

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

----- x Case Nos. 06-51848
In re : (Jointly Administered)
: :
CEP HOLDINGS, LLC, *et al.*,¹ : Chapter 11
: Honorable Marilyn Shea-Stonum
Debtors. :
: Related to Doc No. 290
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Hearing Date: 01/16/07 at 9:30 a.m.
Objection Deadline: 01/12/07 at 4:00 p.m.

**RESPONSE OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
TO THE MOTION OF DEBTORS AND DEBTORS IN POSSESSION, PURSUANT TO
SECTION 1121(d) OF THE BANKRUPTCY CODE, FOR ENTRY OF AN ORDER
EXTENDING THEIR EXCLUSIVE PERIODS TO FILE A PLAN OR PLANS OF
REORGANIZATION AND SOLICIT ACCEPTANCES THEREOF**

The Official Committee of Unsecured Creditors (the “Committee”), by and through its undersigned counsel, files this Response (the “Response”) to the Motion of Debtors and Debtors in Possession, Pursuant to Section 1121(d) of the Bankruptcy Code, for Entry of an Order Extending Their Exclusive Periods to File a Plan or Plans of Reorganization and Solicit Acceptances Thereof (the “Motion to Extend Exclusivity”), and in support hereof states as follows:

BACKGROUND

1. On September 20, 2006 (the “Petition Date”), CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC (the “Debtors”) each filed their respective voluntary petitions for relief under chapter 11 of title 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their affairs pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been requested or appointed in these cases.

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

2. Prior to the Petition Date, an unofficial committee of trade creditors of the Debtors (the “Unofficial Trade Committee”) organized, of which five (5) of the seven (7) members of the Committee were participants.

3. On September 28, 2006, the Office of the United States Trustee filed its Notice of Appointment of Creditors’ Committee and appointed five (5) members to serve on a single committee and to represent the interests of all general unsecured creditors of the Debtors. Thereafter, on October 12, 2006, the Office of the United States Trustee filed an Amended Appointment of Committee of Unsecured Creditors and appointed two (2) additional members to serve on a single committee and to represent the interests of all general unsecured creditors of the Debtors. The seven (7) members appointed by the Office of the United States Trustee continue to comprise the Committee.

4. On December 22, 2006, the Debtors filed the Motion to Extend Exclusivity, in which the Debtors seek an Order of this Honorable Court: (i) extending the period during which the Debtors have the exclusive right to file a plan or plans of reorganization (the “Exclusive Filing Period”) by approximately two months, through and including March 19, 2007; and (ii) extending the period during which the Debtors have the exclusive right to solicit acceptances thereof through and including May 18, 2007, or approximately 60 days after the expiration of the Exclusive Filing Period, as extended.

COMMITTEE’S RESPONSE

5. The Committee, and prior to the formation of the Committee, have actively participated in the Debtors’ liquidation process since the commencement of their chapter 11 cases.

6. The Committee has maintained throughout these chapter 11 cases that in the event the liquidation of the Debtors was handled appropriately, there would be a meaningful distribution to the unsecured creditors of the Debtors’ estates.

7. The Debtors' chapter 11 cases have reached a posture where Wachovia Capital Finance Corporation (Central) ("Wachovia"), the primary secured creditor of the Debtors' estates, has been paid in full (with the exception of Wachovia's subordinated \$50,000 claim to the otherwise subordinated secured claim of General Motors Corporation, Visteon Corporation, Delphi Automotive Systems, LLC and their respective affiliates and subsidiaries (the "Participating Customers") and perhaps trailing claims for costs). Further, the Committee submits that sufficient funds are held to pay the subordinated secured claim of the Participating Customers and Wachovia's \$50,000 subordinated claim, as soon as the Participating Customers pay outstanding accounts receivable to the Debtors for which they are obligated.

8. Accordingly, the Committee submits that the Debtors' cases exist at this juncture for the primary benefit of the Debtors' unsecured creditors.

9. Within the past week, the Committee has shared with the Debtors drafts of a proposed plan of liquidation, disclosure statement and liquidating trust documents. It is the preference of the Committee to cooperatively work with the Debtors to file the aforementioned documents jointly. The relationship between the Debtors and the Committee is now and is expected to remain cooperative; however, the Committee submits that it is important to promptly move the liquidation process forward, and the Committee further submits that the next step in the process is the filing of a liquidating plan and accompanying documents.

10. The Committee consents to a brief extension of the Exclusive Filing Period until January 25, 2007, in which event, if the Debtors and Committee have not jointly filed a liquidating plan and accompanying documents, the Committee requests that the Debtors' exclusive right to file a plan of reorganization be broken without further order or hearing.

WHEREFORE, the Official Committee of Unsecured Creditors respectfully requests that this Court approve the Debtors' Motion to Extend Exclusivity consistent with the limitations set forth in this Response together with any other relief as the Court deems just and appropriate.

Dated: 01/12/2007

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