

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

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In re: : Case No. 06-51848  
: (Jointly Administered)  
CEP HOLDINGS, LLC, et al.,<sup>1</sup> :  
: Chapter 11  
Debtors. :  
: Honorable Marilyn Shea-Stonum  
: :  
: Hearing Date: 6/5/07 at 9:30 a.m.  
: Objection Deadline: 6/1/07 at 4:00 p.m.<sup>2</sup>  
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**AMENDED JOINT MOTION OF DEBTORS AND DEBTORS IN  
POSSESSION AND THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS, PURSUANT TO SECTIONS 502, 1125, 1126 AND  
1128 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES  
2002, 3003, 3016, 3017, 3018 AND 3020, FOR ENTRY OF AN 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**

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 the above-captioned Chapter 11 cases (the “**Cases**”), hereby move (the “**Motion**”), pursuant to sections 502, 1125, 1126 and 1128 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 2002, 3003, 3016, 3017, 3018 and 3020 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), for entry of an order: (i)

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

<sup>2</sup> The Objection Deadline for the Motion was March 2, 2007 at 4:00 p.m. The changes made to the Plan and Disclosure Statement (as such terms are defined below), are intend to resolve the objections that were timely filed on or before March 2, 2007. Accordingly, this amended Motion is intended only to accurately reflect the amended Plan and Disclosure Statement and not to create a second objection deadline to the approval of the Disclosure Statement, unless, however, the objection relates to the amendments or changes to the Plan and Disclosure Statement.

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 (as such term is defined below); and (iii) scheduling a hearing on the confirmation of the Plan and approving related notice procedures. In support of the Motion, the Debtors respectfully represent as follows:

### **JURISDICTION AND VENUE**

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of the Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
2. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory predicate for the relief requested herein are sections 502, 1125, 1126 and 1128 of the Bankruptcy Code and Bankruptcy Rules 2002, 3003, 3016, 3017, 3018 and 3020.

### **BACKGROUND**

4. On September 20, 2006 (the “**Petition Date**”), each Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Pursuant to an order entered by the Court on September 26, 2006, the Cases are being jointly administered for procedural purposes only.

5. The Debtors are operating their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. On September 28, 2006, the United States Trustee (the “**U.S. Trustee**”) appointed the Creditors’ Committee. No trustee or examiner has been appointed.

6. On the Petition Date, the Debtors filed the *Application of Debtors and Debtors in Possession for Entry of an Order Pursuant to 28 U.S.C. § 156(c) and Bankruptcy Rule 2002 Authorizing Employment and Retention of BMC Group, Inc. as Claims, Noticing and Balloting Agent* (Docket No. 19) (the “**BMC Application**”). Pursuant to the BMC Application, the

Debtors sought to retain BMC Group, Inc. (“**BMC**”) as claims, noticing and balloting agent in these Cases.

7. On October 13, 2006, upon consideration of the BMC Application, the Court entered the *Order Pursuant to 28 U.S.C. § 156(c) and Federal Rule of Bankruptcy Procedure 2002 Authorizing Debtors to Employ BMC Group, Inc. as Claims, Noticing and Balloting Agent* (Docket No. 133) (the “**BMC Order**”). Pursuant to the BMC Order, BMC is authorized to receive, maintain, record and otherwise administer the proofs of claim filed in these Cases and perform such other administrative matters, including serving at the Debtors’ request as balloting agent under any plan of reorganization filed in these Cases. BMC Order at ¶ 2.

8. On September 28, 2006, the Court entered the *General Order Number One RE: Establishment of (1) Status Conferences and Hearing Dates, (2) Certain Case Management Procedures and (3) General Background Information* (Docket No. 88) (as amended by the *Order Amending Case Management Order [DKT. 88] to Provide for Additional Status Conferences* (Docket No. 396), the “**Case Management Order**”).

9. On October 30, 2006, the Debtors filed their *Schedules of Assets and Liabilities* (the “**Schedules**”).

### **RELIEF REQUESTED**

10. By this Motion, the Debtors and the Creditors’ Committee, pursuant to sections 502, 1125, 1126 and 1128 of the Bankruptcy Code and Bankruptcy Rules 2002, 3003, 3016, 3017, 3018 and 3020, seek the entry of an order: (i) approving 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. 568) (as it may be amended, the “**Disclosure Statement**”); (ii) establishing procedures for the solicitation and tabulation of votes to accept or reject the *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. 567) (as it may be amended, the “**Plan**”),<sup>3</sup> including the approval of (a) the rules for tabulation of votes on the Plan, (b) the form of ballot for submitting votes on the Plan, (c) the deadline for submission of ballots, (d) the contents of the proposed solicitation package to be distributed to creditors and other parties in interest in connection with the solicitation of votes on the Plan (collectively, and as described more fully in paragraph 35 below, the “**Solicitation Package**”), (e) the proposed record date for Plan voting and (f) certain related relief; and (iii) scheduling a hearing on the confirmation of the Plan (the “**Confirmation Hearing**”) and approving related notice procedures.

### **BASIS FOR RELIEF REQUESTED**

#### **Request for Approval of the Disclosure Statement**

11. The Debtors and the Creditors’ Committee request that the Disclosure Statement be approved as providing “adequate information” in accordance with section 1125 of the Bankruptcy Code. For the reasons described below, the Debtors and the Creditors’ Committee submit that such approval is warranted and appropriate.

#### **A. The Disclosure Statement Contains Adequate Information**

12. Under section 1125 of the Bankruptcy Code, a plan proponent must provide the creditors and interest holders with “adequate information” regarding the proposed plan:

“[A]dequate information” means information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor’s books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would

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<sup>3</sup> Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Plan.

enable such a hypothetical investor of the relevant class to make an informed judgment about the plan . . . .

11 U.S.C. § 1125(a)(1). Thus, a disclosure statement must, as a whole, provide “adequate information so that an informed determination can be made whether to accept or reject a reorganization plan.” *In re 266 Washington Assocs.*, 141 B.R. 275, 288 (Bankr. E.D.N.Y. 1992).

13. The Court has broad discretion in determining whether a disclosure statement contains adequate information. *See In re Cardinal Congregate I*, 121 B.R. 760, 764 (Bankr. S.D. Ohio 1990) (“Congress left vague the standard for evaluating what constitutes adequate information so as to permit a case-by-case determination based on the prevailing facts and circumstances.”); *accord Mabey v. Sw. Elec. Power Co. (In re Cajun Elec. Power Coop.)*, 150 F.3d 503, 518 (5th Cir. 1998), *cert. denied*, 119 S. Ct. 2019 (1999); *Texas Extrusion Corp. v. Lockheed Corp. (In re Texas Extrusion Corp.)*, 844 F.2d 1142, 1157 (5th Cir. 1988) (“The determination of what is adequate information is subjective and made on a case by case basis. This determination is largely within the discretion of the bankruptcy court.”); *Kirk v. Texaco, Inc.*, 82 B.R. 678, 682 (S.D.N.Y. 1988) (“The legislative history could hardly be more clear in granting broad discretion to bankruptcy judges under § 1125(a) . . . .”). This particular point is underscored in the legislative history of section 1125 of the Bankruptcy Code:

Precisely what constitutes adequate information in any particular instance will develop on a case-by-case basis. Courts will take a practical approach as to what is necessary under the circumstances of each case, such as the cost of preparation of statements, the need for relative speed in solicitation and confirmation . . . .

H.R. Rep. No. 595, at 408-09 (1977), *reprinted in* 1978 U.S.C.C.A.N. 5963, 6364-65. Accordingly, the determination of the adequacy of information in a disclosure statement must be made on a case-by-case basis, focusing on the unique facts and circumstances of each case. *See*,

*e.g., Cardinal Congregate I*, 121 B.R. at 765; *In re Scioto Valley Mortgage Co.*, 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988).

14. More specifically, the Disclosure Statement contains information that is relevant and material to the decision of a creditor whether to vote to accept or reject the Plan. Among other things, the Disclosure Statement contains information with respect to: (a) the history of the Debtors; (b) the Debtors' capital structure prior to the Petition Date; (c) the events preceding the Debtors' Chapter 11 filings; (d) the Debtors' prepetition restructuring efforts; (e) the commencement of the Cases; (f) events during the Cases; (g) the terms of the Plan; (h) the legal effects of the Plan; (i) the classification and treatment of Claims and Equity Interests under the Plan; (j) the provisions governing distributions under the Plan; (k) the means for implementing the Plan; (l) the contemplated administration of the Debtors' estates following the confirmation of the Plan by the Trustee; (m) a description of causes of action that can be maintained by the Trustee under the Plan; (n) alternatives to the confirmation of the Plan; (o) certain risk factors to consider that may affect the Plan; (p) voting procedures and confirmation requirements for the Plan; (q) the Federal income tax consequences of the Plan; and (r) the treatment of the Crestline Pension Plan and the Canton Pension Plan.

15. The Debtors and the Creditors' Committee respectfully submit that the Disclosure Statement complies with all aspects of section 1125 of the Bankruptcy Code. The Debtors and the Creditors' Committee will demonstrate at the hearing on the Disclosure Statement (the "**Disclosure Statement Hearing**") that the Disclosure Statement addresses the information set forth above in a manner that provides holders of impaired claims that are entitled to vote to accept or reject the Plan with adequate information within the meaning of section 1125 of the Bankruptcy Code and therefore should be approved.

**B. Notice of the Disclosure Statement Hearing**

16. The Court has scheduled the Disclosure Statement Hearing for June 5, 2007, notice of which has been provided by the Debtors in accordance with Bankruptcy Rule 3017(a).

Bankruptcy Rule 3017(a) provides as follows:

[A]fter a disclosure statement is filed in accordance with Rule 3016(b), the court shall hold a hearing on at least 25 days' notice to the debtor, creditors, equity security holders and other parties in interest as provided in Rule 2002 to consider the disclosure statement and any objections or modifications thereto. The plan and the disclosure statement shall be mailed with the notice of the hearing only to the debtor, any trustee or committee appointed under the Code, the Securities and Exchange Commission, and any party in interest who requests in writing a copy of the statement or plan.

Fed. R. Bankr. P. 3017(a). In addition, Bankruptcy Rule 2002(b) requires notice by mail to all creditors and indenture trustees of the time set for filing objections to, and the hearing to consider approval of, a disclosure statement. Bankruptcy Rule 2002(d) requires that equity security holders be given notice of the foregoing in the manner and form directed by the Court.

17. In accordance with these requirements, on February 6, 2007, the Debtors caused the notice of the Disclosure Statement Hearing, in the form attached hereto as **Exhibit A** and incorporated herein by reference (the "**Disclosure Statement Notice**"), to be served by first class mail, postage prepaid, on the following parties (collectively, the "**Disclosure Statement Notice Parties**"): (a) all creditors or potential creditors identified in the Debtors' Schedules; (b) all parties that have filed requests for notice in these Cases pursuant to Bankruptcy Rule 2002; (c) all persons or entities that have filed proofs of claim on or before the date of the Disclosure Statement Notice; (d) all persons or entities on the lists of equity security or interest holders filed by the Debtors; (e) the Creditors' Committee; (f) Wachovia Capital Finance Corporation (Central); (g) the U.S. Trustee; (h) the Securities and Exchange Commission; and (i) other parties required under Bankruptcy Rules 2002 and 3017. *See* Docket No. 339.

18. Among other things, the Disclosure Statement Notice identified the initial date, time and place of the Disclosure Statement Hearing and provided for the continuation of the Disclosure Statement Hearing from time to time without further notice other than the announcement of the adjourned dates. *See* Disclosure Statement Notice at ¶ 8.<sup>4</sup> The Disclosure Statement Notice also provided information on how to obtain copies of the Plan and Disclosure Statement and the deadline and procedures for asserting objections to the approval of the Disclosure Statement.<sup>5</sup> As set forth in the Disclosure Statement Notice, the Debtors have made copies of the Plan and Disclosure Statement available free of charge at the website maintained by BMC — <http://www.bmcgroup.com/cep>.

19. The Debtors and the Creditors' Committee submit that the foregoing procedures and the Disclosure Statement Notice provided adequate notice of the Disclosure Statement Hearing and, accordingly, request that the Court approve such notice as sufficient and appropriate and in compliance with the requirements of the Bankruptcy Code and the Bankruptcy Rules.

**Procedures for Tabulation of Votes to Accept or Reject the Plan**

**A. Approval of Form of Ballot**

20. Bankruptcy Rule 3017(d) requires the Debtors to mail a form ballot that substantially conforms with Official Form No. 14 to “creditors and equity security holders

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<sup>4</sup> The Disclosure Statement Notice attached hereto as Exhibit A accurately reflects the Disclosure Statement Hearing date of June 5, 2007. Because the Disclosure Statement Notice served on February 6, 2007 satisfied the requirements of Bankruptcy Rules 3017(a) and 2002 and provided for the continuation of the Disclosure Statement Hearing, the Debtors have not caused the revised Disclosure Statement Notice to be served on all of the Disclosure Statement Notice Parties.

<sup>5</sup> In particular, the Disclosure Statement Notice provided that objections or proposed modifications to the Disclosure Statement, if any, 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 or proposed modification and provide the specific language of any proposed modification, where possible; and (d) be filed with the Court and served so that they are received by counsel to the Debtors identified below and the other parties listed on the General Service List in the Cases no later than 4:00 p.m., Eastern Time, on March 2, 2007.



entitled to vote on the plan.” Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(c) provides that “[a]n acceptance or rejection shall be in writing, identify the plan or plans accepted or rejected, be signed by the creditor or equity security holder or an authorized agent, and conform to the appropriate Official Form.” Fed. R. Bankr. P. 3018(c).

21. The Debtors propose to distribute to creditors entitled to vote on the Plan a ballot in the form attached hereto as **Exhibit B** and incorporated herein by reference (collectively, including the instructions set forth therein (the “**Instructions**”), the “**Ballot**”). The Ballot is based on Official Form No. 14, but has been modified to address the particular terms of the Plan and the Debtors’ Cases. The Debtors and the Creditors’ Committee propose that the Ballot be distributed to the holders of claims in Class 4 under the Plan, which is the only class that is entitled to vote on the Plan. Classes 1, 2 and 3 under the Plan are unimpaired and, therefore, are conclusively presumed to accept the Plan in accordance with section 1126(f) of the Bankruptcy Code. Holders of claims and interests in Class 5 do not retain or receive any property under the Plan and, therefore, are deemed to reject the Plan in accordance with section 1126(g) of the Bankruptcy Code. For these reasons, no Ballots will be sent to creditors in these Classes.

**B. Voting Deadline for Receipt of Ballots**

22. Bankruptcy Rule 3017(c) provides that, “[o]n or before approval of the disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject the plan . . . .” Fed. R. Bankr. P. 3017(c). The Debtors anticipate commencing the Plan solicitation period by mailing Ballots and other approved solicitation materials, including the Solicitation Packages, no later than 7 days after the entry of an order approving the Disclosure Statement. Based on this schedule, the Debtors propose that, 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 a date established by the Debtors that is at least 30 days after the commencement of the solicitation period (the “**Voting Deadline**”). The Debtors and the Creditors’ Committee submit that a 30-day solicitation period provides sufficient time for creditors to make informed decisions to accept or reject the Plan and submit timely Ballots.

**C. Procedures for Vote Tabulation**

23. Section 1126(c) of the Bankruptcy Code provides:

A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated under subsection (e) of this section, that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors, other than any entity designated under subsection (e) of this section, that have accepted or rejected such plan.

11 U.S.C. § 1126(c). Further, Bankruptcy Rule 3018(a) provides that the “court after notice and hearing may temporarily allow the claim or interest in an amount which the court deems proper for the purpose of accepting or rejecting the Plan.” Fed. R. Bankr. P. 3017(c).

24. Because the Plan calls for a substantive consolidation of the Debtors for purposes of voting on the Plan and distributions under the Plan, the Debtors and the Creditors’ Committee propose that the solicitation and balloting on the Plan be performed on a consolidated basis.

25. Solely for the purpose 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 and the Creditors’ Committee in any other context — the Debtors and the Creditors’ Committee propose that each claim within the class of claims entitled to vote to accept or reject the Plan be temporarily allowed in accordance with the following rules (collectively, 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 (as such term is defined below), 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.

26. The Debtors and the Creditors' Committee believe that the Tabulation Rules will establish a fair and equitable voting process. Nevertheless, if any claimant seeks to challenge the allowance of its claim for voting purposes in accordance with the Tabulation Rules, the Debtors propose that the claimant be required to file a motion, pursuant to Bankruptcy Rule 3018(a), for an order temporarily allowing its claim in a different amount or classification for purposes of voting to accept or reject the Plan (a "**Rule 3018 Motion**") and serve the motion on the Debtors so that it is received no later than 10 days after 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, the Debtors and the Creditors' Committee propose that any Ballot submitted by a creditor that files a Rule 3018 Motion will be counted solely in accordance with the Debtors' and the Creditors' Committee proposed 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 court hearing in advance of the Confirmation Hearing.

27. In tabulating the Ballots, the Debtors and the Creditors' Committee request that the following additional procedures be utilized: (a) if a creditor casts more than one Ballot

voting the same Claim before the Voting Deadline, the latest dated 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. In addition, the Debtors expressly reserve their rights, pursuant to section 1126(e) of the Bankruptcy Code, to request that the Court designate any Ballot or Ballots as not being cast in good faith.

***Confirmation Hearing and Notice, Record Date  
and Procedures for Distribution of Solicitation Packages***

**A. The Confirmation Hearing**

28. Bankruptcy Rule 3017(c) provides: "On or before approval of the disclosure statement, the court shall fix a time within which the holders of claims and interests may accept or reject the plan and may fix the date for the hearing on confirmation." Fed. R. Bankr. P. 3017(c).

29. In accordance with Bankruptcy Rule 3017(c), the Debtors and the Creditors' Committee request that the Confirmation Hearing be scheduled, subject to Court availability in the Court's calendar, approximately 45 days after the Solicitation Package is distributed to voting creditors.<sup>6</sup> In accordance with Bankruptcy Rule 3020,<sup>7</sup> the Debtors and the Creditors'

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<sup>6</sup> As stated above, the Debtors intend to distribute the Solicitation Packages no later than 7 days after the entry of an order approving the Disclosure Statement.

<sup>7</sup> Bankruptcy Rule 3020(b)(1) provides:

Committee further propose that 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 on (i) counsel to the Debtors; (ii) counsel to the Creditors' Committee; and (iii) the U.S. Trustee (collectively, the "**Interested Parties**") 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**").<sup>8</sup> The Debtors and the Creditors' Committee further propose that any reply to any such objections must be filed and served on the Interested Parties and any party that files an objection to the Plan within 2 days prior to the Confirmation Hearing.

30. Bankruptcy Rule 2002(b) requires at least 25 days' notice by mail to all creditors and indenture trustees of the time for filing objections to confirmation of a Chapter 11 plan and the hearing to consider confirmation of a Chapter 11 plan. Bankruptcy Rule 2002(d) requires that equity security and interest holders be given notice of these matters in the manner and form directed by the Court. In accordance with Bankruptcy Rules 2002 and 3017(d), the Debtors propose to serve on all creditors and equity security and interest holders, as part of the Solicitation Package at the commencement of the 30-day Plan solicitation period, a copy of a notice substantially in the form attached hereto as **Exhibit C** (the "**Confirmation Hearing**

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An objection to confirmation of the plan shall be filed and served on the debtor, the trustee, the proponent of the plan, any committee appointed under the Code, and any other entity designated by the court, within a time fixed by the court. Unless the case is a chapter 9 municipality case, a copy of every objection to confirmation shall be transmitted by the objecting party to the United States trustee within the time fixed for filing objections. An objection to confirmation is governed by Rule 9014.

Fed. R. Bankr. P. 3020.

<sup>8</sup> As set forth above, the Voting Deadline will be a date established by the Debtors that is at least 30 days after the commencement of the solicitation period. The Debtors intend to distribute the Solicitation Packages no later than 7 days after the entry of an order approving the Disclosure Statement.

**Notice**”) setting forth, among other things: (a) the Voting Deadline for the submission of Ballots to accept or reject the Plan; (b) the Tabulation Rules; (c) the deadline for filing Rule 3018 Motions; (d) the Confirmation Objection Deadline; and (e) the time, date and place of the Confirmation Hearing.

**B. The Record Date**

31. Bankruptcy Rule 3017(d) provides that the “date [on which an] order approving the disclosure statement is entered,” or such date established by the court, is the record date for determining the “holders of stock, bonds, debentures, notes, and other securities” entitled to receive the materials specified in Bankruptcy Rule 3017(d), including ballots for voting on a plan of reorganization.” Fed. R. Bankr. P. 3017(d). Bankruptcy Rule 3018(a) contains a similar provision regarding the determination of the record date for voting purposes. Fed. R. Bankr. P. 3018(a) (“[A]n equity security holder or creditor whose claim is based on a security of record shall not be entitled to accept or reject a plan unless the equity security holder or creditor is the holder of record of the security on the date the order approving the disclosure statement is entered or on another date fixed by the court, for cause, after notice and a hearing.”).

32. The Debtors and the Creditors’ Committee request that the Court exercise its authority under Bankruptcy Rules 3017(d) and 3018(a) to establish the date that the Court enters an order approving the Disclosure Statement as the record date for purposes of determining which creditors and interest holders are entitled to receive Solicitation Packages and, as applicable, vote on the Plan (the “**Record Date**”). The establishment of the Record Date is for voting purposes only and will have no preclusive effect with regard to which claimants are entitled to receive distributions under the Plan.

33. With respect to any transferred claim, the Debtors and the Creditors’ Committee further propose that the transferee will be entitled to receive a Solicitation Package and cast a

Ballot on account of the transferred 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 will be treated as a single creditor for purposes of the numerosity requirements in section 1126(c) of the Bankruptcy Code and the other voting and solicitation procedures set forth herein.

**C. The Solicitation Package**

34. Bankruptcy Rule 3017(d) identifies the materials that must be provided to holders of claims and equity interests for purposes of soliciting their votes and providing adequate notice of the hearing on confirmation of a plan. Bankruptcy Rule 3017(d) provides:

Upon approval of a disclosure statement, — except to the extent that the court orders otherwise with respect to one or more unimpaired classes of creditors or equity security holders — the debtor in possession, trustee, proponent of the plan, or clerk as the court orders shall mail to all creditors and equity security holders, and in a chapter 11 reorganization case shall transmit to the United States trustee,

- (1) the plan or a court-approved summary of the plan;
- (2) the disclosure statement approved by the court;
- (3) notice of the time within which acceptances and rejections of the plan may be filed; and
- (4) any other information as the court may direct, including any court opinion approving the disclosure statement or a court-approved summary of the opinion.

In addition, notice of the time fixed for filing objections and the hearing on confirmation shall be mailed to all creditors and equity security holders in accordance with Rule 2002(b), and a form of ballot conforming to the appropriate Official Form shall be mailed to creditors and equity security holders entitled to vote on the plan.

Fed. R. Bankr. P. 3017(d).



35. The Solicitation Package, which will include the materials required to be provided to the holders of claims and equity interests under Bankruptcy Rule 3017(d), will be mailed to such parties after the Court has approved the contents of the Disclosure Statement as containing adequate information, as required by section 1125 of the Bankruptcy Code. Specifically, the Debtors propose 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;<sup>9</sup> and (e) the Solicitation Packages sent to holders of claims in the class entitled to vote to accept or reject the Plan, an appropriate form of Ballot, a Ballot return envelope and such other materials as the Court may direct. Consistent with sections 1126(f) and 1126(g) of the Bankruptcy Code and Bankruptcy Rule 3017(d), Solicitation Packages for holders of claims against or interests in the Debtors in a class under the Plan that is deemed to accept or reject the Plan under sections 1126(f) and 1126(g) of the Bankruptcy Code will not include a Ballot.

36. Except as described below, Solicitation Packages will be mailed no later than 7 days after the entry of an order approving the Disclosure Statement 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

---

<sup>9</sup> The Debtors and the Creditors' Committee intend to file copies of these letters with the Court prior to the Disclosure Statement Hearing.

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 of 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.

37. A number of the Disclosure Statement Notices were returned by the United States Postal Service as undeliverable as a result of incomplete or inaccurate addresses (collectively, the "**Undeliverable Addresses**"). The Debtors and the Creditors' Committee believe that it would be costly and wasteful to mail Solicitation Packages to the Undeliverable Addresses. Therefore, the Debtors and the Creditors' Committee request that 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, that they be 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.

38. The Debtors and the Creditors' Committee submit that the foregoing procedures for providing notice of the Confirmation Hearing, the Confirmation Objection Deadline and related matters fully comply with Bankruptcy Rules 2002 and 3017. Accordingly, the Debtors and the Creditors' Committee request that the Court approve such procedures as appropriate and in compliance with the requirements of the Bankruptcy Code and the Bankruptcy Rules.

**NOTICE**

39. Notice of the Motion has been given to the parties listed on the Core Group and the 2002 Service List maintained by the Debtors.

**CONCLUSION**

WHEREFORE, the Debtors and the Creditors' Committee respectfully request that the Court (a) enter an order substantially in the form attached hereto as **Exhibit D**, granting the relief requested herein; and (b) grant such other and further relief to the Debtors and the Creditors' Committee as the Court may deem proper.

Dated: May 29, 2007  
Cleveland, OH

CEP HOLDINGS, LLC, et al.,  
Debtors and Debtors-in-Possession

By: /s/ Joseph F. Hutchinson, Jr.  
One of Their Attorneys

Joseph F. Hutchinson, Jr. (0018210)  
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*Counsel for the Debtors and Debtors-in-Possession*

OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS

By: /s/ Mark E. Freedlander  
One of Their Attorneys

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*Counsel for the Creditors' Committee*

**EXHIBIT A**

DISCLOSURE STATEMENT NOTICE

**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  
: :  
: Hearing Date: 6/5/07 at 9:30 a.m.  
: Objection Deadline: 6/1/07 at 4:00 p.m.  
----- X

**NOTICE OF HEARING TO CONSIDER AMENDED JOINT  
MOTION OF DEBTORS AND DEBTORS IN POSSESSION AND THE  
OFFICIAL COMMITTEE OF UNSECURED CREDITORS, PURSUANT  
TO SECTIONS 502, 1125, 1126 AND 1128 OF THE BANKRUPTCY CODE AND  
BANKRUPTCY RULES 2002, 3003, 3016, 3017, 3018 AND 3020, FOR ENTRY OF  
AN 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**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On May 25, 2007, the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) and the Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”). filed: (a) the *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* (as it may be amended, the “**Plan**”); (b) the related *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* (the “**Disclosure Statement**”) under section 1125

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

of title 11 of the United States Code (the “**Bankruptcy Code**”); and (c) the *Amended Joint Motion of Debtors and Debtors in Possession and the Official Committee of Unsecured Creditors, Pursuant to Sections 502, 1125, 1126 and 1128 of the Bankruptcy Code and Bankruptcy Rules 2002, 3003, 3016, 3017, 3018 and 3020, for Entry of an 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* (the “**Motion**”).

2. A hearing to consider the relief sought in the Motion (the “**Disclosure Statement Hearing**”) will be held before the Honorable Marilyn Shea-Stonum, United States Bankruptcy Judge, in the Judge’s usual courtroom at United States Bankruptcy Court, 455 U.S. Courthouse, 2 South Main Street, Akron, Ohio 44308, at **9:30 a.m., Eastern Time, on June 5, 2007**. Among other things, the Motion seeks: (a) approval of the Disclosure Statement pursuant to section 1125 of the Bankruptcy Code; and (b) approval of the procedures for solicitation and tabulation of votes to accept or reject the Plan, including (i) the form of ballot for submitting votes on the Plan, (ii) the deadline for submission of ballots, (iii) the contents of the proposed solicitation packages to be distributed to creditors and other parties in interest in connection with the solicitation of votes on the Plan, (iv) the proposed record date for Plan voting and (v) certain related relief.

3. Objections to the relief requested in the Motion or proposed modifications to the Disclosure Statement, if any, 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 or proposed modification and provide the specific language of any proposed modification, where possible; and (d) be filed with the Court and served so that

they are received by counsel to the Debtors identified below and the other parties listed on the General Service List in the Debtors' Chapter 11 Cases (attached hereto as **Exhibit 1**) **no later than 4:00 p.m., Eastern Time, on June 1, 2007**. For purposes of filing pleadings in these Cases, the Court utilizes an electronic filing system at <http://ecf.ohnb.uscourts.gov>, or, for paper filings, the address of the Court is United States Bankruptcy Court, 455 U.S. Courthouse, 2 South Main Street, Akron, Ohio 44308.

4. In accordance with Rule 3017(a) of the Federal Rules of Bankruptcy Procedure, requests for copies of the Disclosure Statement and the Plan by parties in interest may be made in writing or orally to BMC Group, Inc., CEP HOLDINGS, LLC, et al., c/o BMC Group, PO Box 903, El Segundo, CA 90245-0903 (**telephone number (888) 909-0100**). Copies of the Disclosure Statement and the Plan (with all exhibits filed with the Court) also are available for review, without charge, at <http://www.bmcgroup.com/cep>.

5. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in these bankruptcy cases. (If you do not have an attorney, you may wish to consult one.)**

6. If you do not want the Court to approve the Motion or proposed modifications to the Disclosure Statement, if you want to file an objection or if you want the Court to consider your views on the Disclosure Statement or the related relief requested in the Motion, then:

- On or before **June 1, 2007 at 4:00 p.m., Eastern Time**, (the "**Response Deadline**"), you or your attorney must file with the Court a written response explaining your position, as set forth in paragraph 3 above, at

United States Bankruptcy Court  
455 U.S. Courthouse  
2 South Main Street  
Akron, Ohio 44308



If you mail your response to the Court for filing, you must mail it early enough so the Court will receive it on or before the Response Deadline. If you electronically file your response, it must be electronically filed on or before the Response Deadline. Regardless of how you file a response, you must also mail a copy to the parties identified on the service list attached hereto as **Exhibit 1**.

- Attend the hearing scheduled to be held on **June 5, 2007 at 9:30 a.m., Eastern Time**, as described in paragraph 2 above.

If you or your attorney do not take these steps, the Court may decide that you do not oppose the approval of the Disclosure Statement and the other relief requested in the Motion and may enter an order approving the Motion.

7. THIS NOTICE IS NOT A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN. VOTES ON THE PLAN MAY NOT BE SOLICITED UNLESS AND UNTIL THE PROPOSED DISCLOSURE STATEMENT IS APPROVED BY AN ORDER OF THE COURT.

8. The Disclosure Statement Hearing may be continued from time to time without further notice other than the announcement of the adjourned date(s) at the Disclosure Statement Hearing or any continued hearing.

Dated: May 29, 2007  
Cleveland, OH

CEP HOLDINGS, LLC, et al.,  
Debtors and Debtors-in-Possession

By: /s/ Joseph F. Hutchinson, Jr.  
One of Their Attorneys

Joseph F. Hutchinson, Jr. (0018210)  
Thomas M. Wearsch (0078403)  
Eric R. Goodman (0076035)  
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*Counsel for the Debtors and Debtors-in-Possession*

OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS

By: /s/ Mark E. Freedlander  
One of Their Attorneys

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*Counsel for the Creditors' Committee*

**EXHIBIT 1**

**General Service List**

**Debtors**

**Joseph Mallak**

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Facsimile: 330/664-2959  
E-Mail: jmallak@cepprod.com

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**Michael Hammer, Esq.**

**Kristi Katsma, Esq.**

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kkatsma@dickinson-wright.com

**United States Trustee**

**Maria D. Giannirakis, Esq.**

Office of the U.S. Trustee  
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Cleveland, OH 44114  
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Committee of Unsecured Creditors**

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**Sally E. Edison, Esq.**

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**Sarah Seewer, Esq.**

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**Counsel to Wachovia Capital  
Finance Corporation (Central)**

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**Jeremy Downs, Esq.**  
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shira.isenberg@goldbergkohn.com

**Mark Phillips, Esq.**  
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**Counsel to Delphi Corporation**

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Bloomfield Hills, MI 48304  
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Facsimile: 248/258-1439  
E-Mail: random@butzel.com

**EXHIBIT B**

PROPOSED BALLOT AND INSTRUCTIONS

**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

**[PROPOSED]  
BALLOT FOR ACCEPTING OR REJECTING THE  
FIRST JOINT PLAN OF LIQUIDATION OF CEP HOLDINGS,  
LLC AND ITS AFFILIATED DEBTORS AND DEBTORS IN POSSESSION**

**CLASS 4: GENERAL UNSECURED CLAIMS**

**THE VOTING DEADLINE TO ACCEPT OR  
REJECT THE PLAN IS 5:00 P.M., EASTERN  
TIME, ON JULY 12, 2007**

This Ballot is submitted to you to solicit your vote to accept or reject the *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. 567) (as it may be amended, the “**Plan**”)<sup>2</sup> described in the accompanying disclosure statement, dated May 25, 2007 (the “**Disclosure Statement**”). The Court has approved the Disclosure Statement with respect to the Plan. The Disclosure Statement provides information to assist you in deciding how to vote this Ballot. If you do not have a copy of the Disclosure Statement, you may obtain a copy from BMC Group, Inc. (the “**Tabulation Agent**”) by writing to CEP HOLDINGS, LLC, et al., c/o BMC Group, 1330 E. Franklin Ave., El Segundo, CA 90245 or by visiting the website maintained by the Tabulation Agent at <http://www.bmcgroup.com/cep>.

The Plan can be confirmed by the Bankruptcy Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class that vote on the Plan and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of the Bankruptcy Code. If the requisite acceptances are not obtained, the Bankruptcy Court may confirm the Plan if it finds that the Plan: (a)

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

<sup>2</sup> Capitalized terms used in this Ballot and the attached Instructions that are not otherwise defined herein have the meanings given to them in the Plan.

provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes rejecting the Plan; and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. If the Plan is confirmed by the Bankruptcy Court it will be binding on you whether or not you vote.

To have your vote counted, you must complete, sign and return this Ballot to the Tabulation Agent so that it is received by the Voting Deadline at the following address:

**By regular U.S. mail:**  
CEP HOLDINGS, LLC, et al.  
c/o BMC Group  
PO Box 903  
El Segundo, CA 90245-0903

**By messenger or overnight courier:**  
CEP HOLDINGS, LLC, et al.  
c/o BMC Group  
1330 E. Franklin Ave.  
El Segundo, CA 90245

If your Ballot is not received by the Voting Deadline, your vote will not count as either an acceptance or rejection of the Plan.

**PLEASE READ THE ATTACHED VOTING INFORMATION, INSTRUCTIONS, DISCLOSURE STATEMENT AND PLAN BEFORE COMPLETING THIS BALLOT. YOU MAY WISH TO SEEK LEGAL ADVICE CONCERNING THE PLAN AND YOUR CLASSIFICATION AND TREATMENT UNDER THE PLAN. YOUR CLAIM HAS BEEN PLACED IN CLASS 4 UNDER THE PLAN. IF YOU HOLD CLAIMS IN MORE THAN ONE CLASS, YOU WILL RECEIVE A BALLOT FOR EACH CLASS IN WHICH YOU ARE ENTITLED TO VOTE.**

**PLEASE COMPLETE ITEMS 1 AND 2. IF THIS BALLOT IS NOT SIGNED ON THE APPROPRIATE LINES BELOW, THIS BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN CAST.**

**Item 1. Class Vote.** The undersigned, a holder of a Claim against the Debtors in Class 4 in the amount set forth below, votes to (check one box):

**Accept** the Plan

**Reject** the Plan

**[Continued on Next Page]**

**Item 2. Acknowledgments.** By signing this Ballot, the undersigned acknowledges receipt of the Disclosure Statement and the other applicable solicitation materials and certifies that the undersigned is the claimant or has the power and authority to vote to accept or reject the Plan on behalf of the claimant.

\_\_\_\_\_  
Name of Creditor

\_\_\_\_\_  
Claim Amount

\_\_\_\_\_  
Social Security or Federal Tax I.D. No. (optional)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
If by Authorized Agent, Name and Title

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Date Completed



**VOTING INFORMATION AND INSTRUCTIONS  
FOR COMPLETING THE BALLOT**

1. In the boxes provided in Item 1 of the Ballot, please indicate acceptance or rejection of the Plan. Complete the Ballot by providing all the information requested and sign, date and return the Ballot to BMC Group, Inc. (the “**Tabulation Agent**”) at the following address:

**By regular U.S. mail:**  
CEP HOLDINGS, LLC, et al.  
c/o BMC Group  
PO Box 903  
El Segundo, CA 90245-0903

**By messenger or overnight courier:**  
CEP HOLDINGS, LLC, et al.  
c/o BMC Group  
1330 E. Franklin Ave.  
El Segundo, CA 90245

2. **Ballots must be received by the Tabulation Agent by 5:00 p.m., Eastern Time, on July 12, 2007 (the “Voting Deadline”).** If a Ballot is received after the Voting Deadline, it will not be counted. An envelope addressed to the Tabulation Agent is enclosed for your convenience. ***Ballots submitted by facsimile will not be accepted.***
3. **Each Ballot you receive is for voting only your Claim described on the Ballot. The attached Ballot is designated only for voting General Unsecured Claims in Class 4. Please complete and return each Ballot you receive.** You must vote all of your Claims within a single Class under the Plan to either accept or reject the Plan. Accordingly, if you return more than one Ballot voting different Claims within a single Class under the Plan and the Ballots are not voted in the same manner, those Ballots will not be counted. An otherwise properly executed Ballot that attempts to partially accept and partially reject the Plan will not be counted.
4. Your Claim has been **temporarily allowed solely for purposes of voting** to accept or reject the Plan in accordance with certain tabulation rules approved by the Bankruptcy Court (the “**Tabulation Rules**”). The Tabulation Rules are set forth in *Notice of (A) Deadline for Casting Votes to Accept or Reject Proposed Joint Plan of Liquidation, (B) Hearing to Consider Confirmation of Proposed Joint Plan of Liquidation and (C) Related Matters*, which is enclosed with the solicitation materials you receive along with this Ballot. The temporary allowance of your Claim for voting purposes does not constitute an allowance of your Claim for purposes of distribution under the Plan and is without prejudice to the rights of the Debtors or the Trustee in any other context (*e.g.*, the right of the Debtors or the Trustee to contest the amount or validity of any Claim for purposes of allowance under the Plan). If you wish to challenge the temporary allowance of your Claim for voting purposes, you must file a motion, pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure, for an order temporarily allowing your Claim in a different amount or classification for purposes of voting to accept or reject the Plan and serve such motion on the Debtors so that it is received by the later of June 22, 2007 and 10 days after service of any objection to the underlying claim. Unless the Bankruptcy Court orders otherwise, your Claim will not be counted as a vote in excess of the amount as determined in accordance with the Tabulation Rules.

5. The Ballot does not constitute and shall not be deemed a proof of Claim or Equity Interest or an assertion of a Claim or Equity Interest.
6. If you cast more than one Ballot voting the same Claim prior to the Voting Deadline, the last Ballot received by the Tabulation Agent before the Voting Deadline will supersede any prior Ballots.

**A PERSON ENTITLED TO VOTE ON THE PLAN MUST COMPLETE AND RETURN THE BALLOT BY THE VOTING DEADLINE TO HAVE THE VOTE COUNT. PLEASE RETURN YOUR BALLOT PROMPTLY.**

**THE TABULATION AGENT WILL NOT ACCEPT BALLOTS BY FACSIMILE TRANSMISSION.**

**IF YOU HAVE RECEIVED A DAMAGED BALLOT OR HAVE LOST YOUR BALLOT, OR IF YOU HAVE ANY QUESTIONS CONCERNING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CALL THE TABULATION AGENT AT (888) 909-0100.**

## **II. APPLICABLE LAW AND RULES**

On approval of the disclosure statement, plan proponents may solicit holders of claims or interests for acceptance of a plan. 11 U.S.C. § 1125(b). Unless the court orders otherwise regarding any unimpaired classes of creditors or equity security holders, the debtor in possession, trustee, proponent of the plan, or clerk, as ordered by the court, must mail to all creditors and equity security holders, and to the U.S. trustee, (1) the plan or court approved summary of the plan, (2) the approved disclosure statement, (3) notice of the time within which to file acceptance and rejection of the plan, and (4) other information as the court may direct, including any opinion of the court approving the disclosure statement or court approved summary of the opinion. Rule 3017(d) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**” or “**Fed R. Bankr. P.**”). In addition, notice of the time fixed for filing objections to confirmation of the plan and notice of the hearing on confirmation must be mailed to all creditors and equity security holders, and a ballot must be mailed to those entitled to vote on the plan. Fed. R. Bankr. P. 2002(b), 3017(d).

Section 1123(a)(1) provides that a chapter 11 plan must designate classes of claims and interests for treatment under the reorganization.

Under section 1126(c) of the Bankruptcy Code, an entire class of claims is considered to have accepted the plan if the plan has been accepted by creditors that hold: (1) at least two-thirds in amount, and (2) more than one-half in number of allowed claims of the class held by creditors that have accepted or rejected the plan, *i.e.*, creditors that have voted on the plan. A class of equity security interests is considered to have accepted a plan if the plan has been accepted by the holders of two-thirds in amount of such allowed interests that have voted on the plan. 11 U.S.C. § 1126(d). Under section 1129(a)(10) of the Bankruptcy Code, if there are impaired classes of claims, the court cannot confirm the plan unless it has been accepted by at least one class of non-insiders who hold impaired claims (*i.e.*, claims that are not going to be paid

completely or in which some legal, equitable, contractual right is altered). Moreover, under section 1126(f) of the Bankruptcy Code, holders of unimpaired claims are considered to have accepted the plan.

Entities entitled to accept or reject the plan must do so within the time fixed by the court. Fed. R. Bankr. P. 3018(a). Subject to Bankruptcy Rule 3018(b), a creditor or equity security holder whose claim is based on a security of record is not entitled to vote on a plan unless they were the holder of record of such security on the date the order approving the disclosure statement was entered. Fed. R. Bankr. P. 3018(a). An acceptance or rejection must be in writing; identify the plan; be signed by the creditor, equity security holder or an authorized agent; and conform to the Official Form. More than one plan may be accepted or rejected by the voting person, and if more than one plan is accepted, the voting person may designate a preference or preferences among the plans. Fed. R. Bankr. P. 3018(c). A creditor holding an allowed claim that is partly secured and partly unsecured is entitled to accept or reject the plan in both capacities. Fed. R. Bankr. P. 3018(d).

Bankruptcy Rule 3018(b) allows the acceptance or rejection of the plan before commencement of the case if certain solicitation requirements were satisfied under Bankruptcy Rule 3018(b) and section 1126 of the Bankruptcy Code.

Section 1127(a) of the Bankruptcy Code provides that the plan proponent may modify the plan at any time before confirmation, and the modified plan will become the plan. But the plan as modified must meet all the requirements of chapter 11. Bankruptcy Rule 3019 provides that, when there is a proposed modification after balloting has been conducted and the court finds after a hearing that the proposed modification does not adversely affect the treatment of any creditor who has not accepted the modification in writing, the modification shall be deemed to have been accepted by all creditors who previously accepted the plan. If it is determined that the proposed modification does have an adverse effect on the claims of the nonconsenting creditors, then another balloting must take place.

Because more than one plan may be submitted to the creditors for approval, Bankruptcy Rule 3016(b) requires that every proposed plan and modification be dated and identified with the name of the entity or entities submitting such plan or modification. When competing plans are presented and meet the requirements for confirmation, the court must consider the preferences of the creditors and equity security holders in determining which plan to confirm.

The Bankruptcy Code requires the court, after notice, to hold a hearing on the confirmation of a plan. 11 U.S.C. § 1128. At or after the confirmation hearing, the court may confirm the plan and make it binding on all creditors and equity security holders, if it is accepted by the holders or two-thirds in amount and more than one-half in number of claims in each class of creditors and the holders of two-thirds in amount of equity security interests in each class voting on the plan. Before confirmation can be granted, the court also must be satisfied that there has been compliance with the other requirements of confirmation set forth in section 1129 of the Bankruptcy Code, even in the absence of any objections. In order to confirm the plan, the court must find that the plan is feasible, is proposed in good faith, and that the plan and the proponent of the plan are in compliance with the Bankruptcy Code. In addition, the court must find the confirmation of the plan is not likely to be followed by liquidation or the need for further

financial reorganization, unless it is proposed in the plan. 11 U.S.C. § 1129(a)(11). For a complete list of requirements for confirmation of a plan, parties in interest may refer to section 1129 of the Bankruptcy Code.

In the event the required acceptances are not obtained, the court may nevertheless confirm the plan if the court finds that the plan accords fair and equitable treatment to the class or classes rejecting it and otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. This procedure is sometimes referred to as a “cramdown.”

In addition to the Bankruptcy and Federal Rules of Bankruptcy Procedure, each district may have local bankruptcy court rules that may contain further requirements. Local rules may be obtained at the bankruptcy clerk’s office or at the court’s website at <http://www.ohnb.uscourts.gov>.

**EXHIBIT C**

PROPOSED CONFIRMATION HEARING NOTICE

**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  
: :  
: Hearing Date: 7/24/07 at 1:30 p.m.  
: Objection Deadline: 7/12/07 at 4:00 p.m.  
----- X

**[PROPOSED]  
NOTICE OF (A) DEADLINE FOR CASTING VOTES  
TO ACCEPT OR REJECT PROPOSED JOINT PLAN OF  
LIQUIDATION, (B) HEARING TO CONSIDER CONFIRMATION OF  
PROPOSED JOINT PLAN OF LIQUIDATION AND (C) RELATED MATTERS**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On May 25, 2007, the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) and the Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”) filed: (a) the *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. 567) (as it may be amended, the “**Plan**”);<sup>2</sup> and (b) the related *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* (the “**Disclosure Statement**”) under section 1125 of title 11 of the United States Code (the “**Bankruptcy Code**”).

<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 Plan.

2. Pursuant to an order of the Court dated June 5, 2007 (the “**Disclosure Statement Order**”), the Disclosure Statement and certain related materials (collectively, the “**Solicitation Materials**”) have been approved for solicitation of votes to accept or reject the Plan. In accordance with the Disclosure Statement Order, certain Solicitation Materials have been provided with this Notice, including a copy of the Disclosure Statement and the Plan (including all exhibits thereto filed with the Court).

3. A hearing to consider the confirmation of the Plan (the “**Confirmation Hearing**”) will be held before the Honorable Marilyn Shea-Stonum, United States Bankruptcy Judge, in the Judge’s usual courtroom at United States Bankruptcy Court, 455 U.S. Courthouse, 2 South Main Street, Akron, Ohio 44308, at **1:30 p.m., Eastern Time, on July 24, 2007.**

4. Pursuant to the Disclosure Statement Order, the Court approved certain procedures for the tabulation of votes to accept or reject the Plan. If you are the holder of a claim against one of the Debtors as of **June 5, 2007** (the record date established in the Disclosure Statement Order) in a class entitled to vote on the Plan, you have received with this Notice a ballot form (a “**Ballot**”) and voting instructions appropriate for your claim. The following procedures apply with respect to voting your claim:

a. Except as provided in subparagraph (b) below, **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 that it is received by 5:00 p.m., Eastern Time, on July 12, 2007 (the “Voting Deadline”).** Any failure to follow the voting instructions included with the Ballot or to return a properly completed Ballot so that it is received by the Voting Deadline may disqualify your Ballot and your vote.

b. Your claim has been temporarily allowed solely for purposes of voting to accept or reject the Plan in accordance with the following tabulation rules approved by the Court in the Disclosure Statement Order (the “**Tabulation Rules**”):

- i. 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: (A) the noncontingent, liquidated and undisputed amount of such claim, as set forth in the Schedules; or (B) 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.
- ii. 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.
- iii. 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.
- iv. 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 (A) the entire amount of such claim as set forth in the proof of claim or (B) 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.
- v. 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.



- vi. 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.
- vii. With respect to a claim as to which (A) the claim is (I) listed in the Schedules as contingent, unliquidated or disputed or in a zero amount or (II) not listed in the Schedules and (B) 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.
- viii. 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.
- ix. 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.

c. Temporary allowance or disallowance of your Claim for voting purposes does not constitute an allowance or disallowance of your Claim for purposes of receiving distributions under the Plan and is without prejudice to the rights of the Debtors in any other context, including the right of the Debtors to contest the amount or validity of any claim for purposes of allowance and distribution under the Plan. **If you wish to challenge the allowance or disallowance of your Claim for voting purposes, you must file a motion, pursuant to Bankruptcy Rule 3018(a), for an order temporarily allowing your Claim in a different amount or classification for purposes of voting to accept or reject the Plan and serve such motion on the counsel to the Debtors so that it is received no later than 10 days after the later of (i) the date of service of this**

**Notice and (ii) 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 such motions. Unless the Court orders otherwise, your Claim will not be counted for voting purposes in excess of the amount as determined in accordance with the Tabulation Rules.

5. Objections, if any, to the 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 July 12, 2007** by (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.

6. Requests for additional copies of the Disclosure Statement and the Plan (including all exhibits thereto filed with the Court) by parties in interest may be made in writing or orally to BMC Group, Inc., CEP HOLDINGS, LLC, et al., c/o BMC Group, PO Box 903, El Segundo, CA 90245-0903 (telephone number (888) 909-0100). Copies of the Disclosure Statement and the Plan (with all exhibits filed with the Court) also are available for review, without charge, at <http://www.bmcgroup.com/cep>.

7. The Confirmation Hearing may be continued from time to time without further notice, other than the announcement of the adjourned date(s) at the Confirmation Hearing or any continued hearing.

Dated: June 12, 2007  
Cleveland, OH

CEP HOLDINGS, LLC, et al.,  
Debtors and Debtors-in-Possession

By: /s/ Joseph F. Hutchinson, Jr.  
One of Their Attorneys

Joseph F. Hutchinson, Jr. (0018210)  
Thomas M. Wearsch (0078403)  
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Fax: 216.696.0740

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

OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS

By: /s/ Mark E. Freedlander  
One of Their Attorneys

Mark E. Freedlander  
Sally E. Edison  
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625 Liberty Avenue  
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Pittsburgh, PA 15222  
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*Counsel for the Creditors' Committee*

**EXHIBIT D**

PROPOSED ORDER

**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

**[PROPOSED]  
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 (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

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<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.

Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”) in 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, (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 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 to the Motion as **Exhibit B** (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 to the Motion as **Exhibit B**, 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 12, 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 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.

11. The Confirmation Hearing Notice in substantially the form attached to the Motion as **Exhibit C** 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 5, 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; 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.

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