

Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number Steven J. Schwartz (SBN 200586) Dannnig, Gill, Diamond & Kollitz, LLP 2029 Century Park East, Third Floor Los Angeles, CA 90067 310 277-0077 310 277-5735	FOR COURT USE ONLY
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA	
In re: BETANIX COATINGS, INC., <div style="text-align: right;">Debtor(s).</div>	CASE NO.: LA 05-27441-EC

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: June 26, 2007	Time: 11:00 a.m.
Location: 255 E. Temple Street, Courtroom 1639, Los Angeles, CA 90012	

Type of Sale: Public: Private: Last date to file objections: June 12, 2007

Description of Property to be Sold: See Attachment A.

Terms and Conditions of Sale: See Attachment B.

Proposed Sale Price: Higest and best bid.

Overbid Procedure (If Any): ALL CASH, without any representation or warranty, as well as "AS-IS" and "WHERE-IS" as those terms aer generally used and understood in commercial transactions.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

Steven J. Schwartz, Esq.
Danning, Gill, Diamond & Kollitz, LLP
2029 Century Park East, Third Floor
Los Angeles, CA 90067
(310) 277-0077

Date: June 1, 2007

ATTACHMENT - A

1. Any and all claims and causes of action against Eric Von Knipe ("Von Knipe"), Moldwash U.S.A., Inc., X2, Inc., and affiliated entities (collectively, the "Von Knipe Parties") including, but not limited to, any claims arising from transfers of money by the Debtor to or for the benefit of the Von Knipe Parties;

2. Any and all claims and causes of action against Dieter Raabe, Studio S. Inc., Drake Investment, Ltd., Asia Coatings, Ltd, and affiliated entities (collectively, the "Raabe Parties"), including, but not limited to, any claims arising from transfers of property of the Debtor and/or security interests in the assets of the Debtor to or for the benefit of the Raabe Parties; and

3. The Debtor's unsecured non-priority claim filed in the bankruptcy case of Morwear Manufacturing, Inc., Case No. LA 05-27443-EC in the amount of \$4,135,800 (the "Morwear Claim").

ATTACHMENT – B

For information regarding the property, please contact Steven J. Schwartz at (310) 277-0077. The terms of the sale are ALL CASH, without any representation or warranty, as well as "AS-IS" and "WHERE-IS" as those terms are generally used and understood in commercial transactions.

The Trustee reserves the rights to: (1) offer the property of the estate as one lot in bulk, or any combination thereof; and (2) reject bids that, in his sole discretion, are insufficient or do not conform to the terms of the sale. If no acceptable bid is received with respect to the claims and causes of actions against the Von Knipe Parties and the Raabe Parties referenced in items 1 and 2 above (collectively, the "Litigation Claims"), the Trustee shall request that the court authorize the Trustee to abandon those claims at the hearing.