

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION (AKRON)**

In re:)	CASE NO. 06-51848-mss
)	(Jointly Administered)
)	
CEP HOLDINGS, LLC, et al.,)	CHAPTER 11
)	
)	Judge Marilyn Shea-Stonum
Debtors.)	

**LIMITED OBJECTION OF CHASE EQUIPMENT LEASING INC. AND CARLISLE
ENGINEERED PRODUCTS, INC. TO MOTION OF THE DEBTORS
AND DEBTORS IN POSSESSION FOR AN 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**

Chase Equipment Leasing Inc. (f/k/a Banc One Leasing Corporation) (“Chase”) and Carlisle Engineered Products, Inc. (“Carlisle”; and, together with Chase, “Objectors”) submit their limited objection to CEP Holdings, LLC’s and its affiliated debtors’ and debtors in possessions’ (collectively, the “Debtors” or “CEP”) Motion for an 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 (the “Financing Motion”) and to the “Emergency Order Re: Motion ... for Interim and Final Orders (I) Authorizing Debtors to Incur Postpetition Secured Indebtedness, ...” (the “Financing Order”). For their limited objection, Objectors submit the following:

1. Carlisle is the lessee under that certain Master Lease dated August 28, 1998, and that certain Lease Schedule No. 1000108960 (collectively, including all addenda, amendments,

riders, certificates, public filings, and all other relevant documents, the “Equipment Lease”), in which Chase is the lessor of four (4) HPM Injection Molding Machines, Model MLH 3300WP-4000, Serial Nos. 97063, 97064, 97065, and 99099 and four (4) HPM Injection Molding Machines, Model MLH165DWP-260, Serial Nos. 97059, 97060, 97061 and 97062 (collectively, the “Molding Equipment”). Copies of the Master Lease and the Lease Schedule No. 1000108960 are attached hereto and incorporated herein as Exhibits A and B, respectively.

2. CEP purported to acquire its interest, if any, in the Molding Equipment as a result of that certain Asset Purchase Agreement and related agreements that CEP entered into with Carlisle on August 17, 2005 (the “Asset Sale”).

3. Carlisle continues to be obligated to Chase under the Equipment Lease.

4. The Financing Motion seeks an order granting, and the Financing Order grants on an interim basis (subject to objections such as this), Wachovia Capital Finance Corporation (Central) (“Wachovia”), as the postpetition lender, Postpetition Liens¹ and Replacement Liens on the Debtors’ Prepetition and/or Postpetition Collateral.

5. Objectors oppose the Financing Motion and Financing Order to the extent that the Postpetition Liens and/or Replacement Liens purport to attach to any of the Molding Equipment.

6. Any interest the Debtors may claim in the Molding Equipment derives from the Equipment Lease under which Chase is the lessor. Thus, the Debtors do not own the Molding Equipment. Accordingly, the Molding Equipment should not be included in any security interest granted to Wachovia, and should not be part of the Postpetition Collateral.

7. The Financing Order, and any further order which grants the Financing Motion, in whole or in part, should provide that the Molding Equipment is excluded from the Postpetition

¹ Unless otherwise defined herein, all capitalized terms shall have the same meanings as stated in the Financing Order.

Collateral, and is not subject to or encumbered in any respect by any Postpetition Liens and/or Replacement Liens that may be granted to Wachovia.²

WHEREFORE, Objectors respectfully request that the Financing Order, and any further order entered by this Court which grants the Financing Motion, either in whole or in part, provide that the Molding Equipment is excluded from any security interest or adequate protection granted or awarded to Wachovia, that the Molding Equipment not be included within the defined terms “Designated Equipment,” “Operating Assets,” or “Collateral,” for purposes of the Financing Order, the Financing Motion, any ancillary agreements sought to be approved, authorized, or assumed in connection therewith, and any further Order that hereafter may be entered in respect of the Financing Motion, and that Objectors be granted such other and further relief as is just and proper.

² Objectors also seek confirmation that the Financing Order, Financing Motion, any ancillary agreements sought to be approved, authorized, or assumed in connection therewith, and any Order that hereafter may be entered in respect of the Financing Motion, do not seek to place the Molding Equipment under the categories of: (a) “Designated Equipment”; (b) “Operating Assets” (including for purposes of the Access and Security Agreement between the Debtors and certain Participating Customers); or (c) “Collateral” (including for purposes of the proposed Postpetition [Financing] Agreement in favor of Wachovia), does not impede Objectors’ ability to seek the required payments for the use of such Molding Equipment, and does not require the consent of Wachovia or any of the Customers to any disposition of such Molding Equipment to which Objectors expressly consent.

Respectfully submitted,

/s/ Drew T. Parobek

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CERTIFICATE OF SERVICE

I hereby certify that on October 20, 2006, a copy of the foregoing was filed electronically. Notice of this filing will be sent to all parties by operation of the Court's electronic filing system. Parties may access this filing through the Court's system.

/s/ Jeffrey C. Toole_____
One of the attorneys for
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