UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

In re:	:	
	:	Case No. 06-61796
CEP HOLDINGS, LLC, et al.,[1]	:	(Jointly Administered)
	:	
Debtors.	:	Chapter 11
	:	
	:	Honorable Russ Kendig

APPLICATION OF DEBTORS AND DEBTORS IN POSSESSION FOR ORDER, PURSUANT TO SECTIONS 327(a) AND 328 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 2014(a), AUTHORIZING DEBTORS TO EMPLOY GIULIANI CAPITAL ADVISORS LLC AS INVESTMENT BANKERS

CEP Holdings, LLC and its affiliated debtors and debtors-in-possession (each a "**Debtor**" and collectively, the "**Debtors**" or "**CEP**") in the above-captioned Chapter 11 cases (the "**Cases**"), hereby apply (the "**Application**"), pursuant to sections 327(a) and 328 of title 11 of the United States Code (the "**Bankruptcy Code**"), Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and Local Bankruptcy Rule 2016-1, for entry of an order approving the retention of Giuliani Capital Advisors LLC ("**GCA**") as investment bankers to the Debtors in these Cases *nunc pro tunc* to the Petition Date. In support of the Application, the Debtors refer to and rely upon the Affidavit of Joseph Mallak in Support of Chapter 11 Petitions and First Day Motions filed contemporaneously herewith (the "**Mallak Affidavit**") and the Declaration of James W. Carter in Support of the Debtors' Application to Employee Giuliani Capital Advisors as Investment Bankers (the "**Carter Declaration**"), attached hereto as **Exhibit A**, and respectfully represent as follows:

[1] The Debtors include: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC.

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of the Application 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 predicates for the relief requested herein are sections 327(a) and 328 of the Bankruptcy Code, Bankruptcy Rule 2014(a) and Local Bankruptcy Rule 2016-1.

BACKGROUND

4. On the date hereof (the "**Petition Date**"), each Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtors have requested that the Cases be 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. No trustee, examiner, or official committee of unsecured creditors has been appointed.

A. Summary of Capital Structure and Current Business Operations

6. Creative Engineered Polymer Products, LLC, ("**CEPP**") is a limited liability company formed under the laws of the State of Ohio. CEPP is wholly owned by CEP Holdings, LLC ("**Holdings**"), a privately-held limited liability company formed under the laws of the State of Ohio. Holdings is a holding company whose sole asset is its membership interests in CEPP. CEPP has three subsidiaries: (i) Composite Parts Mexico S.A. de C.V. (the "**CEP Mexico**"), a Mexican corporation which is 99.9% owned by CEPP and .01% owned by non-debtor Reserve Capital Group, Ltd; (ii) Thermoplastics Acquisition, LLC ("**Thermoplastics**"), an Ohio limited liability company which is wholly owned by CEPP and is a debtor in these cases; and (iii) CEP Latin America, LLC ("**CEP LA**"), a non-debtor Ohio limited liability company which is wholly

owned by CEPP. CEP LA was never funded and has no operations or debt. The principal place of business of the Debtors is 3560 West Market Street, Suite 340, Akron, Ohio 44333.

7. The Debtors operate 10 manufacturing plants in Ohio, Michigan, Alabama, South Carolina and Mexico, including a plant in Canton, Ohio. CEPP operates six plants in Ohio, Michigan and Alabama. Non-debtor CEP Mexico operates two plants in Mexico. Thermoplastics operates one plant in Ohio and one in South Carolina.

8. CEP and its debtor subsidiaries are custom molders and extruders of rubber and plastic products, primarily for the OEM automotive market. The Debtors have achieved a unique position as preferred suppliers of high quality products to major customers, including General Motors, Delphi Corporation, Visteon, Nissan, Daimler-Chrysler, Honda and GKN Automotive. CEP has maintained this position as a leader in the marketplace through innovative manufacturing techniques and by continuously improving its broad base of material and process technology.

9. Gross sales for the Debtors' businesses are projected to be approximately $190 million for fiscal 2006. The Debtors' nearly 1,106 employees manufacture the Debtors' products at ten strategically located manufacturing facilities in Ohio, Michigan, South Carolina, Alabama and Mexico.[2] The Debtors also maintain a Technical Center in Livonia, Michigan which offers design assistance and program management services for the Debtors' businesses.

B. Prepetition Debt Structure

10. The Debtors were formed as part of two separate purchase transactions on August 16, 2005 and December 20, 2005, respectively. As part of the August 16, 2005 transaction, the CEPP and CEP Mexico businesses were purchased from the Carlisle Companies. In conjunction

[2] CEP Mexico, a non-debtor, produces high quality plastic products at two factories in Mexico.

with the transaction, CEP Acquisition LLC n/k/a CEPP entered into a Loan and Security Agreement, dated as of August 16, 2005 (the "**Prepetition CEPP Credit Agreement**") with Wachovia Capital Finance Corporation (Central) ("**WCFC**"), as both Agent and Lenders thereunder. The Prepetition CEPP Credit Agreement provided two term loans and a revolving credit facility to CEPP in the maximum amount of $45 million (collectively, the "**CEPP Prepetition Loan**"). The CEPP Prepetition Loan is secured by substantially all the assets of CEPP, including, without limitation, all accounts, general intangibles, goods, inventory, equipment, real property, accounts receivable, other personal property and proceeds thereof (collectively, the "**Prepetition CEPP Collateral**"). As of the Petition Date, the amount outstanding under the CEPP Prepetition Loan was not less than $21,693,507.60 (not taking into account pre-petition and post-petition interest, fees and expenses to which Agent may be entitled under the Prepetition CEPP Credit Agreement and applicable law).

11. As part of the December 20, 2005 transaction, CEPP purchased the Thermoplastics business from Parker Hannifan Corporation. In conjunction with the transaction, Thermoplastics entered into a Loan and Security Agreement, dated as of December 21, 2005 (the "**Prepetition Thermoplastics Credit Agreement**" and together with the Prepetition CEPP Credit Agreement, the "**Prepetition Credit Agreements**") with WCFC, as both Agent and Lenders. The Prepetition Thermoplastics Credit Agreement provided a term loan and a revolving credit facility to Thermoplastics in the maximum amount of $5 million (collectively, the "**Thermoplastics Prepetition Loan**" and together with the CEPP Prepetition Loan, the "**Prepetition Loans**"). The Thermoplastics Prepetition Loan is secured by substantially all the assets of Thermoplastics, including, without limitation, all accounts, general intangibles, goods, inventory, equipment, accounts receivable, other personal property and proceeds thereof

(collectively, the "**Prepetition Thermoplastics Collateral**" and together with the Prepetition CEPP Collateral, the "**Prepetition Collateral**"). As of the Petition Date, the amount outstanding under the Thermoplastics Prepetition Loan was not less than $4,219,688.58 (not taking into account pre-petition and post-petition interest, fees and expenses to which Agent may be entitled under the Prepetition Thermoplastics Credit Agreement and applicable law). The Prepetition Credit Agreements are cross-defaulted and cross-collateralized.

12. Prior to the Petition Date, Visteon Corporation, General Motors Corporation and Delphi Corporation (collectively, the "**Customers**") and WCFC entered into a Subordinated Participation Agreement dated June 30, 2006 and a First Amendment to Subordination Participation Agreement dated August 18, 2006 pursuant to which the Customers purchased subordinated, last out participation interests (the "**Participation Interests**") in the Prepetition Loan Facilities. The Customers purchased $2.9 million of Participation Interests, the proceeds of which were used by the Debtors to fund their operations and the building of the Customers' parts.

C. Events Leading To The Filing Of These Chapter 11 Cases

13. The Debtors and other automotive suppliers and manufacturers have faced a series of unanticipated operational and market challenges that have adversely affected their operations and cash flows. These challenges have impaired both the Debtors' suppliers and customers which in turn have severely affected the Debtors' operations and businesses.

14. With respect to suppliers, the September 2005 hurricanes in the Gulf Coast region have disproportionately damaged manufacturers who rely on plastic resins. Shortly after the hurricanes, the Debtors began experiencing sharp increases in their principal raw materials (plastic resins) which increases were attributable to interrupted refining capacity. With prices already high due to increased global demand, insecurity and supply constraint issues, the

hurricanes magnified the rise in the price of crude oil and natural gas. The Debtors have continued to experience significantly higher costs for raw materials.

15. With respect to the Debtors' customers, the Debtors have been unsuccessful in recovering much of these increases in raw material costs from their customers through price increases. The structure of the American automotive industry is such that it is difficult for manufacturers such as the Debtors to pass rising material costs on to customers. Faced with rising costs, the Debtors have expended substantial effort in attempting to source cheaper alternatives (such as recycled materials and alternative formulations) for substitution of higher cost materials. Despite these efforts, most of the Debtors' customers have delayed approving these material substitutions. Although the Debtors are now starting to experience success in receiving approvals of the material substitutions, the damage to the Debtors' liquidity is irreversible outside the protections of the Bankruptcy Code.

16. In addition to increased material costs, the general instability of the industry has directly harmed the Debtors' liquidity. For example, the Debtors have been impaired by the bankruptcy filing of several large OEM's, including Delphi Corporation, the Debtors' second largest customer. The bankruptcy filing of Delphi in October 2005 alone resulted in a cash loss to the Debtors of nearly $1.7 million based on the Debtors' unpaid prepetition claim in that case.

17. In addition to bankruptcy filings in the industry, the general credit downgrade has led to delays and increasingly delinquent customer payments for approved tooling programs. These programs are typically managed and paid for by the Debtors for the benefit of a particular customer which subsequently reimburses the Debtors. The increased delays and failure of customers to pay for these programs have decreased the portion of accounts receivable against

which Wachovia will lend under the Prepetition Credit Agreements. This, in turn, has further impaired the Debtors' liquidity.

18. The Debtors have further experienced excess capacity at their plants due to decisions by their customers. For example, GM's transfer from the GMT800 platform to the GMT900 platform has led to substantial idling of capacity. In late 2005, GM started phasing out the GMT800 platform, a manufacturing platform in which the Debtors were heavily involved. The Debtors have been harmed by this action because (i) the Debtors have significant up front costs invested in the GMT800 platform and (ii) GM has not provided the Debtors with replacement work in the new GMT900 platform. Thus, the Debtors have not recovered their costs associated with the GMT800 platform and are operating at significantly lower capacity at several manufacturing plants due to a failure to receive work under the GMT900 platform.

D. Prepetition Activities

19. In an attempt to create maximum value for the Debtors' creditors, the Debtors worked with the Customers and WCFC to allow the Debtors to formulate a restructuring plan which would reorganize the Debtors outside of a chapter 11 proceeding. As part of this plan, in May 2006 the Debtors entered into a series of forbearance, accommodation and access and security agreements with WCFC and the Customers, which agreements provided a 120-day window for the Debtors to effectuate an out-of-court restructuring plan. This window expired September 6, 2006.

20. Given the size and complexity of the Debtors' operations and the continuation of the market circumstances described above, the Customers, WCFC and the Debtors ultimately determined that an out-of-court restructuring was not feasible. Thus, after exploring all options and faced with a severe liquidity crisis, the Debtors have no choice but to commence these cases

as the only means of preserving the Debtors as going concerns, and, thus, maximize the value of the Debtors' assets for their creditors.

21. With the aide of this Court and the support of WCFC and the Customers, the Debtors' goal is to stabilize their business operations and financial situation and sell their assets in a manner to maximize value for the Debtors' Creditors. As detailed in the Debtors' DIP Financing Motion,[3] filed contemporaneously herewith, WCFC and the Customers have agreed to provide post-petition financing and cash infusions to the Debtors which financing and cash infusions will fund the Debtors' costs of operations, wind down, restructuring and liquidation until such time that the Debtors' assets are sold pursuant to section 363 of the Bankruptcy Code. The Debtors believe that this course of action will maximize the value of their assets for all creditors.

RELIEF REQUESTED

22. By this Application, the Debtors seek to employ and retain GCA pursuant to sections 327(a) and 328 of the Bankruptcy Code, Bankruptcy Rule 2014(a) and Local Bankruptcy Rule 2016-1 as investment bankers to the Debtors in these Cases *nunc pro tunc* to the Petition Date.

RETENTION OF GCA

23. Prior to the Petition Date, the Debtors were in negotiations for the employment of an investment banker to facilitate the sale of the company as an on-going business as part of a bankruptcy proceeding. Numerous investment banking firms were contacted and evaluated as to

[3] The full title of the DIP Financing Motion is CEP Holdings, LLC's Motion for Emergency Order Authorizing Debtors to: (A) Use Cash Collateral on an Emergency Basis; (B) Incur Postpetition Debt on an Emergency Basis; (C) Grant Adequate Protection and Provide Security and Other Relief to Wachovia Capital Finance Corporation (Central); and (D) Grant Certain Related Relief.

their abilities, scope of services, required resources, projected costs and payment arrangements and overall value of these services as applied to Debtors' businesses.

24. On September 11, 2006, Debtors completed their evaluation process and executed an engagement letter (the "**Engagement Letter**") with GCA. A copy of the Engagement Letter is attached hereto as **Exhibit B**.[4] The Debtors selected GCA because of GCA's extensive investment banking and financial advisory experience, includings its work in other Chapter 11 cases.

25. GCA is a national investment bank and corporate finance advisory firm with offices located in Atlanta, Georgia; Chicago, Illinois; Los Angeles, California; New York, New York; and Troy, Michigan. GCA acts as financial and restructuring advisors to, among others, debtors, creditors, and committees in cases pending throughout the United States as well as non-bankruptcy matters.

26. GCA is an affiliate of Giuliani Partners LLC ("**GP**"). GP is a privately owned advisory firm founded in 2002 by Rudolph Giuliani, the former mayor of New York City and is headquartered in New York City. GCA with its affiliates, provides a broad range of corporate advisory services to its clients including, without limitation, services pertaining to: (a) general strategic and financial advice; (b) corporate restructurings; and (b) investment banking services, including private capital raising, mergers, acquisitions, and divestitures and fairness opinions.

27. GCA and its senior professionals, including those who will have primary responsibility for this engagement, have extensive experience in the reorganization and restructuring of troubled companies, both out-of-court and in Chapter 11 proceedings. The

[4] Nothing contained herein is intended to modify or otherwise alter the terms of the Engagement Letter. To the extent that there is a conflict between this Application and the Engagement Letter, the terms of the Engagement Letter control.

employees of GCA have advised debtors, creditors, equity constituencies, and purchasers in many reorganizations, including Covanta Energy Corporation, Dade Berhring, Inc., Enron Corp., Hawaiian Airlines, Inc., McCook Metals LLC, Pillowtex Corporation, US Airways Group, Inc., Veltri Metal Products, Inc., and many others.

28. As a result of the foregoing, the Debtors believe that GCA has the necessary background and experience to act as their investment banker in these Cases.

SERVICES TO BE PROVIDED BY GCA

29. As set forth in greater detail in the Engagement Letter, the Debtors believe that the size of the Debtors' businesses and the complexity of their financial affairs necessitates the employment of GCA to provide the following services:

(a) Advise and assist the Debtors in a disposition of these assets (*i.e.*, facilities with ongoing customer relationships and books of business) that it determines, prior to the commencement of any sale process, are saleable as going concerns (the "**Designated Assets**");

(b) Advise in developing the Debtors' strategy in connection with the proposed sale to another party, whether effected in one transaction or a series of transactions, of substantially all of the assets and/or liabilities of the Debtors (the "**Transaction**");

(c) Advise in developing the Debtors' strategy with regard to the Transaction;

(d) Assist in analyzing the financial effects of the proposed Transaction;

(e) Assist in preparing, if necessary, a descriptive memorandum regarding the Transaction;

(f) Advise the Debtors in their negotiations regarding the Transaction, including, if necessary, negotiating (along with legal counsel) a definitive agreement; and

(g) Coordinating with the Debtors' legal counsel regarding matters related to the closing of a Transaction.

30. The Debtors believe that GCA is well qualified and able to provide the foregoing services to the Debtors in a cost-effective, efficient and timely manner. GCA has indicated a willingness to act on behalf of the Debtors and to subject itself to the jurisdiction and supervision of the Court.

DISINTERESTEDNESS

31. In connection with GCA's proposed retention by the Debtors, GCA has performed the following conflicts check procedures:

(a) Based on the materials filed with the Court in connection with the filing of the Cases, the Debtors compiled a comprehensive list of the Debtors, their affiliates, subsidiaries, directors and officers, and the Debtors' significant creditors, employee-related parties, professionals, landlords, lessors, customers, vendors, equity security holders and other entities with significant relationships with the Debtors (the "**Retention Checklist**").

(b) Using the Retention Checklist, a list of the names of entities who may be significant parties in interest to these Cases (the "**Potential Parties In Interest**") was assembled.

(c) GCA compared each of the Potential Parties In Interest to the names that GCA has compiled into a master records database for its conflict clearance process, comprised of the names of clients of GCA since 2000 and GP since 2002 (collectively, the "**Records Database**"). The Records Database includes the name of each current or former client of GCA and GP for the time periods described above, the names of other relevant parties such as certain referring parties and vendors of GCA, and any lenders, landlords and insurers of GCA and GP. It is the policy of GCA that no new matter may be accepted or opened without first completing and submitting to those charged with maintaining the conflict check system information necessary to check each such matter for conflicts, including the identity of the prospective client, the matter, and, where appropriate, other relevant parties. Furthermore, GP regularly provides GCA with a list of its newly engaged clients. Accordingly, the database is regularly updated for every new matter undertaken by GCA and GP.

(d) Any matches between the Records Database and the list of Potential Parties In Interest are reviewed, and the respective GCA or GP personnel responsible for current or former matters (less

than one year old) are contacted to ascertain whether there is a conflict between the engagement and the previous engagement.

32. The results of GCA's investigations are set forth in *Exhibit 1* to the Carter Declaration.

33. To the best of the Debtors' knowledge, and except as disclosed herein or in *Exhibit 1* to the Carter Declaration, (a) GCA and its Managing Directors that are anticipated to provide the services for which GCA is to be retained in these Cases (the "**Engagement Managing Directors**") do not hold or represent any interest adverse to the Debtors and their estates and (b) GCA and the Engagement Managing Directors have no connection to the Debtors, the Debtors' significant creditors, other known significant parties-in-interest in these Cases, or to the attorneys of the Debtors except as described below or on *Exhibit 1* to the Carter Declaration. Accordingly, GCA is disinterested as such term is defined pursuant to section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, in that GCA:

(a) is not a creditor, an equity security holder, or an insider;

(b) is not and was not within two years before the date of the filing of the petition, a director, officer, or employee of the debtor; and

(c) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason.

34. As part of their practices, GCA, GP and/or their affiliates appear in cases, proceedings and transactions involving many different attorneys, accountants and financial advisors, some of which may represent or be claimants and/or parties in interest in these Cases. To the best of my knowledge, neither GCA, GP and/or their affiliates has any relationship with such entity that would be materially adverse to the Debtors and their creditors.

35. GCA will review its conflicts database and determine whether it has any connection to the United States Trustee for this district or the Judge or Assistant United States Trustee assigned to these Cases. In the event that a supplemental filing to disclose any connection is required, GCA will do so.

36. To the best of the Debtors' knowledge, information and belief, none of the services rendered by GCA, GP and/or their affiliates to the entities as set forth on *Exhibit 1* to the Carter Declaration, have been performed in connection with these Cases. GCA believes that its relationships will not impair GCA's ability to perform professional services objectively on behalf of the Debtors. GCA will not accept any engagement that would require GCA to represent an interest materially adverse to the Debtors or their estates.

37. GP holds a majority interest in GCA. Certain partners in GP are partners in the law firm of Bracewell & Giuliani (f/k/a Bracewell & Patterson). Bracewell & Giuliani is not an affiliate of GP (or GCA). Bracewell & Giuliani is neither retained in, nor a party-in-interest in, these proceedings. While clients of Bracewell & Giuliani could be creditors of the Debtors or otherwise parties-in-interest thereto, Bracewell & Giuliani does not currently represent such clients in these Cases.

38. To the best of the Debtors' knowledge, information and belief, GCA has not shared or agreed to share any of its compensation in connection with this matter with any other person. GP, as the majority shareholder of GCA, has a variety of contractual rights, including the right to receive distributions under agreed circumstances.

39. To the best of the Debtors' knowledge, information and belief, GCA does not hold nor represent any interest materially adverse to the Debtors or their estates and is "disinterested" within the meaning of section 101(14) of the Bankruptcy Code, as modified by

section 1107(b) of the Bankruptcy Code. Accordingly, the proposed employment of GCA by the Debtors is not prohibited by or improper under Bankruptcy Rule 5002.

TERMS OF RETENTION

40. As more fully set forth in the Engagement Letter, the Debtors have been advised that the fees for GCA's services in these Cases will be as follows:

(a) Upon execution of the Engagement Letter, and every thirty (30) calendar days thereafter until the terimation of the Engagement Letter, the Debtors shall pay an advisory fee (the "**Monthly Advisory Fees**") of $25,000. Upon the termination of the Engagement Letter, a prorated portion of the Monthly Advisory Fee shall be returned by GCA to the Debtors, to adjust for any partial month period in the month of such termination;

(b) For each Transaction consumated during the period that GCA is engaged by the Debtors, the Debtors shall pay a fee in cash at the closing of each Transaction or similar transaction (the "**Transaction Fee**") equal to the greater of: (1) 3.0% of the Transaction Value (as such term is defined below) of the Designated Assets involved in each Transaction; or (2) one hundred and twenty five thousand ($125,000) for each Designated Asset involved in the Transaction. For the avoidance of doubt, if one of the Debtors' Designated Assets (*e.g.*, Tuscaloosa facility) is involved in a Transaction, the Transaction Fee would be the greater of 3.0% of Transaction Value or $125,000. Similarly, if multiple Designated Assets are sold in a single Transaction, the Transaction Fee would be calculated based on the actual or a mutually agreed upon allocation of Transaction Value for each Designated Asset such that the greater of 3.0% of Transaction Value or $125,000 per Designated Asset would apply to each Designated Asset. For purposes of this Letter Agreement, "**Transaction Value**" shall mean the total consideration paid or payable (*e.g.*, cash, property, stock, options, warrants, or other securities, consulting agreements, non-compete provisions, earnouts, excluded assets that are intended as purchase consideration, deferred or escrowed consideration and/or notes) to the Debtors and/or its creditors and its shareholders plus the total book value of indebtedness for money borrowed, directly or indirectly assumed, forgiven, repaid, refinanced, restructured, retired, extinguished or acquired as a result of or in connection with the Transaction. If any portion of the Transaction Value is not readily determinable as of the closing, then the Debtors and GCA will determine a dollar equivalent by agreement before the

closing. Any amounts to be paid contingent upon future events shall be estimated in a manner mutually agreeable to the Debtors and GCA, except that amounts held in escrow shall be deemed paid at closing;

(c) If the Debtors determine not to sell any of the Designated Assets and/or an alternative form of the Transaction is determined appropriate by the Debtors (by way of example only, a liquidation), GCA shall not be entitled to a Transaction Fee unless the Purchaser(s) (as such term is defined in the Engagement Letter) was a party (a) involved in the transaction process; or (b) identified or introduced to the Debtors by GCA, or interacted with GCA or the Debtors during the term of the engagement in connection with a potential Transaction; and

(d) In addition to the fees that are or may be payable to GCA under the Engagement Letter, GCA's reasonable out-of-pocket expenses incurred in connection with its activities under the Engagement Letter will be payable by the Debtors on a monthly basis. Such expenses will include, but not be limited to, costs directly associated with the Engagement Letter, including reasonable attorneys' fees and expenses, travel, out-of-town accomodations and meals, overnight delivery, and database access charges, telephone, facsimile, postage, printing and duplication, document materials and similar items. Monthly expenses are payable by the Debtors upon receipt of an invoice for such expenses from GCA, subject to applicable bankruptcy procedures regarding professional compensation.

41. GCA is not owed any amounts with respect to its prepetition fees and expenses.

42. The Debtors understand that GCA intends to apply to this Court for allowances of compensation and reimbursement of expenses for financial advisory support services in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, corresponding Local Rules, orders of this Court and guidelines established by the United States Trustee. In connective therewith, GCA will maintain detailed records of any actual and necessary out-of-pocket costs and expenses incurred in connection with the services provided to the Debtors. The Debtors request that the Court allow GCA to submit time records in a streamlined or summary format which shall set forth a description of the services rendered by

each professional and the aggregate amount of the time spent on each date by each such professional in rendering the services to or on behalf of the Debtors.

DISPUTE RESOLUTION PROVISIONS

43. The Debtors and GCA have agreed, subject to the Court's approval of the Application, that:

(a) Any controversy or claim ("**Dispute**") shall be settled by arbitration. The arbitration shall be conducted in accordance with the procedures in the Engagement Letter and the Commercial Arbitration Rules of the American Arbitration Association then in effect (the "Rules"), or such other rules and procedures as the parties may designate by mutual agreement. In the event of a conflict, the provisions of the Engagement Letter shall control.

(b) The arbitration shall be conducted before a panel of three arbitrators, selected in accordance with the Rules. The arbitration shall take place in the City of New York, or in such other location as may be expressly agreed by the parties. Any issue concerning the extent to which any Dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of these procedures, including any contention that all or part of these procedures are invalid or unenforceable, shall be governed by the Federal Arbitration Act and be resolved by the arbitrators. No potential arbitrator shall be appointed unless he or she has agreed in writing to abide and be bound by these procedures.

(c) The arbitrator panel shall have no power to award non-monetary or equitable relief of any sort. It shall also have no power to award (a) damages inconsistent with any applicable agreement between the parties or (b) consequential, incidental, indirect, punitive or special damages or any other damages not measured by the prevailing party's actual damages; and the parties expressly waive their right to obtain such damages in arbitration or in any other forum. In no event, even if any other portion of these provisions is held to be invalid or unenforceable, shall the arbitration panel have power to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction.

(d) Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

(e) All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only as provided in the Rules. Before making any such disclosure, a party shall give written notice to all other parties and shall afford such parties a reasonable opportunity to protect their interests.

INDEMNIFICATION PROVISIONS

44. As set forth more fully in the Engagement Letter, the Debtors have further agreed to indemnify and hold harmless GCA and its affiliates, and their respective directors, officers, managers, members, partners, employees, agents and controlling persons (GCA and each such person being an "**Indemnified Party**") from and against any losses, claims, damages or liabilities ("**Claims**," and each a "**Claim**"), joint or several, to which any Indemnified Party may become subject in connection with a Transaction, and transaction contemplated by the Engagement Letter or the engagement of GCA pursuant to, and the performance of GCA of the services contemplated by the Engagement Letter.

45. The Debtors also will reimburse any Indemnified Party for all expenses (including fees and expenses of legal counsel) as such expenses are incurred in connection with investigating, preparing to defend, or defending such Claims, whether or not such Indemnified Party is a party and whether or not such Claim is initiated or brought by or on behalf of the Debtors. However, the Debtors will not be obligated under the indemnity if it is finally determined by a court or otherwise pursuant to the dispute resolution procedures contained in the Engagement Letter that such Claims arose out of the gross negligence or willful misconduct of GCA.

NOTICE AND PROCEDURES

46. Notice of the Application has been given to (a) the Office of the United States Trustee for the Northern District of Ohio, (b) the Debtors' secured lenders, and (c) each of the

Debtors' largest fifty (50) largest unsecured creditors. The Debtors submit that, under the circumstances, no other or further notice need be given.

47. Because this Application presents no novel issues of law and the authorities relied upon are stated herein, the Debtors respectfully request that this Court waive the requirement contained in Local Bankruptcy Rule 9013-1(a) that the Debtors file a separate memorandum of law in support of this Application.

48. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, the Debtors request the relief sought by this Application be immediately effective and enforceable upon entry of the order requested hereby.

49. No previous application for the relief sought herein has been made to this or any other court.

[Intentionally Left Blank]

CONCLUSION

WHEREFORE, the Debtors respectfully request that this Court enter an order, substantially in the form attached hereto as **Exhibit C**, granting the relief requested herein and granting such other and further relief as the Court deems just and proper.

Dated: September 20, 2006
Cleveland, OH

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

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

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Proposed Counsel for the Debtors and Debtors-in-Possession

/s/ Joseph Mallak
Joseph Mallak
CEO of the Debtors

EXHIBIT A

CARTER DECLARATION

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

In re:	:	
	:	Case No. 06-_____
CEP HOLDINGS, LLC, et al.,[1]	:	(Jointly Administered)
	:	
Debtors.	:	Chapter 11
	:	
	:	Honorable Russ Kendig

DECLARATION OF JAMES W. CARTER IN SUPPORT OF APPLICATION OF DEBTORS AND DEBTORS IN POSSESSION FOR ORDER, PURSUANT TO SECTIONS 327(a) AND 328 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 2014(a), AUTHORIZING DEBTORS TO EMPLOY GIULIANI CAPITAL ADVISORS LLC AS INVESTMENT BANKERS

Pursuant to Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), James W. Carter being sworn, declares as follows:

1. I am a Managing Director of Giuliani Capital Advisors LLC ("**GCA**"). I provide this Declaration (the "**Declaration**") of behalf of GCA in support of the Application of Debtors and Debtors in Possession for Order, Pursuant to Sections 327(a) and 328 of the Bankruptcy Code and Bankruptcy Rule 2014(a), authorizing Debtors to Employ Giuliani Capital Advisors as Investment Bankers LLC (the "**Application**")[2] pursuant to the terms and conditions set forth in the Engagement Letter[3] between the Debtors and GCA.

2. GCA is a national investment bank and corporate finance advisory firm with offices located in Atlanta, Georgia; Chicago, Illinois; Los Angeles, California; New York, New

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[1] The Debtors include: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC.

[2] Capitalized terms not otherwise defined herein shall have the meanings given to them in the Application.

[3] A copy of the Engagement Letter is attached to the Application as **Exhibit B**.

York; and Troy, Michigan. GCA acts as financial and restructuring advisors to, among others, debtors, creditors, and committees in cases pending throughout the United States as well as non-bankruptcy matters.

3. GCA is an affiliate of Giuliani Partners LLC ("**GP**"). GP is a privately owned advisory firm founded in 2002 by Rudolph Giuliani, the former mayor of New York City and is headquartered in New York City. GCA with its affiliates, provides a broad range of corporate advisory services to its clients including, without limitation, services pertaining to: (a) general strategic and financial advice; (b) corporate restructurings; and (b) investment banking services, including private capital raising, mergers, acquisitions, and divestitures and fairness opinions.

4. GCA and its senior professionals, including those who will have primary responsibility for this engagement, have extensive experience in the reorganization and restructuring of troubled companies, both out-of-court and in Chapter 11 proceedings. The employees of GCA have advised debtors, creditors, equity constituencies, and purchasers in many reorganizations, including Covanta Energy Corporation, Dade Berhring, Inc., Enron Corp., Hawaiian Airlines, Inc., McCook Metals LLC, Pillowtex Corporation, US Airways Group, Inc., Veltri Metal Products, Inc., and many others.

5. As set forth in further detail in the Engagement Letter, GCA has agreed to provide financial advisory services to the Debtors in connection with these Cases upon approval of the Court. The nature and extent of the services that GCA proposes to render, as may be requested by the Debtors and as may be agreed to by GCA, include, but are not limited to, the following:

(a) Advise and assist the Debtors in a disposition of these assets (*i.e.*, facilities with ongoing customer relationships and books of business) that it determines, prior to the commencement of any sale process, are saleable as going concerns (the "**Designated Assets**");

(b) Advise in developing the Debtors' strategy in connection with the proposed sale to another party, whether effected in one transaction or a series of transactions, of substantially all of the assets and/or liabilities of the Debtors (the "**Transaction**");

(c) Advise in developing the Debtors' strategy with regard to the Transaction;

(d) Assist in analyzing the financial effects of the proposed Transaction;

(e) Assist in preparing, if necessary, a descriptive memorandum regarding the Transaction;

(f) Advise the Debtors in their negotiations regarding the Transaction, including, if necessary, negotiating (along with legal counsel) a definitive agreement; and

(g) Coordinating with the Debtors' legal counsel regarding matters related to the closing of a Transaction.

DISINTERESTEDNESS

6. In connection with GCA's proposed retention by the Debtors, GCA has performed the following conflicts check procedures:

(a) Based on the materials filed with the Court in connection with the filing of the Cases, the Debtors compiled a comprehensive list of the Debtors, their affiliates, subsidiaries, directors and officers, and the Debtors' significant creditors, employee-related parties, professionals, landlords, lessors, customers, vendors, equity security holders and other entities with significant relationships with the Debtors (the "**Retention Checklist**").

(b) Using the Retention Checklist, a list of the names of entities who may be significant parties in interest to these Cases (the "**Potential Parties In Interest**") was assembled.

(c) GCA compared each of the Potential Parties In Interest to the names that GCA has compiled into a master records database for its conflict clearance process, comprised of the names of clients of GCA since 2000 and GP since 2002 (collectively, the "**Records Database**"). The Records Database includes the name of each current or former client of GCA and GP for the time periods described above, the names of other relevant parties such as certain referring parties and vendors of GCA, and any lenders, landlords and insurers of GCA and GP. It is the policy of GCA that no new

matter may be accepted or opened without first completing and submitting to those charged with maintaining the conflict check system information necessary to check each such matter for conflicts, including the identity of the prospective client, the matter, and, where appropriate, other relevant parties. Furthermore, GP regularly provides GCA with a list of its newly engaged clients. Accordingly, the database is regularly updated for every new matter undertaken by GCA and GP.

(d) Any matches between the Records Database and the list of Potential Parties In Interest are reviewed, and the respective GCA or GP personnel responsible for current or former matters (less than one year old) are contacted to ascertain whether there is a conflict between the engagement and the previous engagement.

(e) To the extent that GCA's research of relationships with the Potential Parties In Interest indicated that either GCA, GP and/or their affiliates have provided in the last year or are currently providing services to any of these entities in matters unrelated to these Cases, GCA has so indicated in the attached *Exhibit 1* to this Declaration. It is GCA's policy and intent to update and expand its ongoing relationship search for additional parties in interest in an expedient manner. If any new relevant facts or relationships are discovered or arise, GCA will promptly file a supplemental declaration pursuant to Bankruptcy Rule 2014(a).

7. Except as set forth herein or on *Exhibit 1* attached hereto, to my knowledge based on reasonable inquiry, (a) GCA and its Managing Directors that are anticipated to provide the services for which GCA is to be retained in these Cases (the "**Engagement Managing Directors**") do not hold or represent any interest adverse to the Debtors and their estates and (b) GCA and the Engagement Managing Directors have no connection to the Debtors, the Debtors' significant creditors, other known significant parties-in-interest in these Cases, or to the attorneys of the Debtors except as described below or on *Exhibit 1* attached hereto. As such, I believe GCA is disinterested as such term is defined pursuant to section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, in that GCA:

(a) is not a creditor, an equity security holder, or an insider;

(b) is not and was not within two years before the date of the filing of the petition, a director, officer, or employee of the debtor; and

(c) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason.

8. The facts set forth in my Declaration are based upon my personal knowledge, upon information and belief, and upon client matter records kept in the ordinary course of business that were reviewed by me or other employees of GCA under my supervision and direction. The results of that investigation are set forth at *Exhibit 1* appended hereto.

9. As part of their practices, GCA, GP and/or their affiliates appear in cases, proceedings and transactions involving many different attorneys, accountants and financial advisors, some of which may represent or be claimants and/or parties in interest in these Cases. To the best of my knowledge, neither GCA, GP and/or their affiliates has any relationship with such entity that would be materially adverse to the Debtors and their creditors.

10. GCA will review its conflicts database and determine whether it has any connection to the United States Trustee for this district or the Judge or Assistant United States Trustee assigned to these Cases. In the event that a supplemental filing to disclose any connection is required, GCA shall do so.

11. To the best of my knowledge, information and belief formed after reasonable inquiry, none of the services rendered by GCA, GP and/or their affiliates to the entities as set forth on *Exhibit 1* hereto, have been performed in connection with these Cases. GCA believes that its relationships will not impair GCA's ability to perform professional services objectively on behalf of the Debtors. GCA will not accept any engagement that would require GCA to represent an interest materially adverse to the Debtors or their estates.

12. GP holds a majority interest in GCA. Certain partners in GP are partners in the law firm of Bracewell & Giuliani (f/k/a Bracewell & Patterson). Bracewell & Giuliani is not an affiliate of GP (or GCA). Bracewell & Giuliani is neither retained in, nor a party-in-interest in, these proceedings. While clients of Bracewell & Giuliani could be creditors of the Debtors or otherwise parties-in-interest thereto, Bracewell & Giuliani does not currently represent such clients in these Cases.

13. GCA has not shared or agreed to share any of its compensation in connection with this matter with any other person. GP, as the majority shareholder of GCA, has a variety of contractual rights, including the right to receive distributions under agreed circumstances.

14. To the best of my knowledge, information and belief formed after reasonable inquiry, GCA does not hold nor represent any interest materially adverse to the Debtors or their estates and is "disinterested" within the meaning of section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code. The proposed employment of GCA by the Debtors is not prohibited by or improper under Bankruptcy Rule 5002. Accordingly, I believe that GCA is eligible for retention by the Debtors under the Bankruptcy Code.

TERMS OF RETENTION

15. Subject to the Court's approval and pursuant to the terms and conditions of the Engagement Letter, GCA intends to charge for the professional services rendered to the Debtors in these Cases as follows:

(a) Upon execution of the Engagement Letter, and every thirty (30) calendar days thereafter until the terimation of the Engagement Letter, the Debtors shall pay an advisory fee (the "**Monthly Advisory Fees**") of $25,000. Upon the termination of the Engagement Letter, a prorated portion of the Monthly Advisory Fee shall be returned by GCA to the Debtors, to adjust for any partial month period in the month of such termination;

(b) For each Transaction consumated during the period that GCA is engaged by the Debtors, the Debtors shall pay a fee in cash at the closing of each Transaction or similar transaction (the "**Transaction Fee**") equal to the greater of: (1) 3.0% of the Transaction Value (as such term is defined below) of the Designated Assets involved in each Transaction; or (2) one hundred and twenty five thousand ($125,000) for each Designated Asset involved in the Transaction. For the avoidance of doubt, if one of the Debtors' Designated Assets (*e.g.*, Tuscaloosa facility) is involved in a Transaction, the Transaction Fee would be the greater of 3.0% of Transaction Value or $125,000. Similarly, if multiple Designated Assets are sold in a single Transaction, the Transaction Fee would be calculated based on the actual or a mutually agreed upon allocation of Transaction Value for each Designated Asset such that the greater of 3.0% of Transaction Value or $125,000 per Designated Asset would apply to each Designated Asset. For purposes of this Letter Agreement, "**Transaction Value**" shall mean the total consideration paid or payable (*e.g.*, cash, property, stock, options, warrants, or other securities, consulting agreements, non-compete provisions, earnouts, excluded assets that are intended as purchase consideration, deferred or escrowed consideration and/or notes) to the Debtors and/or its creditors and its shareholders plus the total book value of indebtedness for money borrowed, directly or indirectly assumed, forgiven, repaid, refinanced, restructured, retired, extinguished or acquired as a result of or in connection with the Transaction. If any portion of the Transaction Value is not readily determinable as of the closing, then the Debtors and GCA will determine a dollar equivalent by agreement before the closing. Any amounts to be paid contingent upon future events shall be estimated in a manner mutually agreeable to the Debtors and GCA, except that amounts held in escrow shall be deemed paid at closing.

(c) If the Debtors determine not to sell any of the Designated Assets and/or an alternative form of the Transaction is determined appropriate by the Debtors (by way of example only, a liquidation), GCA shall not be entitled to a Transaction Fee unless the Purchaser(s) (as such term is defined in the Engagement Letter) was a party (a) involved in the transaction process; or (b) identified or introduced to the Debtors by GCA, or interacted with GCA or the Debtors during the term of the engagement in connection with a potential Transaction; and

(d) In addition to the fees that are or may be payable to GCA under the Engagement Letter, GCA's reasonable out-of-pocket expenses incurred in connection with its activities under the Engagement

Letter will be payable by the Debtors on a monthly basis. Such expenses will include, but not be limited to, costs directly associated with the Engagement Letter, including reasonable attorneys' fees and expenses, travel, out-of-town accomodations and meals, overnight delivery, and database access charges, telephone, facsimile, postage, printing and duplication, document materials and similar items. Monthly expenses are payable by the Debtors upon receipt of an invoice for such expenses from GCA, subject to applicable bankruptcy procedures regarding professional compensation.

16. GCA is not owed any amounts with respect to its prepetition fees and expenses.

17. GCA intends to apply to this Court for allowances of compensation and reimbursement of expenses for financial advisory support services in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, corresponding Local Rules, orders of this Court and guidelines established by the United States Trustee. In connective therewith, GCA will maintain detailed records of any actual and necessary out-of-pocket costs and expenses incurred in connection with the services provided to the Debtors. The Debtors will request that the Court allow GCA to submit time records in a streamlined or summary format which shall set forth a description of the services rendered by each professional and the aggregate amount of the time spent on each date by each such professional in rendering the services to or on behalf of the Debtors.

DISPUTE RESOLUTION PROVISIONS

18. The Debtors and GCA have agreed, subject to the Court's approval of the Application, that:

(a) Any controversy or claim ("**Dispute**") shall be settled by arbitration. The arbitration shall be conducted in accordance with the procedures in the Engagement Letter and the Commercial Arbitration Rules of the American Arbitration Association then in effect (the "Rules"), or such other rules and procedures as the parties may designate by mutual agreement. In the event of a conflict, the provisions of the Engagement Letter shall control.

(b) The arbitration shall be conducted before a panel of three arbitrators, selected in accordance with the Rules. The arbitration shall take place in the City of New York, or in such other location as may be expressly agreed by the parties. Any issue concerning the extent to which any Dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of these procedures, including any contention that all or part of these procedures are invalid or unenforceable, shall be governed by the Federal Arbitration Act and be resolved by the arbitrators. No potential arbitrator shall be appointed unless he or she has agreed in writing to abide and be bound by these procedures.

(c) The arbitrator panel shall have no power to award non-monetary or equitable relief of any sort. It shall also have no power to award (a) damages inconsistent with any applicable agreement between the parties or (b) consequential, incidental, indirect, punitive or special damages or any other damages not measured by the prevailing party's actual damages; and the parties expressly waive their right to obtain such damages in arbitration or in any other forum. In no event, even if any other portion of these provisions is held to be invalid or unenforceable, shall the arbitration panel have power to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction.

(d) Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

(e) All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only as provided in the Rules. Before making any such disclosure, a party shall give written notice to all other parties and shall afford such parties a reasonable opportunity to protect their interests.

INDEMNIFICATION PROVISIONS

19. As set forth more fully in the Engagement Letter, the Debtors have further agreed to indemnify and hold harmless GCA and its affiliates, and their respective directors, officers, managers, members, partners, employees, agents and controlling persons (GCA and each such person being an "**Indemnified Party**") from and against any losses, claims, damages or

liabilities ("**Claims**," and each a "**Claim**"), joint or several, to which any Indemnified Party may become subject in connection with a Transaction, and transaction contemplated by the Engagement Letter or the engagement of GCA pursuant to, and the performance of GCA of the services contemplated by the Engagement Letter.

20. It is my understanding that the Debtors also will reimburse any Indemnified Party for all expenses (including fees and expenses of legal counsel) as such expenses are incurred in connection with investigating, preparing to defend, or defending such Claims, whether or not such Indemnified Party is a party and whether or not such Claim is initiated or brought by or on behalf of the Debtors. However, the Debtors will not be obligated under the indemnity if it is finally determined by a court or otherwise pursuant to the dispute resolution procedures contained in the Engagement Letter that such Claims arose out of the gross negligence or willful misconduct of GCA.

[Intentionally Left Blank]

21. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Declaration was executed on September 18, 2006, at Troy, MI.

Declarant: James W. Carter
Title: Managing Director

Exhibit 1

Entity Name	Relationship with Debtor	Relationship with GCA
Dow Corning	Other Parties in Interest of Debtor	Existing relationship with GCA on matters wholly unrelated to the Debtors.
Flex Technologies	Other Parties in Interest of Debtor	Prior relationship with GCA on matters wholly unrelated to the Debtors.
Chase Bank	Secured Creditor of Debtor	Existing relationship with GCA on matters wholly unrelated to the Debtors.
Wachovia Capital	Secured Creditor of Debtor	Prior relationship with GCA on matters wholly unrelated to the Debtors.
A.P. Plasman Inc.	Top 50 Unsecured Creditor of Debtor	Prior relationship with GCA on matters wholly unrelated to the Debtors.
Brown Corp. of Greenville	Top 50 Unsecured Creditor of Debtor	Prior relationship with GCA on matters wholly unrelated to the Debtors.
Dow-Corning STI	Top 50 Unsecured Creditor of Debtor	Prior relationship with GCA on matters wholly unrelated to the Debtors.
GE Polymerland	Top 50 Unsecured Creditor of Debtor	Existing relationship between parent company and GCA on matters wholly unrelated to the Debtors.
GE Polymerland Services	Top 50 Unsecured Creditor of Debtor	Existing relationship between parent company and GCA on matters wholly unrelated to the Debtors.
Sika Corporation	Top 50 Unsecured Creditor of Debtor	Prior relationship with GCA on matters wholly unrelated to the Debtors.
General Motors	Customer	Prior relationship with GCA on matters wholly unrelated to the Debtors

EXHIBIT B

GIULIANI
CAPITAL ADVISORS

GIULIANI CAPITAL ADVISORS LLC
101 WEST BIG BEAVER ROAD SUITE 545
TROY MI 48084

TEL 248 524 5980
FAX 248 524 5990

September 11, 2006

PRIVATE & CONFIDENTIAL

Mr. Joseph Mallak
Chief Executive Officer
Creative Engineered Products, LLC and Thermoplastics Acquisition, LLC
3650 W. Market St, Suite 340
Akron, OH 44333

Dear Mr. Mallak:

This letter agreement (including any attachments, this "Letter Agreement") confirms the understanding between Creative Engineered Products, LLC and Thermoplastics Acquisition, LLC ("CEP", the "Company" or "you") and Giuliani Capital Advisors LLC ("GCA" or "we") with regard to the engagement of GCA to act as exclusive financial advisor to the Company in connection with the proposed sale to another party (the "Purchaser"), whether effected in one transaction or a series of transactions, of substantially all of the assets and/or liabilities of the Company (the "Transaction"). As used in this Letter Agreement, the term "Transaction" includes (a) any merger, consolidation, exchange offer, recapitalization, credit bid, reorganization or other major capital transaction or business combination; (b) the acquisition, directly or indirectly, by the Purchaser, of any or all of the capital stock or assets of the Company; or (c) any other similar transaction or combination thereof or any other transaction otherwise structured and involving the Company or any of its affiliates.

GCA's Services

Subject to the terms and conditions of this Letter Agreement, GCA's services will consist of the following:

1. Advise and assist CEP in a disposition of those assets (i.e., facilities with ongoing customer relationships and books of business) that it determines, prior to the commencement of any sale process, are saleable as going concerns (the "Designated Assets").
2. Advise in developing the Company's strategy with regard to the Transaction;
3. Assist in analyzing the financial effects of the proposed Transaction;
4. Assist in preparing, if necessary, a descriptive memorandum regarding the Transaction;

5. Advise the Company in its negotiations regarding the Transaction, including, if necessary, negotiating (along with your legal counsel) a definitive agreement; and
6. Coordinate with the Company's legal counsel regarding matters related to the closing of a Transaction.

Notwithstanding the services provided by GCA, you will retain complete and final control of all key decisions in connection with the Transaction, including those decisions concerning:

1. Determination as to which of the Company's assets shall be Designated Assets;
2. Transaction strategy and pricing;
3. The structure and form of the Transaction;
4. The descriptive memorandum and other information presented to potential purchasers;
5. The potential purchasers to be contacted;
6. The potential purchasers allowed to conduct onsite due diligence and to be included in the final sales process;
7. The selection of the preferred purchaser;
8. The acceptance of a letter of intent or a similar agreement in principle; and
9. The entry into a definitive agreement.

This Letter Agreement is not intended to and does not create an agency or fiduciary relationship between the Company and GCA, and neither party has the authority to bind the other.

The Company will be the issuer of and shall be responsible for the descriptive memorandum, and such descriptive memorandum shall be based exclusively upon information provided by the Company. The Company will provide us with a letter of representation regarding the facts, assumptions and information contained in the descriptive memorandum. The Company shall be exclusively responsible for the accuracy and completeness of the descriptive memorandum, and GCA may rely upon the accuracy and completeness of all such information without independent verification. Recognizing the importance of the representations of the Company and its affiliates, officers, directors, employees and agents to the effective performance of GCA's engagement hereunder, the Company releases GCA from, and indemnifies GCA and its affiliates, officers, directors, members, employees and agents with respect to, any liability, cost or expense arising from or related to a misrepresentation or omission by the Company or any of its officers, directors, employees or agents.

The Company acknowledges and agrees that the Company, along with its legal counsel, is solely responsible for ensuring that the Company complies with all applicable law, including without limitation, that any offer or sale of securities made in connection with the Transaction is made in compliance with the registration requirements of the Securities Act of 1933 and the requirements of any applicable state securities laws or

qualifies for an exemption from such registration requirements and/or such state securities laws.

Professional Fees and Expenses; Termination

We are prepared to begin this engagement promptly upon your acceptance of this Letter Agreement. In consideration thereof, professional fees shall be due and payable as follows:

1. Upon execution of this Letter Agreement, and every thirty (30) calendar days thereafter until termination of this Letter Agreement, the Company shall pay an advisory fee (the "Monthly Advisory Fee") of $25,000. Upon the termination of this Letter Agreement, a prorated portion of the Monthly Advisory Fee shall be returned by GCA to the Company, to adjust for any partial month period in the month of such termination; and

2. For each Transaction consummated during the period that GCA is engaged by the Company, the Company shall pay a fee in cash at the closing of each Transaction or similar transaction (the "Transaction Fee") equal to the greater of: (1) 3.0% of the Transaction Value of the Designated Assets involved in each Transaction; or (2) one hundred and twenty five thousand ($125,000) for each Designated Asset involved in the Transaction. For the avoidance of doubt, if one of the Company's Designated Assets (e.g., Tuscaloosa facility) is involved in a Transaction, the Transaction Fee would be the greater of 3.0% of Transaction Value or $125,000. Similarly, if multiple Designated Assets are sold in a single Transaction, the Transaction Fee would be calculated based on the actual or a mutually agreed upon allocation of Transaction Value for each Designated Asset such that the greater of 3.0% of Transaction Value or $125,000 per Designated Asset would apply to each Designated Asset. For purposes of this Letter Agreement, "Transaction Value" shall mean the total consideration paid or payable (e.g., cash, property, stock, options, warrants, or other securities, consulting agreements, non-compete provisions, earnouts, excluded assets that are intended as purchase consideration, deferred or escrowed consideration and/or notes) to the Company and/or its creditors and its shareholders plus the total book value of indebtedness for money borrowed, directly or indirectly assumed, forgiven, repaid, refinanced, restructured, retired, extinguished or acquired as a result of or in connection with the Transaction. If any portion of the Transaction Value is not readily determinable as of the closing, then the Company and GCA will determine a dollar equivalent by agreement before the closing. Any amounts to be paid contingent upon future events shall be estimated in a manner mutually agreeable to the Company and GCA, except that amounts held in escrow shall be deemed paid at closing.

3. If the Company determines not to sell any of the Designated Assets and/or an alternative form of the Transaction is determined appropriate by the Company (by way of example only, a liquidation), GCA shall not be entitled to a Transaction Fee unless the Purchaser(s) was a party (a) involved in the transaction process; or (b) identified or introduced to the Company by GCA, or interacted with GCA or the Company during the term of this engagement in connection with a potential Transaction.

In addition to the fees that are or may be payable to GCA under this Letter Agreement, GCA's reasonable out-of-pocket expenses incurred in connection with its activities under this Letter Agreement will be payable by the Company on a monthly basis. Such expenses will include, but not be limited to, costs directly associated with this Letter Agreement, including reasonable attorneys' fees and expenses, travel, out-of-town accommodations and meals, overnight delivery, and database access charges, telephone, facsimile, postage, printing and duplication, document materials and similar items. Monthly expenses are payable by the Company upon receipt of an invoice for such expenses from GCA, subject to applicable bankruptcy procedures regarding professional compensation.

As further consideration for the services provided, the Company agrees to the Indemnification, Dispute Resolution and Limitation of Liability provisions on Attachment A which is incorporated herein in full.

The Company acknowledges that a substantial professional commitment of time and effort will be required by GCA and its professionals hereunder, and that such commitment may foreclose other opportunities for GCA. Moreover, the time and commitment required for the engagement may vary substantially from week to week or month to month, creating "peak load" issues for GCA. Based upon mutual discussion between the Company and GCA of the various issues that may arise in such case, GCA's commitment to the variable level of time and effort necessary to address such issues, the level of staffing requested by the Company and the market price for GCA's engagements of this nature, the Company agrees that the fee arrangement hereunder fairly compensates GCA.

To the extent that the Company requests that GCA perform additional services not contemplated by this Letter Agreement, the scope and fees for such services shall be mutually agreed upon by GCA and the Company, in writing, in advance of any performance of such services.

GCA may pay referral fees to another NASD member firm in connection with this Letter Agreement, as permitted under NASD rules.

GCA cannot guarantee that this engagement will result in a transaction or that a transaction will be consummated. GCA's engagement under this Letter Agreement may be terminated at any time by either GCA or the Company, upon written notice to that effect to the other party; provided that the provisions contained in this Letter Agreement set forth in the sections entitled "Professional Fees and Expenses," "Information; Confidentiality," "Other Provisions," and "Attachment A" hereto shall survive any termination of this Letter Agreement. In the event of termination of this Letter Agreement, GCA shall be entitled to a Transaction Fee if the Company enters into an agreement for a Transaction prior to that date which is eighteen (18) months from the termination hereof and such agreement subsequently results in a Transaction. Any such fee shall be payable on the closing of such transaction and under the terms set forth herein.

Subcontracting Agreement

In connection with this Letter Agreement, with the consent of the Company, which consent shall not be unreasonably withheld, GCA may subcontract, as necessary, to assist with the work delineated in the section entitled "GCA Services" above. The Company agrees to pay the reasonable expenses incurred by any such subcontractor under this Letter Agreement.

Application for Retention

The Company shall promptly apply to the bankruptcy court in the Company's chapter 11 cases (the "Bankruptcy Court") for approval of this Letter Agreement pursuant to sections 327 and 328(a) of the Bankruptcy Code, nunc pro tunc to the date of commencement of such chapter 11 cases, for GCA's retention by the Company pursuant to this agreement, and for this agreement to be subject to review under section 328(a) of the Bankruptcy Code and not subject to review under section 330 of the Bankruptcy Code. The Company shall provide GCA and its counsel with a draft of such application and a proposed order authorizing such retention sufficiently prior to the filing of such documents with the Bankruptcy Court for review and comment by GCA and its counsel. GCA shall have no obligation to render any services hereunder if the Company, as Debtor(s), commences a case under Bankruptcy Code unless, in each Debtors' case, GCA's retention is approved on the terms and conditions set forth herein pursuant to section 328(a) of the Bankruptcy Code by a final order of the Bankruptcy Court that is acceptable to GCA in its sole discretion and which is not subject to appeal, rehearing, reconsideration or petition for certiorari. If GCA's engagement hereunder is approved by the Bankruptcy Court, the Company shall pay all fees and expenses of GCA as set forth herein as promptly as possible. In agreeing to seek approval of GCA's retention under sections 327 and 328(a) of the Bankruptcy Code, the Company acknowledges and agrees that GCA's restructuring expertise and experience will inure to the benefit of the Company, that the value of the services provided hereunder derive substantially from such expertise and experience and that the fees provided herein are reasonable regardless

of the number of hours expended by GCA in performance of services hereunder. The Company hereby agrees to seek a surcharge of its collateral pursuant to Section 506(c) of the Bankruptcy Code (if necessary to pay GCA's fees and expenses hereunder in full). The terms of this paragraph are for the benefit of GCA and may be waived, in whole or in part, only by GCA.

Information; Confidentiality

The Company will furnish or arrange to have furnished to GCA (including from the Purchaser or prospective purchasers with which the Company enters negotiations, if requested) such information as GCA believes appropriate to its engagement under this Letter Agreement (all such information so furnished being the "Information"). The Company (a) recognizes and acknowledges that GCA (i) will rely on the Information and other publicly available information in fulfilling the terms of its engagement under this Letter Agreement without any obligation to independently verify the same, (ii) does not assume responsibility for the accuracy or completeness of the Information or such other information, (iii) has no obligation to undertake an independent evaluation or appraisal of any assets or liabilities of the Company or any other party, (iv) has no obligation to investigate the accuracy or completeness of the Information, and (v) with respect to any financial forecasts (including costs, savings and synergies) that may be furnished to or discussed with us by the Company, will assume that they have been reasonably prepared and reflect the best then-currently available estimates and judgment of the Company's management and (b) consents to each of the items specified in clause (a) of this sentence. The Information will not be audited by GCA and, accordingly, GCA will express no opinion thereon. The Company further agrees to notify GCA promptly of any material change in any Information provided by the Company.

The Company represents that (i) the Information will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not be false or misleading, and (ii) the Information will be true, complete and correct in all material respects.

GCA agrees to keep all Information confidential, except to the extent necessary to perform its duties under this Letter Agreement. Information shall not be considered confidential to the extent that: (a) it is or becomes publicly available through a source other than GCA; (b) it was known to GCA at the time such Information was furnished to GCA; (c) it is independently developed by GCA without reference to the Information; (d) it is subsequently learned from a third party that does not impose an obligation of confidentiality upon GCA; (e) it is required to be disclosed pursuant to applicable professional standards or law or regulation, government authority, duly authorized subpoena or court order or directive; or (f) is approved for disclosure by prior consent of the Company. The obligations of GCA under the immediately preceding two sentences

shall terminate upon the first anniversary following the completion of the work contemplated under this Letter Agreement.

GCA's role as advisor to the Company (and the terms and conditions of this Letter Agreement) may not be disclosed by the Company nor may any references to GCA be made without the prior written consent of GCA. Any advice, analysis or documentation (whether written or oral) rendered or provided by GCA in its role as advisor to the Company will be solely for the confidential use of the Board of Directors of the Company and may not be disclosed, quoted, reproduced, summarized, described or referred to without the prior written consent of GCA.

Upon the earlier of the public announcement of the Transaction by the Company and/or the Purchaser or the consummation of the Transaction, GCA may, at its option and expense, disclose to any party or publicly announce its role as exclusive financial advisor to the Company with regard to the Transaction; provided, however, that any such disclosure shall not relieve the Company or GCA of any of their confidentiality obligations under this Letter Agreement. If requested by GCA, the Company will ensure that a reference to GCA as its exclusive financial advisor is included in any press release or public announcement the Company makes in connection with the Transaction. The Company further consents to GCA's use or display of the Company's logo, symbol or trademark as part of GCA's general marketing or promotional activities, provided such use or display is in the nature of a public record or tombstone announcement in relation to the announced and/or consummated Transaction.

Other Provisions

As you know, GCA and its affiliates are engaged in a broad range of securities activities and financial advisory services. Nothing contained in this Letter Agreement shall prevent GCA from performing the same or similar engagements for other clients in your industry. Although it has not come to our attention that any services are being provided by GCA or its affiliates to any other entity in connection with the Transaction, if such occasion arises, GCA will take appropriate organizational measures to avoid a conflict of interest. Notwithstanding the foregoing, GCA will not advise third parties with regard to the Transaction.

GCA, as a registered broker-dealer, member NASD, is required to obtain, verify and record certain information regarding the individuals or entities with which GCA does business. The Company agrees to provide GCA with the Company's tax identification number and/or other identifying information, as GCA may request, to enable GCA to comply with applicable law.

The trade names and trademarks "Rudolph Giuliani," "Giuliani Capital Advisors LLC," or "Giuliani Partners LLC," or any similar mark or variations or derivations thereof (collectively, the "Giuliani Marks") shall not be used by the Company without

GCA's prior written consent and upon any termination of this Letter Agreement, the Company shall have no right to use or exploit the Giuliani Marks. Nothing in this Letter Agreement shall be deemed to give the Company any right, title or interest in or to any of the Giuliani Marks or GCA's trade names, trademarks or service marks.

The addresses for delivery of all notices to the parties under this Letter Agreement are as follows:

If to the Company:

Attn: Mr. Joseph Mallak
Chief Executive Officer
CEP Products, Inc.
900 S Wiley Street
Crestline, OH 44827-1766
United States

Telephone: (330) 665-6709
Facsimile: (330) 665-2905

If to GCA:

Attn: James W. Carter
Giuliani Capital Advisors LLC
101 W. Big Beaver
Troy, MI 48084

Telephone: 248-524-5977
Facsimile: 248-524-5990

And to:

Attn: Legal Department
Giuliani Capital Advisors LLC
5 Times Square
New York, NY 10036

Telephone: 212-258-1400
Facsimile: 212-258-1410

This Letter Agreement constitutes the entire agreement between the Company and GCA, and supersedes any and all prior agreements between the parties relating to this engagement. No waiver, amendment or other modification of this Letter Agreement shall be effective unless in writing and signed by each party to be bound thereby.

Except as expressly set forth in the section entitled "Subcontracting Agreement" herein, this Letter Agreement may not be assigned by the Company or GCA, except with the written consent of the non-assigning party. The benefits of this Letter Agreement shall inure to the Company, GCA, the Indemnified Parties (as defined below) and their respective successors and assigns and representatives, and the obligations and liabilities assumed in this Letter Agreement by the parties hereto shall be binding upon their respective successors and assigns.

The Company acknowledges and agrees that GCA has been retained to act solely as financial advisor to the Company. In such capacity, GCA shall act as an independent contractor, and any duties of GCA arising out of its engagement pursuant to this Letter Agreement shall be owed solely to the Company.

GCA maintains a business continuity and disaster recovery plan which is reviewed periodically so that GCA's most critical business applications are readily available in the event of a declared disaster. A summary of the plan is located on our website, www.giulianicapitaladvisors.com.

If any portion of this Letter Agreement is held to be void, invalid or otherwise unenforceable, in whole or in part, the remaining portions of this Letter Agreement shall remain in effect.

This Letter Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same agreement. In addition, facsimile signatures shall be valid, enforceable, and effective as if they were originals.

This Letter Agreement shall be governed by, and construed in accordance with, the laws of the state of New York applicable to contracts executed in and to be performed in that state.

* * * * *

Signature Page Follows

This engagement is important to us and we appreciate the opportunity to be of service to you. If you are in agreement with the terms set forth herein, please indicate by signing and returning the enclosed copy of this Letter Agreement to us, along with your check for the initial Monthly Advisory Fee. If you have any questions about this Letter Agreement or wish to discuss these matters further, please contact James W. Carter at 248-524-5977.

Very truly yours,

GIULIANI CAPITAL ADVISORS LLC

By: _____
James W. Carter
Managing Director

Agreed to and Accepted as of
the date first written above by:

CEP PRODUCTS, INC.

By: _____
Name: JAMES R VAN TIEM
Title: CHAIRMAN

Enclosure/Attachment

ATTACHMENT A

Indemnification, Dispute Resolution and Limitation of Liability

The Company agrees to indemnify and hold harmless GCA and its affiliates, and their respective directors, officers, managers, members, partners, employees, agents and controlling persons (GCA and each such person being an "Indemnified Party") from and against any losses, claims, damages or liabilities ("Claims," and each a "Claim"), joint or several, to which any Indemnified Party may become subject in connection with the Transaction, any transactions contemplated by this Letter Agreement or the engagement of GCA pursuant to, and the performance by GCA of the services contemplated by, this Letter Agreement. The Company will also reimburse any Indemnified Party for all expenses (including fees and expenses of legal counsel) as such expenses are incurred in connection with investigating, preparing to defend, or defending such Claims, whether or not such Indemnified Party is a party and whether or not such Claim is initiated or brought by or on behalf of the Company. However, the Company will not be obligated under this indemnity if it is finally determined by a court or otherwise pursuant to the dispute resolution procedures contained herein that such Claims arose out of the gross negligence or willful misconduct of GCA. The reimbursement and indemnity obligations under this paragraph shall be in addition to any liability you may otherwise have and shall inure to the benefit of the Indemnified Parties and their respective successors and assigns.

If the indemnification of an Indemnified Party provided for in this Letter Agreement is for any reason held unenforceable, the Company agrees to contribute to the Claims for which such indemnification is held unenforceable (a) in such proportion as is appropriate to reflect the relative benefits to the Company, on the one hand, and GCA, on the other hand, of the Transaction or comparable transaction as contemplated (whether or not the Transaction or comparable transaction is consummated) or (b) if (but only if) the allocation provided for in clause (a) of this paragraph is for any reason held unenforceable, in such proportion as is appropriate to reflect not only the relative benefits referred to in such clause (a) but also the relative fault of the Company, on the one hand, and GCA, on the other hand, as well as any other relevant equitable considerations. The Company agrees that for the purposes of this paragraph the relative benefits to the Company and GCA of the Transaction or comparable transaction as contemplated shall be deemed to be in the same proportion that the total value received or contemplated to be received by the Company or its security holders, as the case may be, as a result of or in connection with the Transaction or comparable transaction bears to the fees paid or to be paid to GCA under this Letter Agreement; provided that, to the extent permitted by applicable law, in no event shall the Indemnified Parties be required to contribute an aggregate amount in excess of the aggregate fees actually paid to, and retained by, GCA under this Letter Agreement.

The Company agrees that, without GCA's prior written consent, it will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification could be sought under the indemnification provisions of this Letter Agreement (whether or not GCA or any other Indemnified Party is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent includes an unconditional release of each Indemnified Party from all liability arising out of such claim, action or proceeding.

In the event that any Indemnified Party is requested or authorized by the Company or is required by government regulation, subpoena, or other legal process to produce GCA's documents as evidence or personnel as witnesses with respect to GCA's services for the Company, the Company will, so long as GCA is not a party to the proceeding in which information is sought, reimburse GCA for its professional time and expenses, as well as the fees and expenses of its counsel, incurred in responding to such requests.

Any controversy or Claim with respect to, in connection with, arising out of, or in any way related to this Letter Agreement or the services provided hereunder (including any such matter involving a parent, subsidiary, affiliate, successor in interest, director, officer, manager, member, partner, employee, agent or controlling person of the Company or of GCA) shall be brought in the Bankruptcy Court, or the District Court for the Northern District of Ohio if such District Court withdraws the reference. The parties to this Letter Agreement consent to the jurisdiction and venue of such court as the sole and exclusive forum (unless such court does not have or retain jurisdiction over such claims or controversies) for the resolution of such controversy or Claims. The parties to this Letter Agreement hereby waive trial by jury, such waiver being informed and freely made. If the Bankruptcy Court, or the District Court upon withdrawal of the reference, does not have or retain jurisdiction over the foregoing controversies or Claims, the parties to this Letter Agreement agree to submit to binding arbitration, in accordance with the dispute resolution procedures set forth in Attachment A to this Letter Agreement. Judgment on any arbitration award may be entered in any court having proper jurisdiction. The foregoing is binding upon the Company and GCA, and any successors and assigns thereof.

In the event that either party objects to submitting any controversy or Claim to arbitration as required by this Letter Agreement, the objecting party shall be required to pay any and all legal fees and expenses of the non-objecting party in connection with the enforcement of such arbitration provisions.

In connection with the foregoing agreement to subject any controversy or Claim to arbitration, each of GCA and the Company (on its own behalf, and to the extent permitted by applicable law, on behalf of its shareholders) waives any and all right to trial by jury in any action, proceeding or counterclaim, regardless of the legal theory advanced, related to or arising from this Letter Agreement.

In no event, regardless of the legal theory advanced, shall GCA be liable or responsible to any person or entity, including the Company, other than for its gross negligence or willful misconduct and any such liability shall be limited to any fees actually paid by the Company under this Letter Agreement. Neither party shall be liable to the other for consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill), regardless of the legal theory advanced or of any notice given as to the likelihood of such damages; provided that this provision shall not limit GCA's indemnity or contribution rights as provided for in this Letter Agreement or applicable law. The Company's recourse with respect to any liability or obligation of GCA hereunder shall be limited to the assets of GCA, and the Company shall have no recourse against, and expressly waives its right to bring any claim against, any other Indemnified Party or any of their assets.

Dispute Resolution Procedures

The following procedures shall be used to resolve any controversy or claim ("Dispute") as provided in this Letter Agreement. If any of these provisions are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by law.

Any Dispute shall be settled by arbitration. The arbitration shall be conducted in accordance with the procedures in this Letter Agreement and the Commercial Arbitration Rules of the American Arbitration Association then in effect (the "Rules"), or such other rules and procedures as the parties may designate by mutual agreement. In the event of a conflict, the provisions of this Letter Agreement shall control.

The arbitration shall be conducted before a panel of three arbitrators, selected in accordance with the Rules. The arbitration shall take place in the City of New York, or in such other location as may be expressly agreed by the parties. Any issue concerning the extent to which any Dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of these procedures, including any contention that all or part of these procedures are invalid or unenforceable, shall be governed by the Federal Arbitration Act and be resolved by the arbitrators. No potential arbitrator shall be appointed unless he or she has agreed in writing to abide and be bound by these procedures.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort. It shall also have no power to award (a) damages inconsistent with any applicable agreement between the parties or (b) consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) or any other damages not measured by the prevailing party's actual damages; and the parties expressly waive their right to obtain such damages in arbitration or in any other forum. In no event, even if any other portion of these provisions is held to be invalid or unenforceable, shall the arbitration panel have power to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only as provided in the Rules. Before making any such disclosure, a party shall give written notice to all other parties and shall afford such parties a reasonable opportunity to protect their interests.

EXHIBIT C

PROPOSED ORDER

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

In re:	:	
	:	Case No. 06-61796
CEP HOLDINGS, LLC, et al.,[1]	:	(Jointly Administered)
	:	
Debtors.	:	Chapter 11
	:	
	:	Honorable Russ Kendig

INTERIM ORDER, PURSUANT TO SECTIONS 327(a) AND 328 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 2014(a), AUTHORIZING DEBTORS TO EMPLOY GIULIANI CAPITAL ADVISORS LLC AS INVESTMENT BANKERS

Upon the Application (the "**Application**")[2] of CEP Holdings, LLC and its affiliated debtors and debtors-in-possession (each a "**Debtor**" and collectively, the "**Debtors**" or "**CEP**") in the above-captioned Chapter 11 cases (the "**Cases**"), for entry of an order, pursuant to sections 327(a) and 328 of the Bankruptcy Code, Bankruptcy Rule 2014(a), and Local Bankruptcy Rule 2016-1, authorizing the Debtors to employ GCA as investment bankers; the Court having reviewed the Application and having heard the statements of counsel in support of the relief requested therein at a hearing before the Court (the "**Hearing**"); and upon the Mallak Affidavit and the Carter Declaration; and the Court having found and concluded that (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) this is a core proceeding, (iii) notice of the Application was sufficient under the circumstances, and (iv) the legal and factual bases set forth in the Application, Mallak Affidavit, the Carter Declaration, and at the Hearing establish just cause for the relief granted herein; and this Court having determined that granting the relief

[1] The Debtors include: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC.

[2] Capitalized terms not otherwise defined herein shall have the meanings given to them in the Application.

requested in the Application is in the best interests of the Debtors, their estates and their creditors; and after due deliberation and sufficient cause appearing therefore;

IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED on an interim basis.

2. Pursuant to sections 327(a) and 328 of the Bankruptcy Code, the Debtor, are authorized to employ and retain GCA as their investments bankers on the terms set forth in the Engagement Letter and the Application, effective *nunc pro tunc* to the Petition Date.

3. GCA shall be compensated in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed under 11 U.S.C. § 328, the Local Bankruptcy Rules and such procedures as may be fixed by order of this Court.

4. The final hearing on the Application (the "**Final Hearing**") shall take place on [_____], at 2:30 p.m. (prevailing Eastern Time). Pursuant to Federal Rule of Bankruptcy Procedure 4001(b), service of this Interim Order, along with the proposed final order, upon (a) the Office of the United States Trustee for the Northern District of Ohio, (b) the Debtors' secured lenders, (c) the Debtors' fifty (50) largest unsecured creditors on a consolidated basis shall constitute adequate notice of the Final Hearing, if served on or before close of business on September ___, 2006.

5. Any party wishing to object to the relief granted herein being granted on a permanent basis shall file such objection with the Court, together with proof of service thereof, and served upon: (a) Debtors' counsel, Joseph F. Hutchins, Jr. at jhutchinson@bakerlaw.com, Thomas M. Wearsch at twearsch@bakerlaw.com and Eric R. Goodman at egoodman@bakerlaw.com; (b) counsel for any committee appointed in these cases; and (c) the

Office of the United States Trustee for the Northern District of Ohio, Howard M. Metzenbaum U.S. Courthouse, 201 Superior Ave., East - Suite 441, Cleveland, Ohio 44114, so as to be received no later than **[_____]**, 2006 at 4:00 p.m. (prevailing Eastern Time).

6. Any objection to the relief granted herein on a permanent basis must be filed with this Court in accordance with (a) Local Bankruptcy Rule 9037-1, (b) Court's General Order (Provisions For Electronic Case Filing), (c) General Order No. 02-2, dated September 6, 2002, and (d) Sections II (A) and (B) of the Electronic Case Filing (ECF) Administrative Procedures Manual – Administrative Procedures for Filing, Signing, Maintaining, and Verifying, and Serving Pleadings and Papers in the ECF System.

7. In the event an objection is timely served and filed in accordance with this Order, there shall be a hearing held on [_____], 2006 at :___.m. (prevailing Eastern Time) to consider such objection, and pending entry of an order following the conclusion of said hearing, the relief granted herein shall remain in effect on an interim basis.

8. If no objection to the relief granted herein on a permanent basis is timely served and filed in accordance with this Order, this Order shall be deemed a final order without further notice or hearing and the Application shall be granted in its entirety, and the relief requested in the Application shall be made effective permanently *nunc pro tunc* to the Petition Date.

9. The Court shall retain jurisdiction over any matters arising from or relating to the implementation and interpretation of this Order.

10. The requirement pursuant to Local Bankruptcy Rule 9013-1(a) that the Debtors file a memorandum of law in support of the Application is hereby waived.

11. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

Dated: September ____, 2006
Canton, OH

UNITED STATES BANKRUPTCY JUDGE