

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

----- x  
In re: :  
 : Case No. 06-61796  
CEP HOLDINGS, LLC, et al.,<sup>1</sup> : (Jointly Administered)  
 :  
Debtors. : Chapter 11  
 :  
 : Honorable Russ Kendig  
----- x

**MOTION OF DEBTORS AND DEBTORS IN POSSESSION FOR AN  
ORDER (A) SCHEDULING EXPEDITED HEARING ON CERTAIN FIRST DAY  
MOTIONS AND (B) APPROVING FORM AND MANNER OF NOTICE THEREOF**

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 move (the “**Motion**”) for entry of an order: (i) scheduling an expedited hearing to consider certain first day motions filed by the Debtors; and (ii) approving the form and manner of notice of the expedited hearing. In support of the Motion, the Debtors respectfully represent as follows:

**JURISDICTION AND VENUE**

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of the Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
2. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

**BACKGROUND**

3. On the date hereof (the “**Petition Date**”), each Debtor filed a voluntary petition for relief under Chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors have requested that the Cases be jointly administered for procedural purposes only.

---

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

4. 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

5. 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.

6. 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.

7. 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.

8. 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.<sup>2</sup> 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

9. 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 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-

---

<sup>2</sup> CEP Mexico, a non-debtor, produces high quality plastic products at two factories in Mexico.

petition interest, fees and expenses to which Agent may be entitled under the Prepetition CEPP Credit Agreement and applicable law).

10. 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.

11. 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

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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

18. 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.

19. 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.

20. 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,<sup>3</sup> 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.

---

<sup>3</sup> 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.

**RELIEF REQUESTED**

21. By this Motion, the Debtors seek the entry of an order: (i) scheduling an expedited hearing to consider certain first day motions filed by the Debtors; and (ii) approving the form and manner of notice of the expedited hearing.

**PENDING REQUESTS FOR RELIEF**

22. Contemporaneously with the commencement of these Cases on the Petition Date, the Debtors filed, among other things, the following motions and applications (collectively, the “**First Day Motions**”):<sup>4</sup>

<b><u>Motion Or Application</u></b>	<b><u>Nature Of Relief Requested</u></b>
Motion of Debtors and Debtors in Possession Pursuant to Bankruptcy Rule 1015(b) for Joint Administration of Chapter 11 Cases	Order Pursuant to Bankruptcy Rule 1015(b) Granting Joint Administration of Cases
Motion of Debtors and Debtors in Possession for an Order Waiving Compliance with Local Bankruptcy Rules 9013-1(A), 9013-2(A) and 9013-2(D)	Order Waiving Compliance with Local Bankruptcy Rules 9013-1(A), 9013-2(A) and 9013-2(D)
Motion of Debtors and Debtors in Possession for Entry of an Order (I) Authorizing the Debtors to (A) Prepare a Consolidated List of Creditors in Lieu of a Matrix and (B) Mail Initial Notices, and (II) Approving Form of Initial Notice of Commencement of Cases	Order (I) Authorizing the Debtors to (A) Prepare a Consolidated List of Creditors in Lieu of a Matrix and (B) Mail Initial Notices, and (II) Approving Form of Initial Notice of Commencement of Cases
Motion of Debtors and Debtors in Possession for Entry of an Order, Pursuant to Federal Rule of Bankruptcy Procedure 1007(c), Extending Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases and Statements of Financial Affairs	Order, Pursuant to Federal Rule of Bankruptcy Procedure 1007(c), Granting Debtors an Extension of Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases and Statements of Financial Affairs

---

<sup>4</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the First Day Motions.



Motion of Debtors and Debtors in Possession, Pursuant to Sections 102 and 105(A) of the Bankruptcy Code and Bankruptcy Rules 2002(m) and 9007, Authorizing: (I) the Establishment of Omnibus Hearing Dates; and (II) Certain Electronic Notice, Case Management and Administrative Procedures

Order, Pursuant to Sections 102 and 105(a) of the Bankruptcy Code and Bankruptcy Rules 2002(m) and 9007, Authorizing: (I) the Establishment of Omnibus Hearing Dates; and (II) Certain Electronic Notice, Case Management and Administrative Procedures

Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 2014(a), for Entry of an Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals and Committee Members

Order Pursuant to Bankruptcy Code Sections 105(a) and 331 and Federal Rule of Bankruptcy Procedure 2014(a) Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals and Committee Members

Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a), 363(b), 507(a)(4), 507(a)(5) and 541(d) of the Bankruptcy Code, for Entry of an Order (I) Authorizing Them to Pay: (A) Prepetition Employee and Independent Contractor Wages, Salaries and Related Items; (B) Prepetition Employee and Independent Contractor Business Expenses; (C) Prepetition Contributions to and Benefits Under Employee Benefit Plans; (D) Prepetition Employee Payroll Deductions and Withholdings; (E) Additional Workforce Costs and (F) All Costs and Expenses Incident to the Foregoing Payments and Contributions; and (II) Granting Certain Related Relief

Order Pursuant to Sections 105(a), 363(b), 507(a)(4), 507(a)(5) And 541(d) of the Bankruptcy Code (I) Authorizing The Debtors To Pay: (A) Prepetition Employee And Independent Contractor Wages, Salaries And Related Items; (B) Prepetition Employee And Independent Contractor Business Expenses; (C) Prepetition Contributions To And Benefits Under Employee Benefit Plans; (D) Prepetition Employee Payroll Deductions And Withholdings; (E) Additional Workforce Costs; And (F) All Costs And Expenses Incident To The Foregoing Payments And Contributions; And (II) Granting Certain Related Relief

Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a) And 363(b) of the Bankruptcy Code, for Entry of an Order (I) Authorizing the Debtors to (A) Continue Their Existing Workers' Compensation Programs and (B) Pay Certain Prepetition Workers' Compensation Premiums, Claims and Related Expenses; and (II) Granting Certain Related Relief

Order, Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code, (I) Authorizing the Debtors to (A) Continue Their Existing Workers' Compensation Programs and (B) Pay Certain Prepetition Workers' Compensation Premiums, Claims and Related Expenses; and (II) Granting Certain Related Relief

Motion of Debtors and Debtors in Possession, Pursuant to Section 105(a), 363 and 541 of the Bankruptcy Code, for Entry of an Order Confirming Authority to Pay Prepetition Sales and Use Taxes

Order, Pursuant to Sections 105(a), 363 and 541 of the Bankruptcy Code, Confirming Authority to Pay Prepetition Sales and Use Taxes

Motion of Debtors and Debtors in Possession, Pursuant to Sections 503(b) And 363(c) of the Bankruptcy Code, for Entry of an Order (A) Granting Administrative Expense Status to the Debtors' Undisputed Obligations Arising From Postpetition Delivery of Goods Ordered During the Prepetition Period and (B) Authorizing Debtors to Pay Such Obligations in the Ordinary Course of Business

Order, Pursuant to Sections 503(b) and 363(c) of the Bankruptcy Code, Granting (A) Administrative Expense Status to the Debtors' Undisputed Obligations Arising From Postpetition Delivery of Goods Ordered During the Prepetition Period and (B) Authorizing Debtors to Pay Such Obligations in the Ordinary Course of Business

Motion of Debtors and Debtors in Possession, Pursuant to Section 366 of the Bankruptcy Code, for Interim and Final Orders: (A) Prohibiting Utilities From Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtors on Account of Prepetition Invoices; (B) Determining that the Utilities Are Adequately Assured of Future Payment; (C) Establishing Procedures for Determining Requests for Additional Assurance; and (D) Permitting Utility Companies to Opt Out of the Procedures Established Herein

Interim and Proposed Final Order, Pursuant to Section 366 of the Bankruptcy Code: (A) Prohibiting Utilities From Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtors on Account of Prepetition Invoices; (B) Determining that the Utilities Are Adequately Assured of Future Payment; (C) Establishing Procedures for Determining Requests for Additional Assurance; and (D) Permitting Utility Companies to Opt Out of the Procedures Established Herein

Motion of Debtors and Debtors in Possession for Entry of an Order Authorizing the Maintenance of Bank Accounts, Continued Use of Existing Cash Management System and Business Forms, and Waiving Investment and Deposit Guidelines of Section 345(b) of the Bankruptcy Code

Order Authorizing the Maintenance of Bank Accounts, Continued Use of Existing Cash Management System and Business Forms, and Waiving Investment and Deposit Guidelines of Section 345(b) of the Bankruptcy Code

Motion of Debtors and Debtors in Possession For The Entry Of An Order: (I) Establishing Procedures For Resolving Reclamation Claims Asserted Against The Debtors; And (II) Granting Certain Related Relief

Order Establishing Procedures For Resolving Reclamation Claims Asserted Against The Debtors And Granting Certain Related Relief

<p>Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a), 107(b) and 1102(b)(3)(A) of the Bankruptcy Code, for an Order Confirming The Creditors' Committee Is Not Authorized or Required to Provide Access to the Debtors' (A) Confidential Information or (B) Privileged Information</p>	<p>Order, Pursuant to Sections 105(a), 107(b) and 1102(b)(3)(A) of the Bankruptcy Code, Confirming That the Creditors' Committee Is Not Authorized or Required to Provide Access to (A) Confidential or (B) Privileged Information of the Debtors</p>
<p>Application of Debtors and Debtors in Possession for Entry of an Order, Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code and Bankruptcy Rule 2014(a), Authorizing Debtors to Employ and Retain Baker &amp; Hostetler, LLP as General Bankruptcy Counsel Effective as of the Petition Date</p>	<p>Interim Order, Pursuant to Sections 327(a) And 328(a) of the Bankruptcy Code and Bankruptcy Rule 2014(a), Approving Employment and Retention of Baker &amp; Hostetler, LLP as General Bankruptcy Counsel Effective as of the Petition Date</p>
<p>Application of Debtors and Debtors in Possession for Entry of an Order Pursuant to 28 U.S.C. §156(c) and Bankruptcy Rule 2002 Authorizing Employment and Retention of BMC Group, Inc. as Claims, Noticing and Balloting Agent</p>	<p>Interim Order Pursuant to 28 U.S.C. §156(c) and Federal Rule of Bankruptcy Procedure 2002 Authorizing Debtors to Employ BMC Group, Inc. as Claims, Noticing and Balloting Agent</p>
<p>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 Glass &amp; Associates as Financial Advisors</p>	<p>Interim Order, Pursuant to Sections 327(a) and 328 of the Bankruptcy Code and Bankruptcy Rule 2014(a), Authorizing Debtors to Employ Glass &amp; Associates as Financial Advisors</p>
<p>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</p>	<p>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</p>
<p>Motion of Debtors and Debtors in Possession, Pursuant to Sections 362, 363, and 364 of the Bankruptcy Code and Bankruptcy Rules 4001(B) and 4001(C), For Interim and Final Orders (I) Authorizing Debtors to Incur Postpetition Secured Indebtedness, (II) Granting Security Interests and Priority Claims, (III) Granting Adequate Protection, (IV) Modifying Automatic Stay and (V) Setting Final Hearing</p>	<p>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</p>

23. As described in detail in each of the First Day Motions, the relief requested in the First Day Motions is essential to permit the Debtors to transition smoothly into Chapter 11. In addition, the relief requested in the First Day Motions will greatly assist in the administration of the Cases, and promote the necessary support of the Debtors' employees and other key constituencies in these Cases. Any delays in the consideration of the First Day Motions would hinder the Debtors' ability to achieve a "soft landing" in Chapter 11 and preserve and maximize value for all stakeholders in these Cases.

24. Accordingly, the Debtors believe that the First Day Motions involve matters that require an expedited, emergency hearing and respectfully request that the Court schedule a hearing on all of the First Day Motions to be conducted on the Petition Date, or as soon as possible thereafter. To that end, the Debtors understand that the Court has reserved 8:30 a.m. on Friday, September 22, 2006 for such a hearing.

#### **NOTICE**

25. The Debtors propose to serve a notice of the filing of the First Day Motions and the expedited hearing thereon, substantially in the form attached hereto as **Exhibit A** and incorporated herein by reference (the "**First Day Notice**"), via email, telecopier, overnight delivery or other express mail service as soon as practicable after the entry of an order approving the First Day Notice or as otherwise instructed by the Court on the following parties (collectively, the "**First Day Notice Parties**"): (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; (d) each of the utilities identified in the Utility Service List; (e) the Taxing Authorities; and (f) National City Bank. Because the list of other parties potentially affected by the First Day Motions is necessarily large, serving notice of all First Day Motions on all such parties is impracticable and is a wasteful use of the Debtors' limited resources. Therefore, the Debtors

request that service of notice on the First Day Notice Parties in the form and manner described in this paragraph be deemed adequate and appropriate under the circumstances and in full compliance with the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and the Local Bankruptcy Rules.

**MEMORANDUM OF LAW**

26. Because this Motion 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 Motion.

**NO PRIOR REQUEST**

27. No prior request for the relief sought in this Motion has been made to this or any other Court.

**[Intentionally Left Blank]**

**CONCLUSION**

WHEREFORE, the Debtors respectfully request that the Court (a) enter an order substantially in the form annexed hereto as **Exhibit B**, granting the relief requested herein; and (b) grant such other and further relief as the Court may deem 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

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

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

**EXHIBIT A**

FIRST DAY NOTICE

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

----- X  
In re: :  
 : Case No. 06-61796  
CEP HOLDINGS, LLC, et al.,<sup>1</sup> : (Jointly Administered)  
 :  
Debtors. : Chapter 11  
 :  
 : Honorable Russ Kendig  
----- X

**NOTICE OF EXPEDITED HEARING ON FIRST DAY  
MOTIONS OF DEBTORS AND DEBTORS IN POSSESSION**

PLEASE TAKE NOTICE THAT, on September 20, 2006, the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”), commenced their respective cases by filing voluntary petitions for relief under Chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”).

PLEASE TAKE FURTHER NOTICE THAT, on Friday, September 22, 2006 at 8:30 a.m., Eastern Time, the Honorable Russ Kendig, United States Bankruptcy Judge, will conduct an expedited hearing (the “**Hearing**”) in the Bankruptcy Courtroom at the United States Bankruptcy Court, Frank T. Bow Building, 201 Cleveland Avenue SW, Canton, Ohio 44702, with respect to the following first day motions (collectively, the “**First Day Motions**”) filed by the Debtors:

1. Motion of Debtors and Debtors in Possession Pursuant to Bankruptcy Rule 1015(b) for Joint Administration of Chapter 11 Cases
2. Motion of Debtors and Debtors in Possession for an Order Waiving Compliance with Local Bankruptcy Rules 9013-1(A), 9013-2(A) and 9013-2(D)

---

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



3. Motion of Debtors and Debtors in Possession for Entry of an Order (I) Authorizing the Debtors to (A) Prepare a Consolidated List of Creditors in Lieu of a Matrix and (B) Mail Initial Notices, and (II) Approving Form of Initial Notice of Commencement of Cases
4. Motion of Debtors and Debtors in Possession for Entry of an Order, Pursuant to Federal Rule of Bankruptcy Procedure 1007(c), Extending Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases and Statements of Financial Affairs
5. Motion of Debtors and Debtors in Possession, Pursuant to Sections 102 and 105(A) of the Bankruptcy Code and Bankruptcy Rules 2002(m) and 9007, Authorizing: (I) the Establishment of Omnibus Hearing Dates; and (II) Certain Electronic Notice, Case Management and Administrative Procedures
6. Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 2014(a), for Entry of an Order Establishing Procedures for Monthly Compensation and Reimbursement of Expenses of Professionals and Committee Members
7. Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a), 363(b), 507(a)(4), 507(a)(5) and 541(d) of the Bankruptcy Code, for Entry of an Order (I) Authorizing Them to Pay: (A) Prepetition Employee and Independent Contractor Wages, Salaries and Related Items; (B) Prepetition Employee and Independent Contractor Business Expenses; (C) Prepetition Contributions to and Benefits Under Employee Benefit Plans; (D) Prepetition Employee Payroll Deductions and Withholdings; (E) Additional Workforce Costs and (F) All Costs and Expenses Incident to the Foregoing Payments and Contributions; and (II) Granting Certain Related Relief
8. Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a) And 363(b) of the Bankruptcy Code, for Entry of an Order (I) Authorizing the Debtors to (A) Continue Their Existing Workers' Compensation Programs and (B) Pay Certain Prepetition Workers' Compensation Premiums, Claims and Related Expenses; and (II) Granting Certain Related Relief
9. Motion of Debtors and Debtors in Possession, Pursuant to Section 105(a), 363 and 541 of the Bankruptcy Code, for Entry of an Order Confirming Authority to Pay Prepetition Sales and Use Taxes

10. Motion of Debtors and Debtors in Possession, Pursuant to Sections 503(b) And 363(c) of the Bankruptcy Code, for Entry of an Order (A) Granting Administrative Expense Status to the Debtors' Undisputed Obligations Arising From Postpetition Delivery of Goods Ordered During the Prepetition Period and (B) Authorizing Debtors to Pay Such Obligations in the Ordinary Course of Business
11. Motion of Debtors and Debtors in Possession, Pursuant to Section 366 of the Bankruptcy Code, for Interim and Final Orders: (A) Prohibiting Utilities From Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtors on Account of Prepetition Invoices; (B) Determining that the Utilities Are Adequately Assured of Future Payment; (C) Establishing Procedures for Determining Requests for Additional Assurance; and (D) Permitting Utility Companies to Opt Out of the Procedures Established Herein
12. Motion of Debtors and Debtors in Possession for Entry of an Order Authorizing the Maintenance of Bank Accounts, Continued Use of Existing Cash Management System and Business Forms, and Waiving Investment and Deposit Guidelines of Section 345(b) of the Bankruptcy Code
13. Motion of Debtors and Debtors in Possession For The Entry Of An Order: (I) Establishing Procedures For Resolving Reclamation Claims Asserted Against The Debtors; And (II) Granting Certain Related Relief
14. Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a), 107(b) and 1102(b)(3)(A) of the Bankruptcy Code, for an Order Confirming The Creditors' Committee Is Not Authorized or Required to Provide Access to the Debtors' (A) Confidential Information or (B) Privileged Information
15. Application of Debtors and Debtors in Possession for Entry of an Order, Pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code and Bankruptcy Rule 2014(a), Authorizing Debtors to Employ and Retain Baker & Hostetler, LLP as General Bankruptcy Counsel Effective as of the Petition Date
16. Application of Debtors and Debtors in Possession for Entry of an Order Pursuant to 28 U.S.C. §156(c) and Bankruptcy Rule 2002 Authorizing Employment and Retention of BMC Group, Inc. as Claims, Noticing and Balloting Agent
17. 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 Glass & Associates as Financial Advisors

18. 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
19. Motion of Debtors and Debtors in Possession, Pursuant to Sections 362, 363, and 364 of the Bankruptcy Code and Bankruptcy Rules 4001(B) and 4001(C), For Interim and Final Orders (I) Authorizing Debtors to Incur Postpetition Secured Indebtedness, (II) Granting Security Interests and Priority Claims, (III) Granting Adequate Protection, (IV) Modifying Automatic Stay and (V) Setting Final Hearing

PLEASE TAKE FURTHER NOTICE THAT, if you oppose the relief sought in the First Day Motions, or if you would like the Court to consider your view with respect to the First Day Motions, then you or your attorney must attend the Hearing.

Dated: September \_\_, 2006

BY ORDER OF THE COURT

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

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

**EXHIBIT B**

PROPOSED ORDER

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

----- X  
In re: :  
: Case No. 06-61796  
CEP HOLDINGS, LLC, et al.,<sup>1</sup> : (Jointly Administered)  
: :  
Debtors. : Chapter 11  
: :  
: Honorable Russ Kendig  
----- X

**ORDER (A) SCHEDULING EXPEDITED HEARING ON CERTAIN FIRST DAY  
MOTIONS AND (B) APPROVING FORM AND MANNER OF NOTICE THEREOF**

This matter coming before the Court on the Motion of Debtors and Debtors in Possession for an Order (A) Scheduling Expedited Hearing on Certain First Day Motions and (B) Approving Form and Manner of Notice Thereof (the “**Motion**”),<sup>2</sup> filed by the Debtors; the Court having reviewed the Motion; the Court finding that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (iii) notice of the Motion was sufficient under the circumstances and (iv) in light of the circumstances, the requirements of Local Bankruptcy Rule 9013-1(a) that a separate memorandum of law be filed in support of the Motion is waived; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED to the extent provided herein.

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

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

2. An expedited hearing on each of the First Day Motions is scheduled for Friday, September 22, 2006 at 8:30 a.m., Eastern Time.

3. The form and notice attached to the Motion as **Exhibit A** to be utilized to provide notice to the parties of the First Day Motions (the “**First Day Notice**”) is approved in all respects.

4. Service of the First Day Notice via email, telecopier, overnight delivery or other express mail service as soon as practicable after the entry of this Order on each of the First Day Notice Parties is deemed to be sufficient and adequate notice under the circumstances and in full compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules.

Dated: September \_\_, 2006  
Canton, OH

---

UNITED STATES BANKRUPTCY JUDGE