

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

IN RE:	X	
	:	CASE NO. 06-51848
CEP HOLDINGS, LLC, et al., ¹	:	(Jointly Administered)
	:	
Debtors.	:	(Chapter 11)
	:	Honorable Marilyn Shea-Stonum
	X	

**NL VENTURES V CARLISLE, L.P.’ S LIMITED OBJECTION TO
MOTION OF THE DEBTORS FOR ORDER (A) GRANTING AUTHORITY
FOR THE SALE OF ASSETS PURSUANT TO SECTION 363(B); (B) APPROVING
THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS
AND UNEXPIRED LEASES IN CONNECTION WITH SUCH SALE AND
DETERMINING AND ADJUDICATING CURE AMOUNTS WITH RESPECT TO SUCH
CONTRACTS AND LEASES PURSUANT TO SECTION 365; (C) ESTABLISHING
BIDDING PROCEDURES; (D) SETTING DATE FOR AUCTION AND HEARING ON
APPROVAL OF SALE OF ASSETS; AND (E) APPROVING FORM OF NOTICE**

To the Honorable Marilyn Shea-Stonum,
United States Bankruptcy Judge:

NL Ventures V Carlisle, L.P. (“**NL Ventures**”) files this limited objection to Motion of the Debtors for Order (A) Granting Authority for the Sale of Assets pursuant to Section 363(b); (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection with such Sale and Determining and Adjudicating Cure Amounts with Respect to such Contracts and Leases Pursuant to Section 365; (C) Establishing Bidding Procedures; (D) Setting Date for Auction and Hearing on Approval of Sale of Assets; and (E) Approving Form of Notice (“**Bid Procedures Motion**”) and would show:

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

BACKGROUND

1. NL Ventures leases three real property facilities to CEP Acquisition, LLC in Tuscaloosa, Alabama (“**Tuscaloosa Property**”), Belleville, Michigan (“**Belleville Property**”) and Canton, Ohio (“**Canton Property**”).

2. The Debtors have tentatively indicated they wish to assume the Tuscaloosa Property lease and reject the other two.

ARGUMENT

3. NL Ventures objects to the Bid Procedures Motion because it fails to provide appropriate procedures for the “adequate assurance of future performance” and “cure” that must be provided to NL Ventures – not just provided to the Debtors. 11 U.S.C. § 365.

Adequate Assurance of Future Performance

4. In particular, NL Ventures objects to Bid Procedures Motion paragraphs 16(a) and 52, which require bidders *to provide* Debtors, but not NL Ventures, with “adequate assurance of future performance.” Bidders should be required to provide this same information to NL Ventures in time for NL Ventures to adequately object to such bidder’s qualifications, to the extent such bidder seeks to assume its lease. The requirement of para. 16(a) that a bidder provide information within 24 hours of a request should also apply to a request by NL Ventures.

5. The Debtors have no interest in the qualifications of the bidders to pay a long term lease. Debtors interests are all short term economic interests and differ greatly from a landlord’s protected interest under section 365. NL Ventures therefore needs information from the bidders that the Debtors may not care to collect or view.

Asset Purchase Agreement

6. NL Ventures reserves all objections as to the Asset Purchase Agreement (“**APA**”), as NL Ventures has recently requested, but not yet received the Form APA.

Security Deposits

7. NL Ventures claims possessory security interests, if not ownership rights in security deposits it holds for each of the referenced leases. NL Ventures objects to the Bid Procedures Motion and the ultimate sale to the extent the sale seeks to sell all or substantially all of the assets in the Tuscaloosa Property, the Belleville Property and the Canton Property free and clear of NL Ventures' continuing interests in the security deposits it holds.

Exhibit B - Cure Notice

8. In the proposed Cure Notice (Exhibit B) and in Bid Procedures Motion ¶31, NL Ventures objects to the 10 day reply period as inadequate and much too short given the day the clock starts running is upon mailing of the Notice and not upon receipt.

9. In the proposed Cure Notice (Exhibit B) and in Bid Procedures Motion ¶31, NL Ventures objects to the limitations on the objection to the cure amount. It should be enough for NL Ventures to file an objection identifying the cure amount claimed. The detailed request is an attempt to shift the Debtor's burden to NL Ventures

10. In the proposed Cure Notice (Exhibit B) and in Bid Procedures Motion ¶32, NL Ventures objects to the attempt to "deem consent" and shift the burden to NL Ventures to establish adequate assurance of future performance and the cure amount. This burden shifting is exacerbated by the provisions in the Bid Procedures Motion requiring bidders to provide adequate assurance information to the Debtors, but not to NL Ventures.

11. In the proposed Cure Notice (Exhibit B) and in Bid Procedures Motion ¶33, NL Ventures objects to resolution of the cure objections at the sale hearing, as it applies undue pressure to approval of the assumption to accomplish a sale of the assets. NL Ventures suggests that it would be more fair to conduct any hearing on a cure or adequate assurance dispute before

the sale hearing, so that at the time of the sale, a bidder will now if he will be capable of assuming an NL Ventures lease.

Obligation to Continue to Pay Rent

12. NL Ventures objects to the Bid Procedures Motion to the extent it does not make clear whether the Debtors or the bidder will continue to pay rent after the sale hearing but before the closing of the sale. NL Ventures objects to the extent the motion does not make it clear that the Debtor must continue to pay rent until the closing of the sale.

Timing of Final Notice, Responsibility for Cure

13. NL Ventures objects to Bid Procedures Motion ¶46. NL Ventures objects to the timing of the schedule of assumed contracts. The motion only says such schedule will be provided "before the Sale Hearing" not providing NL Ventures sufficient time to prepare for a hearing where the court will determine which leases are to be assumed and which rejected.

14. NL Ventures objects to Bid Procedures Motion ¶50. NL Ventures objects to this paragraph as difficult to understand and because it fails to assign responsibility for the payment of the cure, and it should.

15. NL Ventures objects to Bid Procedures Motion ¶53. NL Ventures objects to this paragraph for the reasons stated above.

Dated: October 23, 2006.

Respectfully submitted,

FULBRIGHT & JAWORSKI L.L.P.

/s/ Michael Parker

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**COUNSEL FOR NL VENTURES V
CARLISLE, L.P.**

CERTIFICATE OF SERVICE

I certify that on October 23, 2006, a copy of the foregoing limited objection to Motion of the Debtors for Order (A) Granting Authority for the Sale of Assets pursuant to Section 363(b); (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection with such Sale and Determining and Adjudicating Cure Amounts with Respect to such Contracts and Leases Pursuant to Section 365; (C) Establishing Bidding Procedures; (D) Setting Date for Auction and Hearing on Approval of Sale of Assets; and (E) Approving Form of Notice, was served via first class U.S. mail, postage prepaid, or electronically as indicated to the entities on the attached Service List.

/s/ Michael Parker

Michael M. Parker

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO
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IN RE: x
: **CASE NO. 06-51848**
CEP HOLDINGS, LLC, et al.,² : **(Jointly Administered)**
:
Debtors. : **(Chapter 11)**
: **Honorable Marilyn Shea-Stonum**
:
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SERVICE LIST

CEP Holdings, LLC Attn: Joseph Mallak, President 3650 W. Market Street, Suite 340 Fairlawn, OH 44333	Joseph F. Hutchinson, Jr. Thomas M. Wearsch Baker & Hostetler 3200 National City Center 1900 East Ninth Street Cleveland, OH 44114	United State Trustee Attn: Maria D. Giannirakis 201 Superior Avenue, Suite 441 Cleveland, OH 44114
Tom Radom Butzel Long, PC (Re: Delphi Corp) 100 Bloomfield Hills Pkwy Suite 200 Bloomfield Hills, MI 48304	Jeremy M. Downs/Alan P. Solow Goldberg Kohn (Re: Wachovia) 55 E. Monroe Street, Suite 3700 Chicago, IL 60603-5806	Kristi A. Katsma (Re: Visteon Corp) Dickinson Wright PLLC 500 Woodward Ave., Suite 4000 Detroit, MI 48226
Michael C. Hammer (Re: Visteon Corp) Dickinson Wright PLLC 301 E. Liberty Street, Suite 500 Ann Arbor, MI 48104	Donald F. Baty, Jr. (Re: General Motors Corp.) Honigman Miller Schwartz & Cohn LLP First National Bank Building 660 Woodward Ave., Suite 2290 Detroit, MI 48226-3506	Mark E. Freedlander Michael J. Rosesenthaler Sally E. Edison McGuireWoods LLP (Re: Comm. of Trade Creditors) 625 Liberty Avenue Cominon Tower 23 rd Floor Pittsburgh, PA 15222
Eric T. Ray/W. Clark Watson Balch & Bingham LLP (Re: Alabama Power Co.) P.O. Box 306 Birmingham, AL 35021	David M. Neumann/ Mark Phillips/Stuart A. Laven Benesch Friedlander Coplan (Re: Wachovia Capital Finance) 2300 BP Tower 200 Public Square Cleveland, OH 44114-2378	John J. Hunter Jr. Hunter & Schank Co LPA (Re: Faurecia Automotive) One Canton Aquare 1700 Canton Avenue Toledo, OH 43624
David M. Fusco Schwarzwald & McNair (Re: United Steel Paper)	Washington Penn Plastic Co. 2080 N. Main Street 222 Merchandise Mart	Dupont Denemours & Co. Plz. Suite 10-111 Chicago, IL 60654

² The Debtors include: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC

Penton Media Bldg. 1300 East Ninth St., Suite 616 Cleveland, OH 44114-1503	Washington, PA 15301	
Du Pont Mexico SA de CV Homero 206 15 Chapultepec Morales MEXICO DF 11570	Lanxess Corp. 2112 S. Hamilton Street Dalton, GA 30720	Chisso America, Inc. 1920 Thoreau Drive N. Schaumburg, IL 60173
PME Companies 13870 E. 11 Mile Road Warren, MI 48089	RODIA AV.Insurgentes Sur No. 1971 Torres III Piso 6 Colonia Guadalupe Inn Deleg. Alvarao Obregon, CP 101020	Valeo Electrical Systems 3000 University Drive Auburn Hills, MI 48326
Innovene USA LLC 13536 Collections Center Drive Chicago, IL 60693	Prudential 200 Wood Avenue, South Iselin, NJ 08830	Entropex 1271 Logar Street Sarnia, ON N75 5N5
Brown Corp. of Greenville Dept. 77188 P.O. Box 77000 Detroit, MI 48277-0188	Gold Key Processing, Ltd. 14910 Madison Road Middlefield, OH 44062	Dow-Corning STI First of Chicago National Bank P.O. Box 905191 Charlotte, NC 28290-5191
Modern Metal Products Co. 35053 Eagle Way Chicago, IL 60678-1350	Lavergne Group Inc. Montcap Financial Corp. 3500 deMaisonneuve Blvd. West Montreal, QC H3Z 3C1	Excel Polymer, LLC MSC-41069351 P.O. Box 415000 Nashville, TN 37241-5000
ARJ Manufacturing LLC 3300 Richcrest Rd. Extended Jackson, TN 38305	Concours Mold, Inc. 3400 St. Etienne Blvd. Windsor, OH N8W 5E1	E.I. Dupont De Nemours Co. 6324 Fairview Road Charlotte, NC 28210
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