

**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 OF DEBTORS AND DEBTORS IN POSSESSION
FOR AN ORDER: (I) APPROVING EXPEDITED HEARING ON
APPLICATION OF DEBTORS AND DEBTORS IN POSSESSION, PURSUANT
TO SECTIONS 327(a), 328 AND 330 OF THE BANKRUPTCY CODE AND
BANKRUPTCY RULE 6005, FOR ENTRY OF INTERIM AND FINAL ORDERS
AUTHORIZING THEM TO EMPLOY BIDITUP AUCTIONS WORLDWIDE, INC.
AS AUCTIONEER; AND (II) APPROVING 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 on the *Application of Debtors and Debtors in Possession, Pursuant to Sections 327(a), 328 and 330 of the Bankruptcy Code and Bankruptcy Rule 6005, for Entry of Interim and Final Orders Authorizing Them to Employ Bidityup Auctions Worldwide, Inc. as Auctioneer* (Docket No. 217) (the “**Auctioneer Application**”);² and (ii) approving the manner of notice thereof. In support of the Motion, the Debtors respectfully represent as follows:

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

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Auctioneer Application.

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 September 20, 2006, each Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Pursuant to an order entered by the Court on September 26, 2006, the Cases are being jointly administered for procedural purposes only.

4. The Debtors are operating their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. On September 28, 2006, the United States Trustee appointed an official committee of unsecured creditors. No trustee or examiner has been appointed.

5. On October 4, 2006, the Debtors filed the Sales Motion. By the Sales Motion, the Debtors contemplated the liquidation of certain Closing Facilities (as such term is defined in the Sales Motion) by an auctioneer once the production of certain component parts for certain customers ceases. See Sales Motion at ¶¶ 12-13. Except for the Middlefield, Ohio Facility, production at the Debtors' Closing Facilities has ceased. The personal property located at these facilities is no longer needed by the Debtors to conduct business or reorganize. Because of the cost of maintaining such personal property, including rent, insurance and utilities, a sound business reason exists to retain an auctioneer to conduct auctions in December of 2006 in order to maximize the value of the Debtors' estates.

REQUEST FOR ENTRY OF AN ORDER SCHEDULING EXPEDITED HEARING

6. Contemporaneously with the filing of this Motion, the Debtors filed the Auctioneer Application. By the Auctioneer Application, the Debtors seek authority to employ Biditup

Auctions Worldwide, Inc. (the “**Auctioneer**” or “**Biditup**”) as auctioneer to assist in the sale of personal property (the “**Sale Assets**”) located in Vandalia, Ohio, Canton, Ohio, Crestline, Ohio, Middlefield, Ohio, Bishopville, South Carolina, Belleville, Michigan and Lapier, Michigan (the “**Closing Facilities**”) at the Auctions.

7. Pursuant to the *Court’s General Order Number One Re: Establishment of (1) Status Conferences and Hearing Dates, (2) Certain Case Management Procedures and (3) General Background Information* (Docket No. 88) (the “**Case Management Order**”), the Court’s next regularly scheduled hearing in these Cases is scheduled to take place on November 28, 2006 at 10:00 a.m. *See* Case Management Order at § X.D. Section XIII.C. of the Case Management Order, however, provides that “[a] party-in-interest may request a hearing date other than a Status Conference Date (a ‘Special Hearing Date’) by filing a separate, written request with the Court which shall set forth, with particularity, why a Special Hearing Date is needed.” *See* Case Management Order at § XIII.C. In accordance with this provision, the Debtors seek the immediate entry of an order approving an expedited hearing on the Auctioneer Application on shortened notice.

8. As described in the Auctioneer Application, production at the Debtors’ facilities in Vandalia, Ohio, Canton, Ohio, Crestline, Ohio, Bishopville, South Carolina, Belleville, Michigan and Lapier, Michigan has ceased. The Debtors, however, are continuing to incur expenses related to the maintenance of the Sales Assets at these facilities, including rent, utilities, insurance and other costs. The sooner the Sales Assets are sold, the sooner the Debtors can vacate these facilities and cease incurring these carrying costs.

9. Additionally, the Debtors believe that the market for the Sales Assets may be flooded in early 2007 on account of other pending liquidations by other automotive suppliers. For

this reason, the Auctioneer has expressed a strong desire to immediately begin marketing the Sales Assets located at the Closing Facilities so that an auction can be held in early December of 2006. In order to meet this deadline, the Auctioneer will have to expend considerable time and resources during the month of November. Accordingly, if the Debtors were to file the Auctioneer Application and schedule a hearing on November 28, 2006, the Auctioneer would have to perform nearly all of its services prior to the hearing on the Auctioneer Application. The cost associated with such services could be approximately \$400,000.00.

10. It would be inequitable for the Debtors to ask the Auctioneer to perform substantially all of their services for the Debtors prior to being able to provide the Auctioneer with the assurance that they will be paid for their services in these Cases. Furthermore, the Auctioneer is unwilling to perform substantial services without prior Court approval of the terms of its retention and assurances of being fully reimbursed for expenses incurred prior to the hearing date on a final order approving the Auctioneer's retention in these Cases. Accordingly, the Debtors seek Court approval of their retention of the Auctioneer on an expedited and interim basis. If such approval cannot be obtained, the Auction may be delayed, which would be costly to the Debtors' estates and harmful to all parties in interest.

11. For the reasons set forth above, the Debtors request that the Court schedule a hearing on the Auctioneer Application on or before Friday, November 17, 2006, Eastern Time, and further requests that the deadline to object to the Auctioneer Application be set for 4:00 p.m., Eastern Time, the day before hearing on the Auctioneer Application.

REQUEST FOR APPROVAL OF MANNER OF NOTICE

12. In addition, the Debtors propose to provide notice of the Auctioneer Application and the expedited hearing thereon via email, telecopier or overnight delivery or other express mail service, as soon as practicable after the entry of an order approving this Motion on the Core Group

and the 2002 Service List maintained by the Debtors and any other parties in interest directly affected by this Motion, including all parties with an interest in the Sales Assets. Further, upon filing the Auctioneer Application, the Auctioneer Application was served electronically by operation of the Court's electronic filing system.

13. The Debtors submit that the notice of the Auctioneer Application to be provided to the parties set forth above on the terms described herein will be sufficient under the circumstances to provide notice to the parties with an interest in the relief requested by the Auctioneer Application.

NOTICE

14. Notice of the Motion has been given to the parties listed on the Core Group and the 2002 Service List maintained by the Debtors and any other parties in interest directly affected by this Motion, including all parties with an interest in the Sales Assets.

CONCLUSION

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

Dated: November 8, 2006
Cleveland, OH

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

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

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