

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

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In re: : Case No. 06-51848  
: (Jointly Administered)  
CEP HOLDINGS, LLC, et al.,<sup>1</sup> :  
: Chapter 11  
Debtors. :  
: Honorable Marilyn Shea-Stonum  
: :  
: Hearing Date: 4/10/07 at 10:00 a.m.  
: Objection Deadline: 4/6/07 at 4:00 p.m.  
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**FIRST OMNIBUS OBJECTION OF DEBTORS AND  
DEBTORS IN POSSESSION TO DUPLICATIVE PROOFS OF CLAIM  
AND AMENDED PROOFS OF CLAIM [NON-SUBSTANTIVE OBJECTION]**

CEP Holdings, LLC and its affiliated debtors and debtors in possession (each a “**Debtor**” and collectively, the “**Debtors**” or “**CEP**”) hereby file this first omnibus objection (the “**First Omnibus Objection**”) to the claims (collectively, the “**First Omnibus Claims**”) filed by the claimants that are identified on Exhibits “A” and “B” attached hereto and incorporated herein by reference (collectively, the “**Claimants**”) against one or more of the Debtors in the above-captioned Chapter 11 cases (the “**Cases**”). Pursuant to this First Omnibus Objection, the Debtors request that the Court enter an order disallowing and expunging the First Omnibus Claims on the grounds indicated herein and on Exhibits “A” and “B”. This request is made pursuant to sections 105(a) and 502 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”). In support of this First Omnibus Objection, the Debtors submit the Affidavit of Julia A. Galyen, which is attached hereto as Exhibit “C” and incorporated herein by reference, and respectfully represent as follows:

<sup>1</sup> The Debtors are: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC.

## JURISDICTION AND VENUE

1. The Court has jurisdiction over this First Omnibus Objection pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of the First Omnibus Objection 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.

3. The statutory predicates for the relief requested herein are sections 105(a) and 502 of the Bankruptcy Code and Bankruptcy Rule 3007.

## BACKGROUND

4. On September 20, 2006 (the “**Petition Date**”), 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.

5. 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 (the “**Committee**”). No trustee or examiner has been appointed.

6. On December 12, 2006, the Debtors filed the *Motion of Debtors and Debtors in Possession, Pursuant to Sections 501 and 502 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3003(c), for an Order Establishing Bar Dates for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof* (Docket No. 280) (the “**Bar Date Motion**”).

7. On December 15, 2006, upon consideration of the Bar Date Motion, the Court entered the *Order, Pursuant to Sections 501 and 502 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3003(c)(3), Establishing Bar Dates for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof* (Docket No. 284) (the “**Bar Date Order**”), establishing

March 1, 2007 as the General Bar Date (as such term is defined in the Bar Date Motion and the Bar Date Order).

8. On February 5, 2007, the Debtors filed the *Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code Proposed by the Debtors and the Official Committee of Unsecured Creditors* (Docket No. 330) (the “**Plan**”).

**Request to Disallow Duplicative Claims — Exhibit “A”**

9. The Debtors have determined that each of the claims identified on Exhibit “A” under the column labeled “Duplicate Claim to be Expunged” is a duplicate of another claim filed in these Cases (collectively, the “**Duplicative Claims**”). In particular, the claimants identified on Exhibit “A” (collectively, the “**Duplicative Claimants**”) filed identical claims against the same Debtor. As a result, the Duplicative Claimants currently assert multiple claims in these Cases for the same liabilities.

10. Because the Duplicative Claimants are entitled to only a single claim with respect to the liabilities asserted in the Duplicative Claims, the Duplicative Claims greatly overstate the Debtors’ actual obligations to the Duplicative Claimants. By this First Omnibus Objection, the Debtors seek to disallow the Duplicative Claims and, thereby, limit each Duplicative Claimant to a single claim against, and a single recovery from, the applicable Debtor’s estate arising from the same obligation. Moreover, for each of the Duplicative Claims, the Debtors have identified a surviving claim asserting the same liability (the “**Duplicative Surviving Claims**”), which will be unaffected by the relief sought in this First Omnibus Objection. The Duplicative Surviving Claims are identified under the column labeled “Remaining Claim Number” on the attached Exhibit “A”. Accordingly, the Duplicative Claimants’ rights to assert these liabilities against the applicable Debtor’s estate will be preserved.

11. Therefore, for all of the foregoing reasons, the Duplicative Claims should be disallowed and expunged.

**Request to Disallow Amended or Superseded Claims — Exhibit “B”**

12. The claims identified on Exhibit “B” under the column labeled “Amended Claim to be Expunged” (collectively, the “**Amended Claims**”) are claims that were amended and, therefore, superseded by a subsequent proof of claim (the subsequent proofs of claim are identified under the column labeled “Remaining Claim Number” on Exhibit “B”) (collectively, the “**Amended Surviving Claims**”) filed by or on behalf of the same claimant (collectively, the “**Amending Claimants**”). By filing the Amended Surviving Claims, the Amending Claimants liquidated, reduced, increased, reclassified or otherwise modified the liabilities originally identified in the Amended Claims.

13. Although the Amended Surviving Claims often times are identified on their face as claim amendments that supersede and replace the Amended Claims, the Amended Claims, as a technical matter, remain on the claims docket as outstanding liabilities until withdrawn by the Amending Claimants or disallowed by the Court. *See* 11 U.S.C. § 502(a) (“A claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest . . . objects.”). As a result, the Amended Claims remain potential liabilities of the Debtors that either (a) duplicate amounts included in the Amended Surviving Claim or (b) are no longer identified as outstanding liabilities by the Amending Claimants.

14. Accordingly, the Debtors seek to disallow the Amended Claims and thereby (a) prevent the Amending Claimants from obtaining a double recovery on account of any single obligation and (b) limit the Amending Claimants to a single claim for only those amounts currently identified by the Amending Claimant as owing. This relief is necessary to prevent the allowance of claims that, by their nature, have been superseded and remain on the claims docket

only as a technicality. The elimination of the Amended Claims, moreover, is consistent with the apparent intent of the Amending Claimants in filing the Amended Surviving Claims. Finally, because the Amended Surviving Claims will be unaffected by the relief sought in this First Omnibus Objection, the Amending Claimants' rights to assert these liabilities against the applicable Debtor's estate will be preserved.

15. Therefore, for all of the foregoing reasons, the Amended Claims should be disallowed and expunged.

### **Reservation of Rights**

16. The Debtors reserve the right to object further to each of the First Omnibus Claims, including, but not limited to, the Duplicative Surviving Claims and the Amended Surviving Claims, on any and all additional factual and/or legal grounds at any time. Without limiting the generality of the foregoing, the Debtors specifically reserve the right to (i) amend this First Omnibus Objection, (ii) file additional papers in support of this First Omnibus Objection, (iii) file a subsequent objection on any ground or grounds to any of the First Omnibus Claims that are not disallowed in their entirety as requested herein and (iv) take other appropriate actions to (a) respond to any allegation or defense that may be raised in a response filed by or on behalf of any of the Claimants or other interested parties, (b) further object to any claim for which a Claimant provides (or attempts to provide) additional documentation or substantiation or (c) further objects to any First Omnibus Claim based on any additional information that may be discovered upon further review by the Debtors or through discovery pursuant to the applicable provisions of Part VII of the Bankruptcy Rules.

### **Notice**

17. Notice of this First Omnibus Objection 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 First Omnibus Objection, including the Claimants or their counsel (as indicated on the applicable proof of claim form). Pursuant to Bankruptcy Rule 3007, the Debtors have provided all of the Claimants affected by the First Omnibus Objection with at least 30 days' notice of the hearing on the First Omnibus Objection. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is required.

### **CONCLUSION**

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

Dated: March 9, 2007  
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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