

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	CORRECTIVE ASSIGNMENT										
NATURE OF CONVEYANCE:	Corrective Assignment to correct the erroneous filing. Ceryx, Inc. had no standing to assign rights to Elliott et al. and recordation should be removed, as previously recorded on Reel 015878 Frame 0046. Assignor(s) hereby confirms the underlying document recorded at reel 015878 frame 0046 was improperly filed and erroneous.										
CONVEYING PARTY DATA											
<table border="1"><thead><tr><th>Name</th><th>Execution Date</th></tr></thead><tbody><tr><td>Ceryx, Inc.</td><td>03/07/2002</td></tr></tbody></table>		Name	Execution Date	Ceryx, Inc.	03/07/2002						
Name	Execution Date										
Ceryx, Inc.	03/07/2002										
RECEIVING PARTY DATA											
<table border="1"><tr><td>Name:</td><td>Rodney Elliot</td></tr><tr><td>Street Address:</td><td>16500 Ventura Blvd., Suite 375</td></tr><tr><td>City:</td><td>Encino</td></tr><tr><td>State/Country:</td><td>CALIFORNIA</td></tr><tr><td>Postal Code:</td><td>91346</td></tr></table>		Name:	Rodney Elliot	Street Address:	16500 Ventura Blvd., Suite 375	City:	Encino	State/Country:	CALIFORNIA	Postal Code:	91346
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City:	Encino										
State/Country:	CALIFORNIA										
Postal Code:	91346										
<table border="1"><tr><td>Name:</td><td>Raul Corona</td></tr><tr><td>Street Address:</td><td>16500 Ventura Blvd., Suite 375</td></tr><tr><td>City:</td><td>Encino</td></tr><tr><td>State/Country:</td><td>CALIFORNIA</td></tr><tr><td>Postal Code:</td><td>91346</td></tr></table>		Name:	Raul Corona	Street Address:	16500 Ventura Blvd., Suite 375	City:	Encino	State/Country:	CALIFORNIA	Postal Code:	91346
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<table border="1"><tr><td>Name:</td><td>Phillip Morgan</td></tr><tr><td>Street Address:</td><td>16500 Ventura Blvd., Suite 375</td></tr><tr><td>City:</td><td>Encino</td></tr><tr><td>State/Country:</td><td>CALIFORNIA</td></tr><tr><td>Postal Code:</td><td>91346</td></tr></table>		Name:	Phillip Morgan	Street Address:	16500 Ventura Blvd., Suite 375	City:	Encino	State/Country:	CALIFORNIA	Postal Code:	91346
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City:	Encino										
State/Country:	CALIFORNIA										
Postal Code:	91346										
<table border="1"><tr><td>Name:</td><td>Christina Holtzheuser-Morgan</td></tr><tr><td>Street Address:</td><td>16500 Ventura Blvd., Suite 375</td></tr><tr><td>City:</td><td>Encino</td></tr><tr><td>State/Country:</td><td>CALIFORNIA</td></tr><tr><td>Postal Code:</td><td>91346</td></tr></table>		Name:	Christina Holtzheuser-Morgan	Street Address:	16500 Ventura Blvd., Suite 375	City:	Encino	State/Country:	CALIFORNIA	Postal Code:	91346
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City:	Encino										
State/Country:	CALIFORNIA										
Postal Code:	91346										

CH \$160.00 6996976

PROPERTY NUMBERS Total: 4

Property Type	Number
Patent Number:	6996976
Patent Number:	6814303
Patent Number:	7117079
Patent Number:	7025811

CORRESPONDENCE DATA

Fax Number: (949)567-6710

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 949-567-6700

Email: ipprosecution@orrick.com

Correspondent Name: ORRICK, HERRINGTON & SUTCLIFFE, LLP

Address Line 1: 4 Park Plaza, Suite 1600

Address Line 2: IP Prosecution Department

Address Line 4: Irvine, CALIFORNIA 92614-2558

ATTORNEY DOCKET NUMBER:	CERYX
NAME OF SUBMITTER:	Angela Wendel

Total Attachments: 28

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PATENT ASSIGNMENT

Electronic Version v1.1

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Ceryx, Inc.	03/07/2002
RECEIVING PARTY DATA	
Name:	Rodney Elliot
Street Address:	16500 Ventura Blvd. Suite 375
City:	Encino
State/Country:	CALIFORNIA
Postal Code:	91346
Name:	Raul Corona
Street Address:	16500 Ventura Blvd. Suite 375
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Name:	Christina Holtzheuser-Morgan
Street Address:	16500 Ventura Blvd. Suite 375
City:	Encino
State/Country:	CALIFORNIA
Postal Code:	91346
PROPERTY NUMBERS Total: 12	

500026713

PATENT
 REEL: 015876 FRAME: 0046
 REEL: 022162 FRAME: 0960

OP \$480.00 10406619

Property Type	Number
Application Number:	10406619
Application Number:	10407139
Patent Number:	6814303
Application Number:	10648137
Application Number:	60369911
Application Number:	60369912
Application Number:	60369955
Application Number:	60405437
Application Number:	10361485
Application Number:	10782742
Application Number:	60354669
Application Number:	60448836

CORRESPONDENCE DATA

Fax Number: (805)230-1355
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 8052301350
 Email: ssereboff@socalip.com
 Correspondent Name: Steven Sereboff
 Address Line 1: 310 N Westlake Blvd Ste 120
 Address Line 4: Westlake Village, CALIFORNIA 91362

NAME OF SUBMITTER:	Steven C Sereboff
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Total Attachments: 25

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REEL: 022162 FRAME: 0962

ASSIGNMENT AND SALE OF ASSETS OF BANKRUPTCY ESTATE

This agreement ("Agreement") is made by and between Jerry Namba as Chapter 7 Trustee (the "Trustee") of Ceryx Incorporated ("Ceryx") in that certain bankruptcy proceeding pending in the United States Bankruptcy Court for the Central District of California, Northern Division, In Re Ceryx, Inc., Case No. ND 01-12085-RR, on the one hand, and Rodney Elliot, Raul Corona, Phillip Morgan and Christina Holtzheuser-Morgan (hereinafter collectively, "Assignees"), on the other hand, with respect to the following matters.

RECITALS

A. Ceryx filed a voluntary Chapter 11 Bankruptcy Petition on June 13, 2001. The case was subsequently converted to a Chapter 7 proceeding, and Jerry Namba was appointed Trustee.

7 B. The assets of the Ceryx bankruptcy estate include certain patent rights, trademark rights, license rights and related rights, (hereinafter the "Intellectual Property" and the "Intellectual Property Rights"), as well as goodwill connected with the trademark rights and proceeds derived from the Intellectual Property.

C. On or about September 15, 2000, Ceryx executed a Patent, Trademark and License Security Agreement, whereby it granted Dow Credit Corporation and/or the Dow Chemical Company (collectively "Dow") a security interest in the Intellectual Property Rights.

D. The Trustee and the Assignees are informed and believe that Dow exercised substantial control over Ceryx and at the time of the execution of the Patent, Trademark and License Security Agreement, was an "insider" of Ceryx as defined in Section 101(31)(B) of the

-1-

ASSIGNMENT AND SALE OF ASSETS OF BANKRUPTCY ESTATE

EXHIBIT 1

31

PATENT
REEL: 015076 FRAME: 0049
REEL: 022162 FRAME: 0963

Bankruptcy Code or became an "insider" thereafter.

E. The Trustee and the Assignees are further informed and believe that certain of the officers of Ceryx acted improperly and in derogation of their duty to Ceryx in granting Dow an interest in the Intellectual Property Rights.

F. Assignments of Ceryx's Intellectual Property Rights to Dow were recorded in the United States Patent and Trademark office on May 1, 2001.

G. The Trustee and the Assignees believe that the granting to Dow of the interest in the Intellectual Property Rights was a voidable preference (the "Preference Claim") pursuant to Bankruptcy Code § 547. The Trustee and the Assignees further believe that the Intellectual Property Rights and the voidable Preference Claim have significant value to the bankruptcy estate, as does the claim of Ceryx against the officers who improperly assigned the Intellectual Property Rights. However, the Trustee has concluded that the estate lacks sufficient funds to pursue the Preference Claim and to recover the Intellectual Property Rights for the estate, and to pursue claims against certain former officers of Ceryx (the "Officer Claims"). Based upon the holding in Ducker, Spradling & Metzger vs. Baum Trust (In re P.R.T.C., Inc.) 177 F.3d. 774 (9th Cir. 1999), the Trustee has further concluded that he has the right to assign the Preference Claims, the Officer Claims and the Intellectual Property Rights to Assignees.

H. The assets of the Ceryx bankruptcy estate also include its right, title and interest, if any, in certain personal property, including, but not limited to, the items described on Exhibit "A" attached hereto (the "Personal Property").

I. The Trustee and Assignees believe that the acquisition of the Personal Property

-2-

ASSIGNMENT AND SALE OF ASSETS OF BANKRUPTCY ESTATE

EXHIBIT I

32

PATENT

REEL: 015078 FRAME: 0050

REEL: 022162 FRAME: 0964

will be useful in the development of the Intellectual Property Rights being assigned pursuant to this Agreement and enhance the consideration being paid to the estate pursuant to paragraph 2.A below.

NOW, THEREFORE IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH BELOW, the parties agree as follows:

1. Assignment and Sale of Preference Claim, Officer Claims and Intellectual Property

Rights

A. Assignment

The Trustee hereby assigns and transfers to the Assignees or their designee the bankruptcy estate's right (if any), in their sole discretion, to pursue, not to pursue, litigate, settle, compromise, or collect upon any and all claims against Dow or any transferee or assignee of Dow or Ceryx including, but not limited to actions pursuant to Bankruptcy Code § 547 to avoid any preferential transfer, or transfer that may have been preferential, including, but not limited to, the security interest arising from the Patent, Trademark and License Security Agreement dated September 15, 2000, and/or from the recordation of security interests in the United States Patent and Trademark Office on May 1, 2001, or any fraudulent transfer pursuant to Bankruptcy Code § 548. The Trustee further assigns, sells, and transfers to the Assignees or their designee all rights title and interest, if any, to pursue the Officer Claims as well as the Intellectual Property Rights (subject to liens, if any) consisting of all right, title, and interest of the bankruptcy estate, if any, in and to all of Ceryx's patents, trademarks, copyrights and other Intellectual Property and all applications for, registrations of, and licenses thereof, and all computer software, product

-3-

ASSIGNMENT AND SALE OF ASSETS OF BANKRUPTCY ESTATE

EXHIBIT 1

33

specifications, trade secrets, licenses, service marks, and goodwill, more fully described as follows:

- (1) All of Ceryx's patents and patent applications, and the inventions and improvements described and claimed therein, including, but not limited to United States Patent No. 5612006 "Catalytic Converter and Phase Spreading Spiral Muffler Assembly," and the United States Patent Applications referred to as Pct US 99126090 "Integrated Apparatus for Removing Pollutants from a Fluid Stream in a Lean-Burn Environment with Heat Recovery," and UP Prov. 60/136,681 "Regenerative Device for the Reduction of Pollutants from a Lean-Burn Environment," as the same may be amended from time to time, and (i) the reissues, divisions, continuations, renewals, extensions and continuations in part thereof; (ii) all income, damages, and payments now and hereafter due or payable under or with respect thereto, including, without limitation, license royalties, damages and payments for past or future infringements thereof; (iii) the right to sue for past, present and future infringements thereof (iv) all rights corresponding thereto throughout the work (all of the foregoing Patents and applications together with the items described clauses (i) through (iv) of this subsection are hereinafter collective referred to as "the Patents");
- (2) All trademarks (including "Ceryx"), service marks, trademarks or service mark registrations; trademark or service mark applications and brand names, including, without limitation, common law rights and the following marks and application:

-4-

ASSIGNMENT AND SALE OF ASSETS OF BANKRUPTCY ESTATE

EXHIBIT 11

34

PATENT
REEL: 019978 FRAME: 0052
REEL: 022162 FRAME: 0966

THIOCAT as applied to catalytic converters for reducing pollutants, and the United States Trademark applications referred to as Serial No. 75663236; LEANCAT, Serial No. 75663235; QUINCAT, Serial No. 75663231; QUADCAT, Serial No. 75612598; and (i) renewals or extensions thereof, (ii) all income, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, license royalties, damages and payments for past or future infringements thereof, (iii) the right to sue for past, present, and future infringements thereof, and (iv) all rights corresponding thereto throughout the world (all of the foregoing trademarks, trade names, service marks and applications and registrations thereof together with the items described in (i) through (v) of this subsection are hereinafter collectively referred as the "Trademarks");

- (3) The licenses to U.S. Patent No. 5,326,537 entitled "Counterflow Catalytic Device" and U.S. Patent No. 5567390 entitled "Counterflow Catalytic Device with Interactive Dilution Control" dated October 2, 1998, between Ceryx and Falmouth Products, Inc. and other license agreements (to the extent such license agreements may be assigned without violating the terms of any other Patent, trademark, service mark or any application or registration thereof) between Ceryx and any other party, whether Ceryx is licensor or licensee (all of the foregoing license agreements and Ceryx's rights thereunder are hereinafter collectively referred to as the "Licenses");

-5-

ASSIGNMENT AND SALE OF ASSETS OF BANKRUPTCY ESTATE

EXHIBIT 1

35

PATENT
REEL: 015978 FRAME: 0053
REEL: 022162 FRAME: 0967

- (4) Engineering, re-engineering, testing, test data and methods derived from same, durability and performance data and any subsequent testing and/or proving of Ceryx Intellectual Property, including but not limited to testing of and/or leading to the property described in subparagraphs (1) through (3), inclusive, herein above.
- (5) The goodwill of Ceryx's business connected with and symbolized by the trademarks; and
- (6) All proceeds, including, without limitation, proceeds which constitute property of the types described in sections (1) through (5) immediately above and any rents or profits of any of the foregoing items, whether cash or non cash, immediate or remote and insurance proceeds and all products of (1) through (5) above, and any indemnities, warranties and guarantees payable by reason of loss or damage to or otherwise with respect to any of the foregoing items.
- (7) The Assignees or their designee may assign the rights obtained hereunder upon approval by the Trustee.

2. Purchase Price and Payments

A. Purchase Price

As consideration for the assignment and transfer of the bankruptcy estate's interest, if any, in the Preference Claims, Officer Claims, and Intellectual Property Rights, Assignees or their designee shall pay the estate the sum of \$10,000 upon Bankruptcy Court approval of this Agreement which has become final with no appeal pending, plus forty percent

-6-

ASSIGNMENT AND SALE OF ASSETS OF BANKRUPTCY ESTATE

EXHIBIT 1

36

PATENT

REEL: 015878 FRAME: 0054

REEL: 022162 FRAME: 0968

(40%) of the net proceeds collected, received, or recovered by Assignees or their designee in settlement or satisfaction of any of the Claims, and/or derived from the Intellectual Property Rights. Net proceeds shall be determined by deducting from the gross proceeds, the reasonable attorneys fees and costs incurred by Assignees or their designee in pursuing or litigating any of the claims described herein and in recovering or collecting assets pursuant to this Agreement. Attorneys fees and costs shall include the fees and expenses of counsel for the Assignees or their designee and may include, without limitation, printing, photocopying, duplicating and other expenses, air freight charges, deposition costs, court reporter fees, long distance telephone charges and recording charges, and fees billed for law clerks, paralegals, librarians, and other not admitted to the bar but performing services under the supervision of an attorney. The terms attorneys fees and costs shall also include, without limitation, all fees and expenses for appeals, arbitrations, and proceedings in the bankruptcy court or the U.S. Patent and Trademark office.

B. Payment Term

Beginning six (6) months after the date of entry of an order of the Bankruptcy Court approving this Agreement, and continuing until entry of an order in the Bankruptcy Court that effectively discharges the Trustee of his duties in Case No. ND 01-12085-RR, Assignees or their designee shall provide the Trustee with a semi-annual account of any and all proceeds, revenues, or other consideration collected, received or recovered by Assignees or their designee pursuant to this agreement since the last accounting, including an accounting of any and all attorney fees and costs deducted from the gross proceeds. Assignees or their designee shall tender payment of the bankruptcy estate's proportionate share of the net proceeds to the Trustee at the

-7-

ASSIGNMENT AND SALE OF ASSETS OF BANKRUPTCY ESTATE

EXHIBIT 1

37

PATENT

REEL: 015878 FRAME: 0055

REEL: 022162 FRAME: 0969

time the semi-annual accounting is provided.

C. Personal Property

Separate and apart from the consideration being paid for the Intellectual Property Rights, Assignees or their designee agree to pay to the estate as consideration for the purchase of the bankruptcy estate's interest, if any, in all of the Personal Property free and clear of the liens of Donald Skinner and Ken Karas the sum of \$130,000. The payment shall be due when the Agreement is confirmed by the Bankruptcy Court and become final with no stay against enforcing this Agreement in effect.

3. Effective Date of Agreement/Confirmation by Court.

This Agreement shall become effective and binding upon the parties when it is confirmed by the Bankruptcy Court and become final with no stay against enforcing this Agreement in effect.

4. Affirmation of Non-Sale or Assignment by Chapter 7 Trustee

The Trustee hereby affirms and represents that he has made no sale, transfer, or assignment of the Preference Claim, Intellectual Property Rights or the Officer Claims referred to herein to any person or entity.

5. Warranty of Authority.

Trustee hereby warrants and represents that he has the authority to lawfully and effectually make the sales, assignments, and transfers of the estate's interest set forth in this agreement.

The sale of the Personal Property is without warranty, as is, where is. Assignees

understand that the Personal Property inventory attached hereto is incomplete and that the Trustee may not be in possession of one or more items as shown on the inventory. Assignees agree that they are only purchasing those items of Personal Property which the Trustee has in his possession and that there will be no deduction from the purchase price for items not delivered, or addition to the purchase price for any additional items delivered.

6. Cooperation in Preparation, etc. of Documents

E. Execution of Documents

The parties shall cooperate with each other in the preparation, execution, and recordation of any documents necessary to the performance to completion of all transactions contemplated by this Agreement.

F. Confirmation of Agreement

The Trustee will take all necessary steps to obtain the Bankruptcy Court's confirmation of the terms of this Agreement and any required order for confirmation of this Agreement.

Although the consideration to be paid for the Assignment and Sale of the Intellectual Property Rights and the sale of the Personal Property contemplated hereunder are bifurcated and consist of separate purchase prices, the Trustee believes that the highest and best price obtainable for the estate's assets by selling all of the estate property to one buyer. The Trustee further believes that no buyer can be found to pay a higher price for the purchase of the Intellectual Property Rights and the Personal Property if sold separately.

7. Assignment

The parties may assign their rights, but not their obligations, under this Agreement, and no assignment by a party of any rights hereunder shall relieve that party of any obligations of that party under this Agreement.

8. Amendment/Modification

No amendment or modification of this Agreement shall be valid unless in writing and signed by both parties and approved by the Bankruptcy Court.

9. Governing Law

Except to the extent that the duties and obligations provided herein are governed by Federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of California.

10. Waiver

Waiver by a party of any breach of any term or condition contained in this Agreement shall not be deemed to be a continuing of such term or condition, or a waiver of any subsequent breach of the same or any other term or condition herein contained.

11. Partial Invalidity

If any term or provision of this Agreement or any application thereof shall be held invalid or unenforceable, the remainder of this Agreement and of any application of its terms and provisions shall not be effected thereby but shall remain valid and enforceable.

12. Notices

Except as may otherwise be required by law, any and all notices or other communications

required or permitted by this Agreement or by law to be served on or given to any party by another party shall be in writing, and any such notice or communication shall be deemed duly served and given when, (1) personally delivered to the party to whom it is directed or, (2) in lieu of personal service when deposited in the United States mail, First -Class postage prepaid, addressed to the party at such party's address set forth below.

1. Trustee: (a) Jerry Namba, 625 Chapel Street, Santa Maria, CA 93454 and Timothy Yoo, Robinson Diamant & Wolkowitz, 1888 Century Park East, Suite 1500, Los Angeles, CA 90067
2. Assignees: c/o Alex Gutierrez, 5450 Telegraph Road, Suite 200, Ventura, CA 93003, with copies to: Sheldon H. Lytton, Esq. and Herbert Katz, Esq., Kelly Lytton & Vann LLP, 1900 Avenue of the Stars, Suite 1450, Los Angeles, California 90067.

Either party may change such party's address for purposes of this Agreement by giving written notice of the change to the other parties in the manner provided above.

13. Entire Agreement

This Agreement shall constitute the entire Agreement of the parties with respect to the matters addressed herein. Any understanding or representation of any kind preceding the date of this Agreement, or contemporaneous with the entry of the parties to this Agreement, which pertains to the matters addressed in this Agreement, shall not be binding on the parties except to the extent incorporated into this Agreement.

14. Attorneys Fees

If any legal action is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to recover such party's reasonable attorneys fees in addition to any other relief to which such party may be entitled. This provision shall be construed as applicable to the entire Agreement.

15. Counterpart Signatures

This Agreement may be executed simultaneously in one or more counterparts, each of which is to be deemed to be an original, but all of which together shall constitute one and the same instrument.

In witness whereof, the parties have signed this Agreement on the dates set forth next to their names.

Dated: _____

JERRY NAMBA, CHAPTER 7 TRUSTEE

Dated: _____

Authorized signer on behalf of Assignees

-12-

ASSIGNMENT AND SALE OF ASSETS OF BANKRUPTCY ESTATE

EXHIBIT 1

42

PATENT

REEL: 015878 FRAME: 0060

PATENT

REEL: 022162 FRAME: 0974

14. Attorneys Fees

If any legal action is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to recover such party's reasonable attorneys fees in addition to any other relief to which such party may be entitled. This provision shall be construed as applicable to the entire Agreement.

15. Counterpart Signatures

This Agreement may be executed simultaneously in one or more counterparts, each of which is to be deemed to be an original, but all of which together shall constitute one and the same instrument.

In witness whereof, the parties have signed this Agreement on the dates set forth next to their names.

Dated: _____

JERRY NAMBIA, CHAPTER 7 TRUSTEE

Dated: 3/5/02


Authorized signer on behalf of Assignees

EXHIBIT 1

43

PATENT

REEL: 015078 FRAME: 0061

REEL: 022162 FRAME: 0975

14. Attorneys Fees

If any legal action is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to recover such party's reasonable attorneys fees in addition to any other relief to which such party may be entitled. This provision shall be construed as applicable to the entire Agreement.

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This Agreement may be executed simultaneously in one or more counterparts, each of which is to be deemed to be an original, but all of which together shall constitute one and the same instrument.

In witness whereof, the parties have signed this Agreement on the dates set forth next to their names.

Dated: 3-7-02


JERRY NAMBA, CHAPTER 7 TRUSTEE

Dated: _____

Authorized signer on behalf of Assignees

-12-

ASSIGNMENT AND SALE OF ASSETS OF BANKRUPTCY ESTATE

07700097117.WPO/ACT/17361 000

EXHIBIT 1

44

ASRA 100 SDB

namba

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PATENT

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REEL: 022162 FRAME: 0976

14. Attorneys Fees

If any legal action is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to recover such party's reasonable attorneys fees in addition to any other relief to which such party may be entitled. This provision shall be construed as applicable to the entire Agreement.

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Dated: _____

JERRY NAMBA, CHAPTER 7 TRUSTEE

Dated: 3/5/02


Authorized signer on behalf of Assignees

EXHIBIT 1

4/5

PATENT

REEL: 015076 FRAME: 0063

REEL: 022162 FRAME: 0977

1 TIMOTHY J. YOO (State Bar No. 155531)
2 ROBINSON, DIAMANT & WOLKOWITZ
3 A Professional Corporation
4 1888 Century Park East, Suite 1500
5 Los Angeles, California 90067
6 Telephone: (310) 277-7400
7 Telecopier: (310) 277-7584

8 Attorneys for Jerry Namba,
9 Chapter 7 Trustee

10 UNITED STATES BANKRUPTCY COURT
11 CENTRAL DISTRICT OF CALIFORNIA
12 NORTHERN DIVISION

13 In re

14 CERYX INCORPORATED,

15 Debtor.

Case No. ND 01-12085 RR

Chapter 7

ORDER AUTHORIZING TRUSTEE TO
ASSIGN AND SELL CERTAIN ASSETS
OF THE ESTATE FREE AND CLEAR OF
LIENS OF DONALD SKINNER AND
KENNETH KARAS

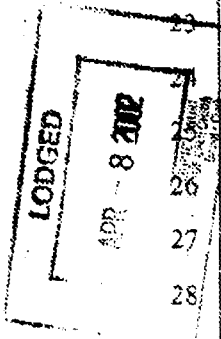
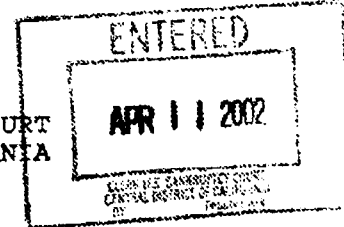
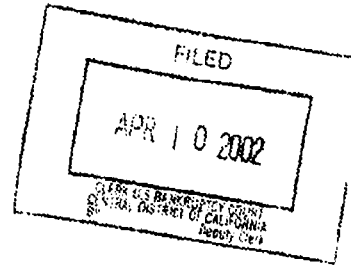
Date: April 2, 2002

Time: 10:00 a.m.

Place: Courtroom 201
1415 State Street
Santa Barbara, Calif.

16 The motion by Jerry Namba, the duly appointed,
17 qualified and acting Chapter 7 trustee herein ("Trustee"), for an
18 order authorizing the Trustee to assign and sell certain assets
19 of the bankruptcy estate free and clear of liens of Donald
20 Skinner and Kenneth Karas ("Motion") was heard on April 2, 2002
21 at 10:00 a.m. in the above-entitled Court before the Honorable
22 Robin L. Riblet, United States Bankruptcy Judge. Timothy J. Yoo
23 appeared on behalf of the Trustee; Herbert Katz of Kelly Lytton &
24 Vann LLP appeared on behalf of Rodney Elliot, Raul Corona, Philip
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1 Morgan and Christina Holtzheuser-Morgan ("Purchasers"); Lauren T.
2 Diehl of Crosby, Heafey, Roach & May appeared on behalf of Dow
3 Credit Corporation; William C. Beall of Beall & Burkhardt
4 appeared on behalf of Kenneth Karas; Karen L. Grant of the Law
5 Offices of Karen L. Grant appeared on behalf of Donald K.
6 Skinner; and Marjorie L. Erickson appeared on behalf of the
7 Office of the United States Trustee.

8 The Court, having considered the Motion, the
9 oppositions of Donald K. Skinner, Kenneth Karas and Dow Credit
10 Corporation, the declarations and exhibits filed in support
11 thereof, having found that notice of the Motion was adequate
12 under the circumstances, and good cause appearing,

13 IT IS HEREBY ORDERED that:

14 1. The Motion is granted;

15 2. Pursuant to the terms and conditions set forth in
16 the Motion, the Trustee is authorized to assign and transfer to
17 the Purchasers the bankruptcy estate's right, if any, to pursue,
18 not to pursue, litigate, settle, compromise, or collect on (1)
19 any and all claims against Dow Credit Corporation or Dow Chemical
20 Company, including, but not limited to, a potential preference
21 action under 11 U.S.C. § 547, and (2) any and all claims against
22 former officers of Ceryx Incorporated ("Debtor") with the
23 exception of the pending actions initiated by the Trustee;

24 3. Pursuant to the terms and conditions set forth in
25 the Motion, the Trustee is authorized to sell, assign and
26 transfer to the Purchasers all rights, title, and interest of the
27 bankruptcy estate, if any, in certain patents, trademarks,
28 copyrights, and other intellectual property of the Debtor

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-2-

1 ("Intellectual Property Rights"), and certain personal property
2 of the Debtor, as more fully described in the Agreement attached
3 to the Motion, free and clear of the liens of Donald K. Skinner
4 and Kenneth Karas;

5 4. As consideration for the sale, assignment, and
6 transfer, the Purchasers shall (1) pay the sum of \$140,000
7 ("Payment") to the Trustee within 10 days following the Court's
8 entry of this Order (assuming that no appeal of this Order is
9 pending at the time of payment) and (2) forty percent (40%) of
10 the net proceeds that they collect, receive, or recover in
11 connection with the claims described in Paragraph 2, above, and
12 the Intellectual Property Rights ("Proceeds");

13 5. The liens of Donald K. Skinner and Kenneth Karas
14 shall attach to the Payment and the Proceeds;

15 6. The Trustee is authorized to distribute the
16 Payment and Proceeds to the extent necessary to payoff the liens
17 of Donald K. Skinner and Kenneth Karas upon determination, if
18 any, by either the Court or the Trustee that the pending
19 preference actions to avoid the liens of Donald K. Skinner and
20 Kenneth Karas lack merit;

21 7. The Trustee is authorized to execute any and all
22 documents which he or the Purchasers deem reasonably necessary to
23 consummate the transaction contemplated by the Motion and to
24 perform all of his obligations pursuant to this Order;

25 8. The sale is "as is," "where is," for which the
26 Trustee shall not be responsible for any warranties or
27 representations of any kind; and

28 ///

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-3-

9. The Court shall retain jurisdiction to adjudicate any disputes which may arise in connection with the Motion.

DATED: APR 10 2002

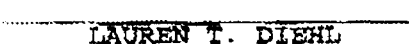
ROBIN L. RIBLET

ROBIN L. RIBLET
UNITED STATES BANKRUPTCY JUDGE


Approved as to form:
KELLY LYTON & VANN LLP

By: 
HERBERT KATZ
Attorneys for "Purchasers"

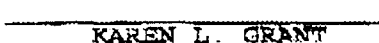
CROSBY, HEAFY, ROACH & MAY

By: 
LAUREN T. DIEHL
Attorneys for
Dow Credit Corporation

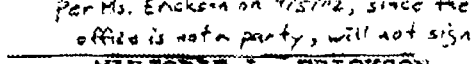
BEALL & BURKHARDT

By: 
WILLIAM C. BEALL
Attorneys for
Kenneth Karas


LAW OFFICES OF KAREN L. GRANT

By: 
KAREN L. GRANT
Attorneys for
Donald K. Skinner

OFFICE OF THE UNITED STATES TRUSTEE

per Ms. Erickson on 4/5/02, since the
office is not a party, will not sign
By: 
MARJORIE L. ERICKSON
Staff Attorneys

Presented by:
ROBINSON, DIAMANT & WOLKOWITZ

By: 
TIMOTHY J. YOO
Attorneys for Jerry Namba, Chapter 7 Trustee

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- 4 -

1 9. The Court shall retain jurisdiction to adjudicate
2 any disputes which may arise in connection with the Motion.
3

4 DATED: _____
5 ROBIN L. RIBLET
UNITED STATES BANKRUPTCY JUDGE

6 Approved as to form:
7 KELLY LYTON & VANN LLP

8 By: _____
9 HERBERT KATZ
Attorneys for "Purchasers"


10 CROSBY, HEAFEY, ROACH & MAY

11 By: _____
12 LAUREN T. DIEHL
13 Attorneys for
Dow Credit Corporation

14 BEALL & BURKHARDT

15 By: _____
16 WILLIAM C. BEALL
17 Attorneys for
Kenneth Karas

18 LAW OFFICES OF KAREN L. GRANT

19 By: 
20 KAREN L. GRANT
21 Attorneys for
Donald K. Skinner

22 OFFICE OF THE UNITED STATES TRUSTEE

23 By: _____
24 MARJORIE L. ERICKSON
25 Staff Attorneys

26 Presented by:
ROBINSON, DIAMANT & WOLKOWITZ

27 By: _____
28 TIMOTHY J. YOO
Attorneys for Jerry Namba, Chapter 7 Trustee

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-4-

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9. The Court shall retain jurisdiction to adjudicate any disputes which may arise in connection with the Motion.

DATED: _____

ROBIN L. RIBLET
UNITED STATES BANKRUPTCY JUDGE

Approved as to form:
KELLY LYTON & VANN LLP

By: _____

HERBERT KATZ
Attorneys for "Purchasers"

CROSBY, HEAFEY, ROACH & MAY

By: _____

LAUREN T. DIEHL
Attorneys for
Dow Credit Corporation

BEALL & BURKHARDT

By: William C. Beall

WILLIAM C. BEALL
Attorneys for
Kenneth Karas

LAW OFFICES OF KAREN L. GRANT

By: _____

KAREN L. GRANT
Attorneys for
Donald K. Skinner

OFFICE OF THE UNITED STATES TRUSTEE

By: _____

MARJORIE L. ERICKSON
Staff Attorneys

Presented by:
ROBINSON, DIAMANT & WOLKOWITZ

By: _____

TIMOTHY J. YOO
Attorneys for Jerry Namba, Chapter 7 Trustee

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- 4 -

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 1888 Century Park East, Suite 1500, Los Angeles, California 90067.

On April 5, 2002 I served the foregoing document described as:

**ORDER AUTHORIZING TRUSTEE TO ASSIGN AND SELL CERTAIN ASSETS
FO THE ESTATE FREE AND CLEAR OF LIENS OF DONALD SKINNER AND
KENNETH KARAS**

on interested parties in this action by placing a true copy thereof in a sealed envelope as follows:

Office of the US Trustee
21051 Warner Center Lane
Suite 115
Woodland Hills, CA 91367

By mail: I am readily familiar with the business' practice for collection and processing of correspondence for mailing with the United States Postal Service. I know that the correspondence is deposited with the United States Postal Service on the same day this declaration was executed in the ordinary course of business. I know that the envelope was sealed and, with postage thereon fully prepaid, placed for collection and mailing on this date, following ordinary business practices, in the United States mail at Los Angeles, California.

I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made. I declare under penalty of perjury of the laws of the United States and the State of California that the foregoing is true and correct.

Executed on April 5, 2002 at Los Angeles, California.

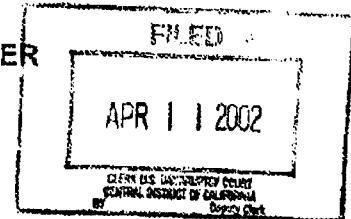

LEE DOWDING

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NOTE TO USERS OF THIS FORM:
Physically attach this form as the last page of the proposed Order or Judgment.
Do not file this form as a separate document.

In re CERYX INCORPORATED,	CHAPTER 7 Debtor: CASE NUMBER ND 01-12085-RR
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**NOTICE OF ENTRY OF JUDGMENT OR ORDER
AND CERTIFICATE OF MAILING**



TO ALL PARTIES IN INTEREST ON THE ATTACHED SERVICE LIST:

1. You are hereby notified, pursuant to Local Bankruptcy Rule 9021-1(a)(1)(E), that a judgment or order entitled (specify):
ORDER AUTHORIZING TRUSTEE TO ASSIGN AND SELL CERTAIN ASSETS OF THE ESTATE FREE
AND CLEAR OF LIENS OF DONALD SKINNER AND KENNETH KARAS

was entered on (specify date): **APR 11 2002**


2. I hereby certify that I mailed a copy of this notice and a true copy of the order or judgment to the persons and entities on the attached service list on (specify date):

APR 11 2002

Dated:

APR 11 2002

JON D. CERETTO
Clerk of the Bankruptcy Court

By: 
Deputy Clerk

SERVICE LIST
In re Ceryx Incorporated
Case No. ND 01-12085 RR

Debtor

Ceryx Incorporated
1343 East Main St.
Santa Paula, CA 93060

Counsel for Debtor

Jay L. Michaelson, Esq.
Michaelson Susi & Michaelson
7 West Figueroa St., 2nd Floor
Santa Barbara, CA 93101-3191

Office of the US Trustee
21051 Warner Center Lane
Suite 115
Woodland Hills, CA 91367

Attorneys for Donald K. Skinner

Karen Grant, Esq.
Law Offices of Karen L. Grant
205 East Figueroa St.
Santa Barbara, CA 93101

Attorneys for Kenneth Karas

William C. Beall, Esq.
1114 State Street, #200
Santa Barbara, CA 93101

Attorneys for Assignees

Herbert Katz, Esq.
Kelly Lytton & Vann
1900 Avenue of the Stars, Suite 1450
Los Angeles, CA 90067

Counsel for Chapter 7 Trustee

Timothy J. Yoo, Esq.
Robinson, Diamant & Wolkowitz
1888 Century Park E, Ste. 1500
Los Angeles, CA 90067

Attys for Dow Chemical

Lauren Diehl, Esq.
Crosby, Heafey, Roach & May
355 S. Grand
Los Angeles, CA 90071

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RECORDED: 04/08/2005

RECORDED: 01/29/2009

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