

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

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In re: :
: Case No. 06-51848
CEP HOLDINGS, LLC, et al.,¹ : (Jointly Administered)
: :
Debtors. : Chapter 11
: :
: Honorable Marilyn Shea-Stonum
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MOTION FOR APPROVAL OF STIPULATED ORDER

CEP Holdings, LLC and its debtor affiliates, debtors and debtors-in-possession in the above-captioned cases (the “**Debtors**”) hereby move (the “**Motion**”) this Court to approve and enter the Stipulated Order by and among the Debtors, Wachovia Capital Finance Corporation (Central) (“**WCFC**”), the Debtors’ senior secured lender, and the Official Committee of Unsecured Creditors (the “**Committee**”), appointed in the Debtors’ bankruptcy cases. A copy of the Stipulated Order is attached hereto as Exhibit A. In support hereof, the Debtors further state as follows:

BACKGROUND

1. On September 20, 2006 (the “**Petition Date**”), the Debtors each filed a voluntary petition in this Court for relief under title 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors and debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

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

2. No trustee or examiner has been appointed in the Debtors' chapter 11 cases. An official committee of unsecured creditors was appointed in these cases on September 28, 2006.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

4. The statutory predicates for the relief requested herein is Bankruptcy Code section 363.

RELIEF REQUESTED

5. The Debtors respectfully request that this Court approve and enter the Stipulated Order confirming that the Debtors have the authority to sell the Customer Equipment (as defined below) in the ordinary course of their business under Section 363(c)(1) of the Bankruptcy Code.

6. The Debtors own certain customer specific machinery, equipment and tooling (the “**Customer Equipment**”) which the Debtors use in the ordinary course of their business to produce automotive parts for such customers. The Customer Equipment has no value above scrap metal value except to the specific customer for whom the Customer Equipment is used to make parts. In the ordinary course of the Debtors’ prepetition business, the Debtors would sell an exiting customer’s Customer Equipment to such customer at a price agreed to between the Debtors and such customer because the Debtors had no other use for the Customer Equipment, no other party would buy the specific Customer Equipment and the value received far exceeded the scrap value of such Customer Equipment.

7. The Debtors have the opportunity to continue to sell Customer Equipment to exiting customers for values which far exceed the scrap value of such Customer Equipment. The Debtors, WCFC and the Committee agreed that it is in the best interests of the Debtors' creditors and estates that the Debtors continue to sell the Customer Equipment in the ordinary course of the Debtors' businesses on the terms set forth herein.

APPLICABLE AUTHORITY

8. Section 363(c)(1) of the Bankruptcy Code provides:

(c) (1) If the business of the debtor is authorized to be operated under section 721, 1108, 1203, 1204, or 1304 of this title and unless the court orders otherwise, the trustee may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.

11 U.S.C. § 363(c)(1).

9. The parties-in-interest with respect to the *de minimis* sales of the Customer Equipment have stipulated that such sales are in the ordinary course of the Debtors business and that such sales should continue. The Debtors, WCFC and the Committee acknowledge that it is in the best interests of the Debtors' creditors and estates for the Customer Equipment sales to continue in the ordinary course of the Debtors' business.

NO PRIOR REQUEST

10. No prior request for the relief sought in this Sale Procedures Motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that this Court enter and approve the Stipulated Order and grant such other and further relief as this Court deems appropriate.

Dated: October 16, 2006
Cleveland, Ohio

Respectfully submitted,

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

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

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