E Northfield MN 55057
Featherly, Donald 645 Valley Dr Barron WI 54812	Nutting, Ronald 7063 Harrison Hill Tr Chanhassen MN 55317
Fiedler, Robert 4604 Cascade Edina MN 55436	Olson, Phillip 8661 Rich Rd Bloomington MN 55437
Frederickson, Katherine 161 Wheatley Pl Ridgelind MS 39157	Paul, Patrick c/o Edward Giles 645 Madison Ave New York NY 10022
Gerten, Frank 267 Runge Ln W St Paul MN 55118	Pavelka, Joseph 521 - 12th St W Hastings, MN 55033
Gerten, Jenna 267 Runge Ln W St Paul MN 55118	Peterson, Florence RRT 1 Ringle, WI 54471
Gerten, Patricia c/o Frank Gerten 267 Runge Ln W St Paul MN 55118	Pierson, Mark 65 Hospital Hill Rd Binghamton, NY 13901

Gerten, Patricia Gerten, Frank 267 Runge Ln W St Paul MN 55118	Popp, James 3917 Vista Park Traverse City MI 49684
Gerten, Steven c/o Frank Gerten 267 Runge Ln W St Paul MN 55118	Popp, James 3917 Vista Park Traverse City MI 49684
Gerten, Tiffany c/o Frank Gerten 267 Runge Ln W St Paul MN 55118	Powers, James 3800 Galt Ocean Dr Penthouse SSS Fort Lauderdale FL 33308
Giles, Edward IRA 1 c/o Peter Cannell & Co 645 Madison Ave New York NY 10022	Giles, Edward C/o Peter Cannell & Co 645 Madison Ave New York NY 10022
Giles, Edward C/o Edward Giles 645 Madison Ave New York NY 10022	Gledhill, Dorothy 26 Charter Oak Crt Doylestown PA 18901
Grandy, Franklin 1101 Cockletown Rd Yorktown, VA 23692	Rosander, Leland Apt 302 10540 - 43rd Ave N Plymouth MN 55442
Wishart, Clyde 43570 Duck Point Rd Cable WI 54821	Rosendal, Hans & Angela 1242 Mokapv Blvd Kailua HI 96734
Ziolkowski, Lois 289 Meadowood Ln Vadnais Heights, MN 55127	Salversin, Rodin Ada, MN 56510
Zirwes, Greg 338 Redtail Hawk Sandpoint ID 83864	Scherer, John 20225 Chesterfield Wy Farmington MN 55024
Wilkinson, Marcia 4325 W 43 1/2 St St Louis Pk MN 55424	Soskin, Stephanie 5591 Bristol Ln Minnetonka MN 55343
Wongstom, Loretta 113 Riverview Dr Albany IL 61230	Sullivan, Pike H. C/o Edward Giles 645 Madison Ave New York NY 10022

Zappetilid, Mary 5217 - 13th Ave S Minneapolis MN 55417	Tollefson, Chester 844 Adams St Anoka MN 55303
Weinkauf, David 2642 E Claire Phoenix AZ 85032	Wallerys, Robert 9600 - 14th Ave S Bloomington, MN 55425
White, Ruth 924 S Chicago St Geneseo IL 61254	Weiss Cust, Donna H. Weiss, Adam H. 1661 Princeton Ct St Paul MN 55105
Airlake Machine and Welding 21710 Granada Ave Lakeville, MN 55044	Wilkinson, Charles 4325 W 43 1/2 St St Louis Pk MN 55424
Berger Transfer & Storage NW 7215 P O Box 1450 Minneapolis MN 55485	Midwest Wireless Comm LLC P O Box 64414 St. Paul MN 55164
Campbell Sevey Inc 15350 Minnetonka Blvd Minnetonka, MN 55345	Nardini Fire Equipment Co 405 W Cty Rd E St Paul, MN 55126
Clarklift Of Minnesota Inc P O Box 20028 501 W 78th St Bloomington, MN 55420	Nissho Iwai American Corp Dept 78057 Detroit, MI 48278-0057
Converter Accessory Corp 201 Alpha Ave Wind Gap, PA 18091-1204	Park Nicollet Clinic-Airport 7550 - 34th Ave S Minneapolis, MN 55450-1075
John Henry Foster MN 3103 Mike Collins Dr Eagan, MN 55121	Perkin Elmer P O Box 101668 Atlanta, GA 30392-1668
	Techni-Tool 5 Apollo Rd P O Box 368 Plymouth Mtg. PA 19462

<p>Department of the Treasury Internal Revenue Service, 316 N. Robert St. Paul, MN 55101</p>	<p>Proactive Maintenance Solutions 11952 - 350th Ave Waseca, MN 56093</p>
<p>Elinor Rosenstein 3912 IDS Ctr 80 S 8th St Minneapolis MN 55402</p>	<p>Rice County Auditor Rice County 218 3rd St NE Fairbault, MN 55021-5316</p>
<p>Estate of Patricia K. Starr, Michael J. Hiebert Personal Rep 8761 Aberdeen Trl Northfield, MN 55057</p>	<p>Technical Marketing Mtf., Inc. (TMMI) 5000 Robb Street, Bldg. 3, Ste. A Wheat Ridge, CO 80033</p>
<p>Hasler, Inc. 19 Forest Pkwy Shelton, CT 06614</p>	<p>Velocity Express 33529 Treasury Ctf. Chicago, IL 60694-3500</p>
<p>Hirano Tecseed Co., Patryk J. Drescher 220 S. 6th St. Ste 600 Minneapolis, MN 55402</p>	<p>Wells Fargo Bank NA Retirement Plan Serv N9309 050 510 Marquette Ave Minneapolis MN 55479</p>
<p>Industrial Fabrics Corp 7160 Northland Circle Minneapolis, MN 55428</p>	<p>Precision Manufacturing Company, Inc. 2149 Valley Street Dayton, OH 45404</p>
<p>O C Tanner 1930 S State St Salt Lake City UT 84115</p>	<p>US Trustee 1015 US Courthouse 300 South Fourth Street Minneapolis MN 55415</p>
<p>James L. Baillie, Esq. Fredrikson & Byron 200 South Sixth Street Minneapolis MN 55402</p>	<p>Benoit Pouliquen President & CEO Sheldahl Inc. 1150 Sheldahl Road Northfield MN 55057</p>

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Chapter 11

Sheldahl, Inc.,

Bky Case No. 02-31674

Debtor.

**ORDER DISALLOWING, EXPUNGING, REDUCING,
AND/OR SUBORDINATING CLAIMS AGAINST THE DEBTORS**

The Steering Committee of Sheldahl, Inc. (the "Steering Committee"), having filed an Omnibus Objection to Claims (the "Objection") for, among other things, an Order disallowing, expunging, reducing and/or subordinating certain claims, as more fully set forth in Exhibits A, B, C, and D to the Objection, pursuant to Section 502 of title 11 of the United States Code and Rule 3007 of the Federal Rules of Bankruptcy Procedure, as set forth in the Objection, and the parties on the schedules annexed hereto having failed to object or otherwise respond to the relief requested in the Objection, and the matter having duly come to be heard before the undersigned Bankruptcy Judge on September 1, 2004, and upon the certificate of service of the Objection indicating that due and proper service was made upon, among others, the holders of claims subject to the Objection and upon the record taken before me, and no adverse interest being represented and for good cause shown, it is

ORDERED, that the claims set forth on the on Exhibits A, B, C, and D annexed hereto and made a part of this Order hereby are disallowed, expunged, reduced, and/or subordinated as set forth therein.

ORDERED, that, the Steering Committee reserves the right to assert additional objections to the remaining claims listed on the attached Exhibits A, B, C, and D on any other available grounds.

Dated: _____, 2004

UNITED STATES BANKRUPTCY COURT

By: _____

Dennis D. O'Brien
United States Bankruptcy Judge