

**TRANSMITTAL OF FINANCIAL REPORTS AND  
CERTIFICATION OF COMPLIANCE WITH  
UNITED STATES TRUSTEE OPERATING REQUIREMENTS FOR  
THE PERIOD ENDED: February 28, 2007**

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 \_\_\_\_\_

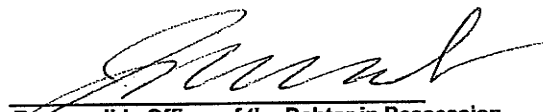
4. No professional fees (attorney, accountant, etc.) have been paid without specific court authorization. (If not, attach a written explanation) YES   X   NO \_\_\_\_\_

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: 3/26/07

  
\_\_\_\_\_  
Responsible Officer of the Debtor in Possession  
CEO  
Title  
~~800-234-5678~~  
Phone  
216-861-7303

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

Case No: 06-51848

	February	Total Since Filing
Total Revenue/Sales	-	29,636,866
Cost of Sales	164,846	29,807,963
<b>GROSS PROFIT</b>	<b>(164,846)</b>	<b>(171,097)</b>
<b>EXPENSES:</b>		
Officer Compensation	22,500	120,000
Salary Expenses other Employees	102,088	1,006,529
Employee Benefits & Pensions	-	55,540
Payroll Taxes	11,427	93,210
Other Taxes	22,372	75,125
Rent and Lease Expense	6,304	133,055
Interest Expense	-	-
Insurance	-	305,326
Automobile and Truck Expense	-	-
Utilities (gas, electric, phone)	2,582	98,057
Depreciation	-	-
Travel and Entertainment	177	86,121
Repairs and Maintenance	-	376,059
Advertising	-	-
Supplies, Office Expense, etc.	301	4,122
Other Specify	2,559	784,889
Commissions	-	68,667
Bad Debt Write Off	-	1,500,000
<b>TOTAL EXPENSES:</b>	<b>170,310</b>	<b>4,708,700</b>
<b>NET OPERATING PROFIT/(LOSS)</b>	<b>(335,156)</b>	<b>(4,877,797)</b>
<b>Add: Non-Operating Income:</b>		
Interest Income	8,569	32,149
Prior Period Adjustments	-	2,070,279
Other Income - Customer Price Increases	-	3,930,000
Gain from Sale of Assets	1,740,645	1,915,702
<b>Less: Non-Operating Expenses:</b>		
Professional Fees	215,946	1,670,209
Interest	-	367,499
Other	(73,116)	1,050,931
Prior Period Adjustments	-	1,791,607
<b>Less: Provision for taxes</b>	<b>-</b>	<b>83,919</b>
<b>NET INCOME/(LOSS)</b>	<b>1,271,228</b>	<b>(1,893,832)</b>
<b>Recap</b>		
Creative Engineered Polymer Products, LLC	1,272,900	(3,592,446)
Thermoplastics Acquisition, LLC	(1,672)	1,698,613
<b>Total</b>	<b>1,271,228</b>	<b>(1,893,832)</b>

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

Dated: 3/26/07

  
 Responsible Officer of the Debtor in Possession

FORM 2

**CEP Holdings, LLC**  
**BALANCE SHEET**  
 Period Ending: February 28, 2007

Case No: 06-51848

	<u>Current Month</u>	<u>Prior Month</u>	<u>At Filing</u>
<b>ASSETS:</b>			
Cash:	6,082,897	6,125,922	613,039
Inventory:	0	0	9,656,477
Accounts Receivables:	3,425,290	3,928,468	21,598,948
Insider Receivables	0	0	0
Land and Buildings:	5,030,313	5,874,783	7,521,539
Furniture, Fixtures & Equip:	0	0	13,340,348
Accumulated Depreciation:	(516,886)	(587,506)	(4,744,441)
Other: Tooling	0	0	2,319,624
Other: Other A/R	1,594,932	1,594,932	69,459
Other: Prepaid Expenses	3,896,434	3,825,257	2,259,344
Other: Intangibles	0	0	1,050,111
<b>TOTAL ASSETS:</b>	<b>19,512,979</b>	<b>20,761,856</b>	<b>53,684,447</b>
<b>LIABILITIES:</b>			
Postpetition Liabilities:	0	0	0
Accounts Payable:	588,139	802,382	0
Rent and Lease Payable:	0	0	0
Wages and Salaries:	0	0	0
Taxes Payable:	141,222	141,222	0
Other:	0	0	0
<b>TOTAL Postpetition Liab.</b>	<b>729,361</b>	<b>943,604</b>	<b>0</b>
Secured Liabilities:			
Subject to Postpetition Collateral or Financing Order	0	0	0
All Other Secured Liab.	(5,992,328)	(3,664,498)	23,837,365
	6,896,767	6,896,767	2,917,493
<b>TOTAL Secured Liab.</b>	<b>904,439</b>	<b>3,232,270</b>	<b>26,754,858</b>
Prepetition Liabilities:			
Taxes & Other Priority Liab.	5,827,180	5,937,535	8,930,559
Unsecured Liabilities:	22,288,265	22,155,943	23,001,913
Accrued Management Fee	0	0	2,070,278
Intercompany	(2)	(2)	4,279,272
<b>TOTAL Prepetition Liab.</b>	<b>28,115,443</b>	<b>28,093,475</b>	<b>38,282,022</b>
Equity:			
Owners Capital:	4,010,000	4,010,000	1,000,000
Retained Earnings-Pre Pet.	(12,352,434)	(12,352,434)	(12,352,434)
Retained Earnings-Post Pet.	(1,893,830)	(3,165,059)	0
<b>TOTAL Equity:</b>	<b>(10,236,264)</b>	<b>(11,507,493)</b>	<b>(11,352,434)</b>
<b>TOTAL LIABILITIES AND EQUITY:</b>	<b>19,512,979</b>	<b>20,761,856</b>	<b>53,684,447</b>

Dated: 3/26/07

  
 Responsible Officer of the Debtor in Possession

CEP Holdings, LLC  
**SUMMARY OF OPERATIONS**  
 Period Ended: February 28, 2007

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>
<b>Income Taxes Withheld:</b>				
Federal:				
State:				
Local:				
<b>FICA Withheld:</b>				
Employers FICA:				
<b>Unemployment Tax:</b>				
Federal:				
State:				
<b>Sales, Use &amp; Excise Taxes:</b>				
<b>Property Taxes:</b>				
<b>Workers' Compensation</b>				
<b>Other:</b>				
<b>TOTALS:</b>				

**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: 3/26/07 Responsible Officer of the Debtor in Possession

**CEP Holdings, LLC**  
**MONTHLY CASH STATEMENT**  
 Period Ended: February 28, 2007

Cash Activity Analysis (Cash Basis Only):

Case No: 06-51848

	<u>General Acct.</u>	<u>Payroll Acct.</u>	<u>Tax Acct.</u>	<u>Cash Coll. Acct.</u>	<u>Petty Cash Acct.</u>
A. Beginning Balance	<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>				
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 \_\_\_\_\_

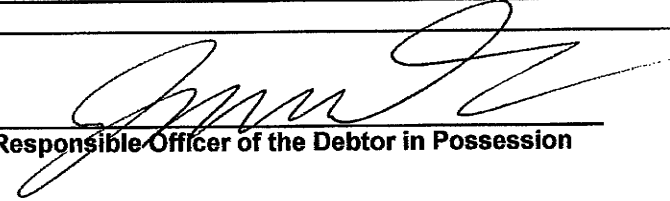
Tax Account:

1. Depository Name & Location \_\_\_\_\_
2. Account Number \_\_\_\_\_

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

\_\_\_\_\_

Date:

3/26/07   
 Responsible Officer of the Debtor in Possession

CEP Holdings, LLC  
**MONTHLY STATEMENT OF INSIDER COMPENSATION/PAYMENTS**  
 Period Ending: February 28, 2007

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 Maliak

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: \_\_\_\_\_

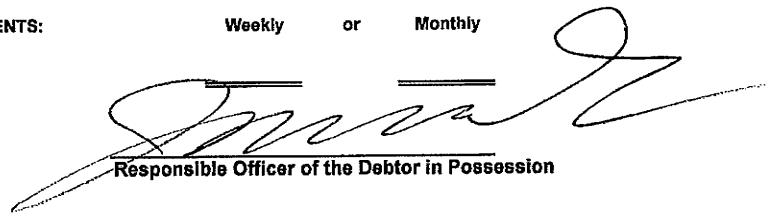
Current Compensation Paid:	Weekly	or	Monthly
	_____		_____

Current Benefits Paid:	Weekly	or	Monthly
Health Insurance	_____		_____
Life Insurance	_____		_____
Retirement	_____		_____
Company Vehicle	_____		_____
Entertainment	_____		_____
Travel	_____		_____
Other Benefits	_____		_____
<b>Total Benefits</b>	<b>_____</b>		<b>_____</b>

Current Other Payments Paid:	Weekly	or	Monthly
Rent Paid	_____		_____
Loans	_____		_____
Other (Describe)	_____		_____
Other (Describe)	_____		_____
Other (Describe)	_____		_____
<b>Total Other Payments</b>	<b>_____</b>		<b>_____</b>

CURRENT TOTAL OF ALL PAYMENTS:	Weekly	or	Monthly
	_____		_____

Dated: 3/26/07

  
 Responsible Officer of the Debtor in Possession

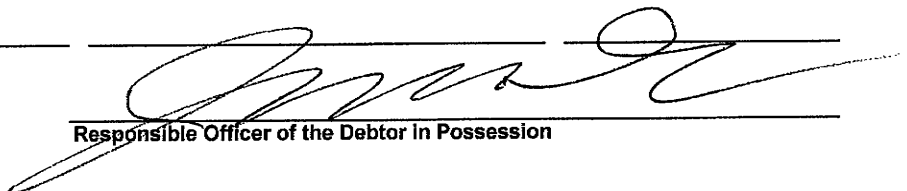
**Creative Engineered Polymer Products, LLC.  
SCHEDULE OF IN-FORCE INSURANCE**

**Period Ending: February 28, 2007**

Case No: 06-51847

<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>March 31, 2007</u>
<u>Excess Liability</u>	<u>Great American Insurance Group</u>	<u>March 31, 2007</u>
<u>Commercial Umbrella</u>	<u>AIG - American International Companies</u>	<u>March 31, 2007</u>
<u>General Liability Insurance, Mexico</u>	<u>ACE Seguros</u>	<u>N/A</u>
<u>Common Policy Delcarations</u>	<u>The Hartford</u>	<u>March 31, 2007</u>
<u>Excess Workers Compensation</u>	<u>Safety National Casualty Corporation</u>	<u>September 1, 2007</u>

Dated: 3/26/07

  
\_\_\_\_\_  
Responsible Officer of the Debtor in Possession