

**TRANSMITTAL OF FINANCIAL REPORTS AND
CERTIFICATION OF COMPLIANCE WITH
UNITED STATES TRUSTEE OPERATING REQUIREMENTS FOR
THE PERIOD ENDED: NOVEMBER 30, 2006**

IN RE: _____ :
CASE NO.: 06-51848
Chapter 11
Judge: Honorable Marilyn Shea-Stonum

CEP Holdings, LLC :
Debtor

CEP Holdings is a consolidating entity for CEP and Thermoplastics. The forms below and all information requested was completed separately for each the two entities. Any information included on these forms for CEP Holdings is a consolidation of the information of CEP and Thermoplastics.

As debtor in possession, I affirm:

1. That I have reviewed the financial statements attached hereto, consisting of:

<u> X </u>	Operating Statement	(Form 2)
<u> X </u>	Balance Sheet	(Form 3)
<u> X </u>	Summary of Operations	(Form 4)
<u> X </u>	Monthly Cash Statement	(Form 5)
<u> X </u>	Statement of Compensation	(Form 6)
<u> X </u>	Schedule of In-Force Insurance	(Form 7)

and that they have been prepared in accordance with normal and customary accounting practices, and fairly and accurately reflect the debtor's financial activity for the period stated;

2. That the insurance, including workers' compensation and unemployment insurance, as described in Section 4 of the Reporting Requirements For Chapter 11 Cases is in effect; and, (If not, attach a written explanation) YES X NO _____

3. That all postpetition taxes as described in Sections 1 and 14 of the Operating Instructions and Reporting Requirements For Chapter 11 cases are current. (If not, attach a written explanation) YES X NO _____

4. No professional fees (attorney, accountant, etc.) have been paid without specific court authorization. (If not, attach a written explanation) YES X NO _____

5. All United States Trustee Quarterly fees have been paid and are current. YES X NO _____

6. Have you filed your prepetition tax returns. (If not, attach a written explanation) YES X NO _____

I hereby certify, under penalty of perjury, that the information provided above and in the attached documents is true and correct.

Dated: 1-31-07


Responsible Officer of the Debtor in Possession

CEO
Title

330-766-3855
Phone

CEP Holdings, LLC
OPERATING STATEMENT (P&L)
 Period Ending: **November 30, 2006**

Case No: 06-51848

	November	Total Since Filing
Total Revenue/Sales	5,883,423	27,929,702
Cost of Sales	6,823,445	23,564,008
GROSS PROFIT	(940,022)	4,365,694
EXPENSES:		
Officer Compensation	22,500	52,500
Salary Expenses other Employees	92,517	467,424
Employee Benefits & Pensions	7,523	49,608
Payroll Taxes	12,770	40,898
Other Taxes	-	52,753
Rent and Lease Expense	28,982	95,974
Interest Expense	-	-
Insurance	229,611	232,720
Automobile and Truck Expense	-	-
Utilities (gas, electric, phone)	18,700	57,409
Depreciation	-	-
Travel and Entertainment	18,114	52,650
Repairs and Maintenance	346,494	375,821
Advertising	-	-
Supplies, Office Expense, etc.	1,583	3,510
Other Specify	320,159	923,958
Commissions	-	68,667
Bad Debt Write Off	-	1,500,000
TOTAL EXPENSES:	1,098,953	3,973,692
NET OPERATING PROFIT/(LOSS)	(2,038,975)	392,002
Add: Non-Operating Income:		
Interest Income	-	-
Other Income - Customer Price Increases	2,070,279	2,070,279
	135,000	2,930,000
Less: Non-Operating Expenses:		
Professional Fees	343,894	489,727
Interest	77,525	289,974
Other	1,173,622	1,173,622
Prior Period Adjustments	1,791,607	1,791,607
Less: Provision for taxes	37,299	83,919
NET INCOME/(LOSS)	(3,257,843)	1,563,432
Recap		
Creative Engineered Polymer Products, LLC	(4,192,041)	(806,445)
Thermoplastics Acquisition, LLC	934,398	2,390,302
Total	(3,257,643)	1,583,858

This Schedule represents a combination (consolidation) of Income Statements for Thermoplastics Acquisition and Creative Engineered Polymer Products.

Dated: 1-31-07


 Responsible Officer of the Debtor in Possession

CEP Holdings, LLC
BALANCE SHEET
 Period Ending: November 30, 2006

Case No: 06-51848

	<u>Current Month</u>	<u>Prior Month</u>	<u>At Filing</u>
ASSETS:			
Cash:	877,025	2,181,062	613,039
Inventory:	4,518,729	6,487,717	9,856,477
Accounts Receivables:	10,087,315	16,041,223	21,598,948
Insider Receivables	-	-	-
Land and Buildings:	7,521,539	7,521,539	7,521,539
Furniture, Fixtures & Equip:	10,365,957	12,946,678	13,340,348
Accumulated Depreciation:	(2,375,582)	(2,363,260)	(4,744,441)
Other: Tooling	2,109,171	1,099,850	2,319,624
Other: Other A/R	(523,813)	(533,138)	69,459
Other: Prepaid Expenses	1,220,763	2,046,337	2,259,344
Other: Intangibles	-	1,043,000	1,050,111
TOTAL ASSETS:	<u>33,801,103.78</u>	<u>46,471,006.44</u>	<u>53,684,446.71</u>
LIABILITIES:			
Postpetition Liabilities:			
Accounts Payable:	29,500	1,140,413	-
Rent and Lease Payable:	281,431	-	-
Wages and Salaries:	-	522,668	-
Taxes Payable:	154,854	258,173	-
Other:	201,495	-	-
TOTAL Postpetition Liab.	<u>667,080.00</u>	<u>1,921,253.60</u>	<u>-</u>
Secured Liabilities:			
Subject to Postpetition			
Collateral or Financing Order	6,093,204	11,838,829	23,736,912
All Other Secured Liab.	2,917,493	2,917,493	2,917,493
TOTAL Secured Liab.	<u>9,010,696.83</u>	<u>14,756,321.70</u>	<u>26,654,405.00</u>
Prepetition Liabilities:			
Taxes & Other Priority Liab.	7,683,716	6,808,663	8,024,519
Unsecured Liabilities:	21,928,917	23,146,150	24,188,473
Accrued Management Fee	-	2,070,278	2,070,278
Intercompany	4,279,272	4,279,272	4,279,272
TOTAL Prepetition Liab.	<u>33,891,904.85</u>	<u>36,304,364.26</u>	<u>38,562,542.85</u>
Equity:			
Owners Capital:	1,000,000	1,000,000	1,000,000
Retained Earnings-Pre Pet.	(12,352,435)	(12,352,433)	(12,352,434)
Retained Earnings-Post Pet.	1,583,857	4,841,501	(180,068)
TOTAL Equity:	<u>(9,768,578.00)</u>	<u>(6,510,932.00)</u>	<u>(11,532,502.00)</u>
TOTAL LIABILITIES AND EQUITY:	<u>33,801,103.88</u>	<u>46,471,007.66</u>	<u>53,684,445.85</u>

Dated: 1-31-07


 Responsible Officer of the Debtor in Possession

**CEP Holdings, LLC
SUMMARY OF OPERATIONS
Period Ended: November 30, 2006**

Case No: 06-51848

Schedule of Postpetition Taxes Payable

	<u>Beginning Balance</u>	<u>Accrued/ Withheld</u>	<u>Payments/ Deposits</u>	<u>Ending Balance</u>
Income Taxes Withheld:				
Federal:				
State:				
Local:				
FICA Withheld:				
Employers FICA:				
Unemployment Tax:				
Federal:				
State:				
Sales, Use & Excise Taxes:				
Property Taxes:				
Workers' Compensation				
Other:				
TOTALS:				

All wages and related payroll tax payments are processed through CEP. CEP using paychex for its payroll service. Paychex calculates and pays all payroll taxes. CEP funds these taxes at the time it funds its payroll.

**AGING OF ACCOUNTS RECEIVABLE
AND POSTPETITION ACCOUNTS PAYABLE**

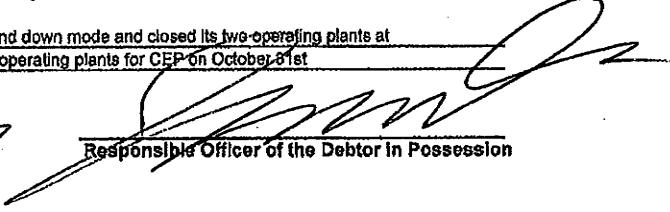
Age In Days	0-30	30-60	Over 60
Post Petition Accounts Payable			
Accounts Receivable			

There are no payables and receivables for Holdings. They are held on the books of the separate entities - CEP and Thermoplastics

For all postpetition accounts payable over 30 days old, please attached a sheet listing each such account, to whom the account is owed, the date the account was opened, and the reason for non-payment of the account.

Describe events or factors occurring during this reporting period materially affecting operations and formulation of a Plan of Reorganization:

The company is in the wind down mode and closed its two operating plants at Thermoplastics and four operating plants for CEP on October 31st

Dated: 1/31/07  Responsible Officer of the Debtor in Possession

CEP Holdings, LLC
MONTHLY CASH STATEMENT
 Period Ending: November 30, 2006

Cash Activity Analysis (Cash Basis Only):

Case No: 06-51848

	General <u>Acct.</u>	Payroll <u>Acct.</u>	Tax <u>Acct.</u>	Cash Coll. <u>Acct.</u>	Petty Cash <u>Acct.</u>
A. Beginning Balance	<div style="border: 1px solid black; padding: 10px;"> <p>The only bank account for Holdings is inactive for \$3K and is included with CEP. Please see form 5 for CEP and Thermo for details of the cash accounts. Holdings - is a consolidation entity for CEP and Thermoplastics.</p> </div>				
B. Receipts (Attach separate schedule)					
C. Balance Available (A + B)					
D. Less Disbursements (Attach separate schedule)					
E. ENDING BALANCE (C - D)					

(PLEASE ATTACH COPIES OF MOST RECENT RECONCILED BANK STATEMENTS FROM EACH ACCOUNT)

General Account:

1. Depository Name & Location _____
2. Account Number _____

Payroll Account:

1. Depository Name & Location _____
2. Account Number _____

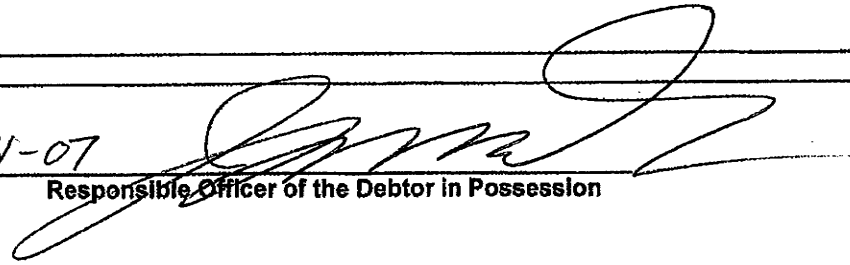
Tax Account:

1. Depository Name & Location _____
2. Account Number _____

Other monies on hand (specify type and location) i.e., CD's, bonds, etc.):

Date:

1-31-07



 Responsible Officer of the Debtor in Possession

CEP Holdings, LLC
MONTHLY STATEMENT OF INSIDER COMPENSATION/PAYMENTS
 Period Ending: **November 30, 2006**
 Case No: 06-51848

The following information is to be provided for each shareholder, officer, director, manager, insider, or owner that is employed by the debtor in possession. Attach additional pages if necessary.

Name: Joseph Mallak Capacity: _____ Shareholder

Officer

Director

All wages and benefits are paid out of CEP (Creative Engineered Polymer Products, LLC.) Case # 06-51847 - Holdings is a consolidating entity for CEP and Thermoplastics

Insider

Detailed Description of Duties: _____

Current Compensation Paid: Weekly or Monthly

Current Benefits Paid: Weekly or Monthly

Health Insurance _____

Life Insurance _____

Retirement _____

Company Vehicle _____

Entertainment _____

Travel _____

Other Benefits _____

Total Benefits _____

Current Other Payments Paid: Weekly or Monthly

Rent Paid _____

Loans _____

Other (Describe) _____

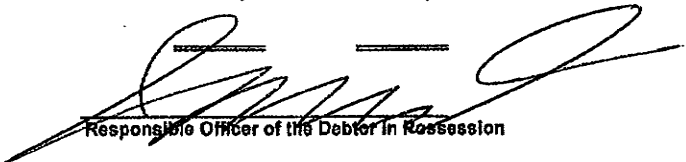
Other (Describe) _____

Other (Describe) _____

Total Other Payments _____

CURRENT TOTAL OF ALL PAYMENTS: Weekly or Monthly

Dated: 1-31-07


 Responsible Officer of the Debtor in Possession

**CEP Holdings, LLC
SCHEDULE OF IN-FORCE INSURANCE**

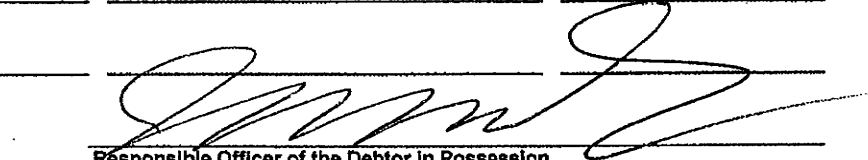
Period Ending: November 30, 2006

Case No: 06-51848

CEP Holdings is a consolidating entity for CEP and Thermoplastics. Each of the insurance coverages below are specific to the two separate entities.

<u>INSURANCE TYPE</u>	<u>CARRIER</u>	<u>EXPIRATION DATE</u>
<u>Workers' Compensation</u>	<u>Hartford Fire Insurance Co.</u>	<u>August 12, 2007</u>
<u>General Business Policy</u>	<u>Zurich</u>	<u>December 31, 2006</u>
<u>Excess Liability</u>	<u>Great American Insurance Group</u>	<u>December 31, 2006</u>
<u>Commercial Umbrella</u>	<u>AIG - American International Companies</u>	<u>December 31, 2006</u>
<u>General Liability Insurance, Mexico</u>	<u>ACE Seguros</u>	<u>August 4, 2007</u>
<u>Common Policy Declarations</u>	<u>The Hartford</u>	<u>December 31, 2006</u>
<u>Excess Workers Compensation</u>	<u>Safety National Casualty Corporation</u>	<u>September 1, 2007</u>

Dated: 1-31-07



Responsible Officer of the Debtor in Possession