

**IT IS SO ORDERED.**

**Dated: 04:56 PM June 06 2007**



**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

----- X  
In re: : Case No. 06-51848  
: (Jointly Administered)  
CEP HOLDINGS, LLC, et al.,<sup>1</sup> :  
: Chapter 11  
Debtors. :  
: Honorable Marilyn Shea-Stonum  
: :  
----- X

**ORDER (A) APPROVING PROPOSED DISCLOSURE  
STATEMENT, (B) ESTABLISHING PROCEDURES FOR  
SOLICITATION AND TABULATION OF VOTES TO ACCEPT  
OR REJECT PROPOSED JOINT PLAN OF LIQUIDATION AND  
(C) SCHEDULING CERTAIN DATES IN CONNECTION THEREWITH**

Upon the motion (Docket No. 572) (the “**Motion**”)<sup>2</sup> of CEP Holdings, LLC and its affiliated debtors and debtors in possession (each a “**Debtor**” and collectively, the “**Debtors**” or “**CEP**”) and the Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”) in

<sup>1</sup> The Debtors are: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Motion.

the above-captioned Chapter 11 cases (the “**Cases**”), for entry of an order, pursuant to sections 502, 1125, 1126 and 1128 of the Bankruptcy Code and Bankruptcy Rules 2002, 3003, 3016, 3017, 3018 and 3020, (i) approving the Disclosure Statement (as such term is defined below), (ii) establishing procedures for the solicitation and tabulation of votes to accept or reject the Plan and (iii) scheduling a hearing on the confirmation of the Plan and approving related notice procedures; the Court having reviewed the Motion, having received evidence and having heard the statements of counsel in support of the relief requested therein at a hearing before the Court (the “**Hearing**”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein;

THE COURT FINDS THAT:

A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

C. Notice of the Motion and the Hearing, made in the manner described in the Motion, was sufficient and appropriate under the circumstances and complied with the requirements of the Bankruptcy Code and the Bankruptcy Rules.

D. The *First Amended Disclosure Statement to Accompany First Amended Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code Proposed by the Debtors and the Official Committee of Unsecured Creditors Dated May 25, 2007* (Docket No. 591) (the “**Disclosure Statement**”), contains adequate information within the meaning of section 1125 of the Bankruptcy Code.

E. The relief requested in the Motion and granted herein is warranted under the circumstances and is in the best interests of the Debtors’ respective estates.

F. The form of the ballot attached hereto as **Exhibit 1** (collectively and including the Instructions set forth therein, the “**Ballot**”) (1) is consistent with Official Form No. 14, (2) adequately addresses the particular needs of these Cases, (3) is appropriate for the class of claims entitled to vote to accept or reject the Plan and (4) complies with Bankruptcy Rule 3017(d).

G. Ballots need not be provided to holders of claims and interest in Classes 1, 2, 3 and 5 under the Plan because: (1) Classes 1, 2 and 3 are unimpaired and are conclusively presumed to accept the Plan in accordance with section 1126(f) of the Bankruptcy Code; and (2) holders of claims and interests in Class 5 under the Plan will not retain or receive any property under the Plan, and therefore, this class is deemed to reject the Plan in accordance with section 1126(g) of the Bankruptcy Code.

H. Because the Plan calls for the substantive consolidation of the Debtors for purposes of voting on the Plan and distributions under the Plan, solicitation and balloting on the Plan on a consolidated basis is appropriate.

I. The period during which the Debtors may solicit votes to accept or reject the Plan, as established by this Order, provides a sufficient time for creditors to make informed decisions to accept or reject the Plan and submit timely Ballots.

J. The procedures for the solicitation and tabulation of votes to accept or reject the Plan, as approved herein, provide a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

K. The contents of the Solicitation Packages and the procedures for providing notice of the Confirmation Hearing and the other matters set forth in the Confirmation Hearing Notice comply with the Bankruptcy Rules 2002 and 3017 and constitute sufficient notice to all interested parties in accordance with the Bankruptcy Code and the Bankruptcy Rules.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED in its entirety.
2. The Disclosure Statement is APPROVED, pursuant to section 1125 of the Bankruptcy Code.
3. The Debtors and the Creditors' Committee are granted authority to make non-substantive modifications to the Disclosure Statement and the Plan prior to dissemination of the Disclosure Statement and the Plan.
4. The Ballot substantially in the form attached hereto as **Exhibit 1**, including the Instructions attached to the Ballot, is APPROVED. The Ballot shall be distributed to holders of claims in the class entitled to vote to accept or reject the Plan.
5. To be counted as votes to accept or reject the Plan, all Ballots must be properly executed, completed and delivered to BMC, the Debtors' solicitation and tabulation agent, by either (a) mail in the return envelope provided with each Ballot, (b) overnight courier or (c) personal delivery so that, in each case, such Ballots are received by BMC no later than 5:00 p.m., Eastern Time, on July 13, 2007 (the "**Voting Deadline**").
6. Solely for purposes of voting to accept or reject the Plan, and not for the purpose of the allowance of, or distribution on account of, a claim and without prejudice to the rights of the Debtors or the Creditors' Committee in any other context, each claim within the class of claims entitled to vote to accept or reject the Plan shall be temporarily allowed in accordance with the following rules (the "**Tabulation Rules**"):

- a. Unless one or more of the Tabulation Rules set forth below applies and provides otherwise, a claim will be deemed temporarily allowed for voting purposes in an amount equal to: (i) the noncontingent, liquidated and undisputed amount of such claim, as set forth in the Schedules; or (ii) if a proof of claim has been timely filed in respect of such claim, the noncontingent, liquidated and undisputed amount set forth in such proof of claim.
- b. If a claim is deemed allowed in accordance with the Plan, such claim will be temporarily allowed for voting purposes in the deemed allowed amount set forth in the Plan.
- c. If a claim for which a proof of claim has been timely filed and has not been disallowed is listed or marked or otherwise referenced on its face as contingent, unliquidated or disputed, either in whole or in part, only the noncontingent, liquidated and undisputed portion, if any, of such claim will be deemed temporarily allowed for voting purposes, subject to the other Tabulation Rules, and the remaining portion of such claim will be disallowed for voting purposes.
- d. If a claim for which a proof of claim has been timely filed is marked as a priority claim, either in whole or in part, but is listed in the Schedules as a nonpriority claim or as a priority claim only in part, such claim will be temporarily allowed for voting purposes as a nonpriority claim in an amount equal to the lesser of (i) the entire amount of such claim as set forth in the proof of claim or (ii) the nonpriority claim set forth in the Schedules, provided that such claim is not listed in the Schedules or marked on the proof of claim as contingent, unliquidated or disputed.
- e. If a claim has been allowed pursuant to a stipulation approved by the Court, such claim will be deemed temporarily allowed for voting purposes in the amount set forth in the stipulation.
- f. If a claim has been estimated or otherwise allowed for voting purposes by order of the Court, such claim will be temporarily allowed for voting purposes in the amount so estimated or allowed by the Court.
- g. With respect to a claim as to which (i) the claim is (A) listed in the Schedules as contingent, unliquidated or disputed or in a zero amount or (B) not listed in the Schedules and (ii) a proof of claim was not timely filed and no stipulation allowing the claim has been approved by the Court, such claim will be disallowed for voting purposes.

- h. If the Debtors have filed and served an objection to a claim on or before the date that is 10 days after the date of service of the Confirmation Hearing Notice, such claim will be disallowed for voting purposes in accordance with the relief sought in the objection, unless the objection only seeks disallowance of part of such claim, in which event only the amount subject to the objection will be disallowed for voting purposes.
- i. If a claim holder identifies a claim amount on its Ballot that is less than the amount otherwise calculated in accordance with the Tabulation Rules, the claim will be temporarily allowed for voting purposes in the lesser amount identified on such Ballot.

7. If any claimant seeks to challenge the allowance of its claim for voting purposes in accordance with the Tabulation Rules, such claimant must file a motion, pursuant to Bankruptcy Rule 3018(a), for an order temporarily allowing such claim in a different amount or classification for purposes of voting to accept or reject the Plan (a “**Rule 3018 Motion**”) and serve such motion on counsel for the Debtors (at the address set forth in the Plan) so that it is received no later than the later of (a) the date of service of the Confirmation Hearing Notice and (b) the date of service of a notice of an objection, if any, to the underlying claim. The Debtors shall have 7 days to file and serve any responses to Rule 3018 Motions. In accordance with Bankruptcy Rule 3018, any Ballot submitted by a creditor that files a Rule 3018 Motion shall be counted solely in accordance with the Tabulation Rules and the other applicable provisions contained herein unless and until the underlying claim is temporarily allowed by the Court for voting purposes in a different amount, after notice and a hearing. The Debtors shall coordinate with the Court to adjudicate and resolve all pending Rule 3018 Motions and any responses thereto in a timely fashion and, to the extent possible, at a single hearing in advance of the Confirmation Hearing.

8. In tabulating the Ballots, the following additional procedures shall be utilized: (a) if a creditor casts more than one Ballot voting the same Claim before the Voting Deadline, the latest dated properly executed Ballot will be deemed to reflect the voter’s intent and thus will

supersede any prior Ballots; (b) creditors will be required to vote all of their claims within a particular class under the Plan either to accept or reject the Plan and may not split their votes; thus, a Ballot (or a group of Ballots within a Plan class received from a single creditor) that partially rejects and partially accepts the Plan will not be counted; and (c) for the purposes of determining whether the numerosity and claim amount requirements of sections 1126(c) and 1126(d) of the Bankruptcy Code have been satisfied, the Tabulation Agent will tabulate only those Ballots received by the Voting Deadline.

9. The Confirmation Hearing is scheduled to be conducted on July 24, 2007 at 1:30 p.m. Eastern Time. The Confirmation Hearing may be continued from time to time by the Court without further notice other than the announcement of the adjourned date(s) at the Confirmation Hearing or any continued hearing.

10. Objections, if any, to confirmation of the Plan must: (a) be in writing; (b) state the name and address of the objecting party and the nature of the claim or interest of such party; (c) state with particularity the basis and nature of any objection to the confirmation of the Plan; and (d) be filed with the Court and served so that they are received no later than 4:00 p.m., Eastern Time, on the same date as the Voting Deadline (the “**Confirmation Objection Deadline**”) on (i) Joseph F. Hutchinson, Esq., Baker & Hostetler LLP, 3200 National City Center, 1900 East 9th Street, Cleveland, OH 44114-3485; (ii) Mark E. Freedlander, Esq., McGuireWoods LLP, 625 Liberty Avenue, 23rd Floor Dominion Tower, Pittsburgh, PA 15222; and (iii) Maria D. Giannirakis, Esq., Office of the U.S. Trustee, Howard M. Metzenbaum U.S. Courthouse, 201 Superior Ave., East, Suite 441, Cleveland, OH 44114. The Debtors or the Creditors’ Committee shall file and serve on the Interested Parties and any party that files an objection to the Plan any reply to any such objections within 2 days of the Confirmation Hearing.

A pre-hearing conference on any objection to the confirmation of the Plan that is filed by the Confirmation Objection Deadline shall be held on July 19, 2007 at 3:30 p.m., Eastern Time.

11. The Confirmation Hearing Notice in substantially the form attached hereto as **Exhibit 2** is APPROVED. The Debtors shall serve copies of the Confirmation Hearing Notice, along with the other materials comprising the Solicitation Package, in accordance with the procedures set forth below.

12. Pursuant to Bankruptcy Rule 3017(d), June 6, 2007 shall be the record date for purposes of determining which creditors and equity holders are entitled to receive Solicitation Packages and, where applicable, vote on the Plan (the “**Record Date**”).

13. With respect to any transferred claim, the transferee shall be entitled to receive a Solicitation Package and cast a Ballot on account of such claim only if: (a) all actions necessary to effect the transfer of the claim pursuant to Bankruptcy Rule 3001(e) have been completed by the Record Date; or (b) the transferee files, no later than the Record Date, (i) the documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer. Each transferee shall be treated as a single creditor for purposes of the numerosity requirement in section 1126(c) of the Bankruptcy Code and the other voting and solicitation procedures set forth herein.

14. The Debtors are authorized to mail or cause to be mailed Solicitation Packages containing copies of: (a) the Confirmation Hearing Notice; (b) the Disclosure Statement (together with the exhibits thereto, that have been filed with the Court before the date of the mailing); (c) the Plan (together with the exhibits thereto, that have been filed with the Court before the date of the mailing), as an exhibit to the Disclosure Statement; (d) letters from the Debtors and the Creditors’ Committee recommending acceptance of the Plan (Docket Nos. 582



& 586); and (e) for Solicitation Packages sent to holders of claims in classes entitled to vote to accept or reject the Plan, an appropriate form of Ballot and a Ballot return envelope.

15. Except as described below, Solicitation Packages will be mailed no later than 7 days after the entry of this Order to: (a) all persons or entities that have filed proofs of claim or equity interests on or before the Record Date (or their transferees in accordance with the procedures set forth above); (b) all persons or entities listed in the Schedules as holding liquidated, noncontingent, undisputed claims as of the Record Date (or their transferees in accordance with the procedures set forth above); (c) all other known holders of claims or equity interests against the Debtors, if any, as of the Record Date; (d) all governmental units identified in the Schedules as creditors or potential creditors; (e) all non-Debtor parties to executory contracts and unexpired leases identified in the Schedules or any motion filed with the Court regarding the Debtors' assumption, assumption and assignment or rejection or executory contracts or unexpired leases; (f) all parties in interest that have filed requests for notice in accordance with Bankruptcy Rule 2002 in the Debtors' Cases on or before the Record Date; (g) the U.S. Trustee; (h) the Securities and Exchange Commission; and (i) all other parties identified on the General Service List established by the Case Management Order. Except as otherwise provided above, entities identified in the Schedules as holding contingent, unliquidated or disputed claims that did not file a timely proof of claim will be served only with a copy of the Confirmation Hearing Notice.

16. If the Debtors and the Creditors' Committee, in their sole discretion, deem it appropriate not to attempt to obtain accurate addresses for those entities for which the Debtors only have Undeliverable Addresses, based on returned mail in connection with the mailing of the Disclosure Statement Notice or earlier mailings in these Cases, the Debtors are excused from

mailing Solicitation Packages to such entities, unless the Debtors are provided with accurate addresses for such entities, in writing, on or before the Record Date. Failure to mail the Solicitation Packages to such entities shall not constitute inadequate notice of the Confirmation Objection Deadline, the Confirmation Hearing, the Voting Deadline or any other matter.

17. The Debtors and BMC are authorized to take any action necessary or appropriate to implement the terms of, and the relief granted in, this Order without further order of the Court.

18. This Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of this Order.

IT IS SO ORDERED.

###

**Respectfully submitted by:**

/s/ Joseph F. Hutchinson, Jr.  
Joseph F. Hutchinson, Jr. (0018210)  
Thomas M. Wearsch (0078403)  
Eric R. Goodman (0076035)  
BAKER & HOSTETLER LLP  
3200 National City Center  
1900 East 9th Street  
Cleveland, Ohio 44114-3485  
Phone: 216.621.0200  
Fax: 216.696.0740

*Counsel for the Debtors and Debtors-in-Possession*

/s/ Mark Freedlander  
Mark Freedlander  
Sally Edison  
MCGUIRE WOODS  
Dominion Tower  
625 Liberty Avenue  
23rd Floor  
Pittsburgh, PA 15222

*Counsel to the Official  
Committee of Unsecured Creditors*