

**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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**APPLICATION OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS
FOR ENTRY OF ORDER AUTHORIZING THE RETENTION AND
EMPLOYMENT OF GRANT THORNTON LLP AS ITS
FINANCIAL ADVISORS *NUNC PRO TUNC* TO OCTOBER 1, 2006**

The Official Committee of Unsecured Creditors (the “Committee”) appointed 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 Grant Thornton LLP as financial advisors to the Committee in these Cases *nunc pro tunc* to October 1, 2006. In support of the Application, the Committee refers to and relies upon the Affidavit of Martha E. M. Kopacz in Support of this Application herewith (the “Kopacz Affidavit”), attached hereto as Exhibit A, and respectfully represents 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 September 20, 2006 (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. On September 28, 2006, the Office of the United States Trustee appointed the following creditors as members of the Committee:

Dupont
The Brown Corporation of Greenville
Lanxess Corporation
Rhodia
Excel Polymers LLC
Gold Key Processing Ltd.
Washington Penn Plastic Co. Inc.

RETENTION OF GRANT THORNTON LLP

6. By this Application, the Committee seeks to employ and retain Grant Thornton LLP pursuant to sections 327(a) and 328 of the Bankruptcy Code, Bankruptcy Rule 2014(a) and Local Bankruptcy Rule 2016-1 as financial advisors to the Committee in these Cases.

7. The Committee seeks to retain Grant Thornton LLP, nunc pro tunc to October 1, 2006, because of its extensive experience with the financial and reporting aspects of Chapter 11 proceedings. The Committee believes that Grant Thornton LLP is both well qualified and able to assist them in these Chapter 11 proceedings in an efficient and timely manner.

SERVICES TO BE PROVIDED BY GRANT THORNTON LLP

8. The Committee anticipates that Grant Thornton LLP may render the following services in these cases:

- a. Assistance in the review of reports or filings as required by the Bankruptcy Court or the Office of the United States Trustee, including, but not limited to, schedules of assets and liabilities, statements of financial affairs and monthly operating reports;
- b. Evaluation of the Debtors' financial information, including, but not limited to, analyses of cash receipts and disbursements, financial statement items and proposed transactions for which Bankruptcy Court approval is sought;
- c. Evaluation and analysis of the reporting regarding cash collateral and any debtor-in-possession financing arrangements and budgets;
- d. Evaluation of potential employee retention and severance plans;
- e. Assistance with identifying and implementing asset redeployment opportunities;
- f. Analysis of assumption and rejection issues regarding executory contracts and leases;
- g. Evaluation and analysis of the Debtors' proposed business plans and the business and financial condition of the Debtors generally;
- h. Assistance in evaluating reorganization strategy and alternatives available to the creditors;
- i. Evaluation and critique of the Debtors' financial projections and assumptions;
- j. Evaluation of enterprise, asset and liquidation valuations;
- l. Advice and assistance to the Committee in negotiations and meetings with the Debtors and the bank lenders;

- m. Litigation consulting services and expert witness testimony regarding confirmation issues, avoidance actions or other matters; and
- n. Other such advisory services as requested by the Committee or its counsel to assist the Committee in these Chapter 11 cases.

DISINTERESTEDNESS

9. Grant Thornton LLP conducted a review of its professional relationships for the interested parties in these Cases as shown on Exhibit B to the Kopacz Affidavit. The firm's review consisted of queries of an internal computer database containing names of individuals and entities that are present or recent and former clients of Grant Thornton LLP in order to identify potential relationships.

10. Based on the results of the relationship review conducted to date as described above, Grant Thornton LLP appears to have no connection with the Debtors, their respective attorneys, their creditors, or other interested parties as reasonably known to Grant Thornton LLP. Further, no one involved in these cases or in the Grant Thornton LLP practice generally has any connection to the United States Trustee or any person employed in the Office of the United States Trustee in this District.

11. Despite the efforts described above to identify and disclose Grant Thornton LLP's connections with parties-in-interest in these Chapter 11 Cases, because Grant Thornton LLP is a nationwide firm employing in excess of forty-eight hundred professionals, Grant Thornton LLP is unable to state with certainty that every client relationship or other connection has been disclosed. In this regard, if Grant Thornton LLP discovers additional information that it determines requires disclosure, Grant Thornton LLP will file a supplemental disclosure with the Court promptly.

12. To the best of the Committee's knowledge and based upon the Affidavit, Grant Thornton LLP is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code.

13. To the best of the Committee's knowledge and based upon the Affidavit, Grant Thornton LLP does not hold or represent an interest adverse to the estates that would impair Grant Thornton LLP's ability to objectively perform professional services for the Committee, in accordance with section 1103(b) of the Bankruptcy Code..

14. Grant Thornton LLP is not a "creditor" of the Debtors within the meaning of section 101(10) of the Bankruptcy Code.

TERMS OF RETENTION

15. Prior to the commencement of these cases, certain principals and employees of Grant Thornton LLP were retained by an informal group of creditors. At that time, these professionals were employed by Stout Risius Ross, Inc. ("SRR") in its Restructuring and Performance Improvement Group. SRR received a pre-petition retainer in the amount of \$30,000.

16. On September 29, 2006 Grant Thornton LLP acquired the Restructuring Performance Improvement Group of SRR. Pursuant to the Asset Purchase Agreement governing that transaction, SRR has agreed to transfer the \$30,000 retainer received from the Debtors to Grant Thornton LLP upon Grant Thornton LLP's retention in this matter pursuant to this Court's order.

17. Grant Thornton LLP is not owed any amounts with respect to its prepetition fees and expenses.

18. The Committee understands that Grant Thornton LLP intends to apply to this Court for allowances of compensation and reimbursement of expenses for financial advisory 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. Grant Thornton LLP will maintain detailed records of any actual and necessary costs and expenses incurred in connection with the aforementioned services and expenses.

GRANT THORNTON LLP PERSONNEL AND COMPENSATION

19. Grant Thornton LLP has agreed to honor the pre-petition agreement between the committee and SRR with respect to hourly rates previously charged by the professionals assigned to the matter while they were employed by SRR. The hourly rates charged by the professionals anticipated to be assigned to these Cases are as follows:

Name	Title	Hourly Rate
Kimberly Davis Rodriguez	Principal	\$ 385
Laura Marcero	Director	\$ 335
Robert Tague	Manager	\$ 250
Jack Serda	Associate	\$ 195

20. If other Grant Thornton LLP professionals provide services to the committee, the time for those professionals will be charged by Grant Thornton LLP according to the rate schedule which is shown below:

Title	Hourly Rate
Principal/Partner	\$ 500
Director/ Senior Manager	\$ 460
Manager	\$ 300 - \$ 395
Sr. Associate	\$ 200 - \$ 265
Associate	\$ 165 - \$ 175
Administrative	\$ 75- \$ 120

21. Grant Thornton LLP shall also be reimbursed for expenses including direct out-of-pocket expenses incurred with respect to, in connection with, arising out of, or in any way related to this Application or the services provided by Grant Thornton LLP to the Committee as outlined in this Application. Reimbursable expenses include costs for meals, travel and travel related expenses, long-distance telephone charges, cell phone charges, outside printing and reproduction services, and courier, overnight and other delivery services. The reasonable fees and expenses of attorneys consulted or engaged by Grant Thornton LLP to assist it with respect to, in connection with, arising out of, or in any way related to this Application or the services provided by Grant Thornton LLP to the Committee as outlined in this Application shall be reimbursable expenses.

NOTICE AND PROCEDURES

22. Notice of the Application has been given to (a) the Office of the United States Trustee for the Northern District of Ohio, (b) counsel for the Debtors, (c) each of the Debtors' largest twenty (20) largest unsecured creditors; and (d) Stout Risius Ross, Inc. The Committee submits that, under the circumstances, no other or further notice need be given.

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

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

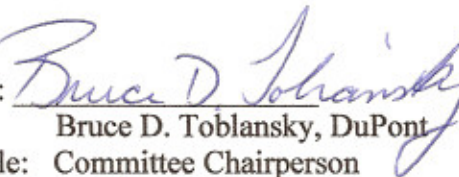
25. No previous application for the relief sought herein has been made to this or any other court.

CONCLUSION

WHEREFORE, the Committee respectfully requests 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: October 17, 2006
Cleveland, OH

OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF CEP HOLDINGS LLP, et al.,

By: 
Bruce D. Toblansky, DuPont
Title: Committee Chairperson

MCGUIREWOODS LLP

By: /s/Mark E. Freedlander
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