

THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re ) Chapter 11  
)  
MAGNATRAX CORPORATION, et. al., ) Case No. 03-11402 (PJW)  
) (Jointly Administered)  
)  
)  
)  
Debtors. )

**NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT  
FOR FIFTH AMENDED JOINT PLAN OF REORGANIZATION  
OF MAGNATRAX CORPORATION AND ITS SUBSIDIARIES  
UNDER CHAPTER 11 OF THE BANKRUPTCY CODE;  
(II) ESTABLISHMENT OF RECORD DATE; (III) HEARING  
TO CONSIDER CONFIRMATION OF THE PLAN AND PROCEDURES  
FOR OBJECTING TO CONFIRMATION OF THE PLAN; AND  
(IV) PROCEDURES AND DEADLINE FOR VOTING ON THE PLAN**

PLEASE TAKE NOTICE that:

1. MAGNATRAX CORPORATION and certain of its subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”) filed with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) the *Debtors’ Fifth Amended and Restated Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* (as amended thereafter, the “Plan”) and *Fifth Amended and Restated Disclosure Statement for Magnatrax Debtors Under Debtors’ Fifth Amended and Restated Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* dated September 17, 2003 (as modified thereafter, the “Disclosure Statement”) pursuant to section 1125 of title 11 of the United States Code (the “Bankruptcy Code”).

2. On September 17, 2003, the Court entered an order (the “Solicitation Procedures Order”) approving the Disclosure Statement and the Debtors’ solicitation procedures, in accordance with which you are receiving a Solicitation Package, which includes this Notice and certain other materials relating to the solicitation of creditors’ votes to accept or reject the Plan.

3. A hearing (the “Confirmation Hearing”) to consider the confirmation of the Plan will be held before the Honorable Peter J. Walsh, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6<sup>th</sup> Floor, Wilmington, Delaware 19801, beginning at 4:00 p.m. prevailing Eastern Time on October 28, 2003. The Confirmation Hearing may be continued from time to time without further notice other than the announcement by the

Debtors of the adjourned date(s) at the Confirmation Hearing or any continued hearing, and the Plan may be modified, if necessary, pursuant to 11 U.S.C. § 1127 prior to, during, or as a result of the Confirmation Hearing, without further notice to interested parties.

4. If you hold a claim against one of the Debtors as of September 8, 2003, the Record Date as established in the Solicitation Procedures Order, and are entitled to vote to accept or reject the Plan, you have received with this Notice the Disclosure Statement, a ballot form (“Ballot”) and voting instructions appropriate for your claim. For your vote to accept or reject the Plan to be counted, you must complete all required information on the Ballot, execute the Ballot, and return the completed Ballot to the address indicated on the Ballot, **so as to be received by 5:00 p.m. Eastern Time on October 22, 2003**. Any failure to follow the voting instructions included with the Ballot may disqualify your Ballot and your vote.

5. Holders of (i) unimpaired claims or interests and (ii) claims or interests who will receive no distribution at all under the Plan are not entitled to vote on the Plan and, therefore, received a Notice of Non-Voting Status rather than a Ballot in their Solicitation Packages. In addition, any holder of a claim that is the subject of an objection seeking total disallowance of such claim is not entitled to vote on the Plan and, therefore, did not receive a Ballot in such holder’s Solicitation Package. Any holder of a claim that is the subject of an objection to the classification or priority of such claim, or of an objection seeking to disallow the claim amount in part, shall be entitled to vote only in the proposed amount and classification or priority set forth in the objection. If you disagree with the Debtors’ classification of, or objection to, your claim and you wish to challenge the amount and/or classification indicated on your Ballot, then you must (i) have timely filed a proof of claim by the applicable Bar Date and (ii) serve on the Debtors and file with the Court a motion for an order pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure (a “Rule 3018(a) Motion”) temporarily allowing such claim in a different amount or in a different class for purposes of voting to accept or reject the Plan. All Rule 3018(a) Motions must be filed on or before the tenth (10th) day after the later of (i) service of this Notice and (ii) service of notice of an objection, if any, to such claim. In accordance with Bankruptcy Rule 3018, as to any creditor filing a Rule 3018(a) Motion, such creditor’s Ballot will be treated in accordance with the procedures set forth in the Solicitation Procedures Order absent further order of the Court after notice and a hearing. Creditors may contact The Garden City Group (“Garden City”), the Debtors’ voting agent, at the address set forth below to receive a Ballot for any claim for which a proof of claim and a Rule 3018(a) Motion have been timely filed. Rule 3018(a) Motions that are not timely filed and served in the manner as set forth above shall not be considered.

6. *Injunction related to releases under the Plan. The Plan provides for releases by the Debtors and for releases by Holders of Claims and Interests. Furthermore, the Plan provides that each Person bound by the releases is permanently, forever and completely stayed, restrained, prohibited and enjoined from, directly or indirectly, derivatively or otherwise, commencing or continuing any Released Action against any Released Party. The Plan further provides that nothing therein shall prejudice any right, remedy, defense, claim, cross-claim,*

*counterclaim or third-party claim that any Person may have against any Person other than with respect to the Released Actions against the Released Parties (capitalized terms not otherwise defined herein are defined in the Plan, and you should refer to the Plan for a more complete description of the proposed releases and related injunction ).*

7. Objections, if any, to the confirmation of the Plan must (i) be in writing, (ii) state the name and address of the objecting party and the nature of the claim or interest of such party, (iii) state with particularity the basis and nature of any objection or proposed modification, and (iv) be filed, together with proof of service, with the Court and served so that they are received no later than 4:00 p.m. Eastern Time on **October 22, 2003**, by (a) the Clerk, 824 Market Street, Fifth Floor, Wilmington, Delaware 19801; (b) Kaye Scholer LLP, Co-Counsel for the Debtors, 425 Park Avenue, New York, NY 10022, Attention: Andrew A. Kress, Esq., and Keith R. Murphy, Esq.; (c) Young Conaway Stargatt & Taylor, LLP, Co-Counsel for the Debtors, The Brandywine Building, 1000 West Street, 17<sup>th</sup> Floor, Wilmington, DE 19801, Attention: Joel A. Waite, Esq. and Maureen D. Luke, Esq.; (d) Foley & Lardner, Co-Counsel for the Committee, 402 West Broadway, Suite 2300, San Diego, CA 92101, Attention: Peter W. Ito, Esq.; (e) The Bayard Firm, Co-Counsel to the Committee, 222 Delaware Avenue, P.O. Box 25130, Wilmington, Delaware, 19899, Attention: Michael Vild, Esq.; (f) Clifford Chance US LLP, Co-Counsel for (i) Canadian Imperial Bank of Commerce as Administrative Agent for the Debtors' prepetition lenders and (ii) the Debtors' postpetition lenders, 200 Park Avenue, New York, New York 10166, Attention: Madlyn Gleich Primoff, Esq.; (g) Potter Anderson & Corroon LLP, Co-Counsel for (i) Canadian Imperial Bank of Commerce as Administrative Agent for the Debtors' prepetition lenders and (ii) the Debtors' postpetition lenders, 1313 North Market Street, 6th Floor, Wilmington, DE 19801, Attention: Laurie Selber Silverstein, Esq., and (h) The Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox #35, Wilmington, DE 19801, Attention: Margaret L. Harrison, Esq.

8. Any holder of a claim that is scheduled in the Debtors' schedules of assets and liabilities (the "Schedules") at zero or in an unknown amount or as disputed, contingent, or unliquidated, and is not the subject of a timely filed proof of claim or a proof of claim deemed timely filed with the Court pursuant to either the Bankruptcy Code or any order of the Bankruptcy Court or otherwise deemed timely filed under applicable law, or is not scheduled and is not the subject of a timely filed proof of claim or a proof of claim deemed timely filed with the Court pursuant to either the Bankruptcy Code or any order of the Court or otherwise deemed timely filed under applicable law, shall not be treated as a creditor with respect to such claim for purposes of (a) receiving notices regarding, or distributions under, the Plan, or (b) voting on the Plan.

9. September 8, 2003, shall be the record date for determining (i) the creditors entitled to receive Solicitation Packages, and (ii) the creditors entitled to vote to accept or reject the Plan.

10. Any party in interest wishing to obtain information about the solicitation procedures should contact the Debtors' voting agent, The Garden City Group, 105 Maxess Road, Melville, New York 11747-3836, Attention: Gina Ziegler, or by calling (866) 249-4360. In addition, all documents that are filed with the Court may be reviewed during regular business hours (8:30 a.m. to 4:00 p.m. weekdays, except legal holidays) at the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, Wilmington, Delaware 19801 or downloaded from the Court's website: [www.deb.uscourts.gov](http://www.deb.uscourts.gov).

Dated: Wilmington, Delaware  
September 17, 2003

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