

**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 FOR APPROVAL OF STIPULATION AND ORDER AUTHORIZING
DEBTORS' USE OF CERTAIN CASH COLLATERAL**

CEP Holdings, LLC and its debtor affiliates, debtors and debtors-in-possession in the above-captioned cases (the “**Debtors**”), hereby file this Motion for Approval of Stipulation and Order Authorizing Debtors’ Use of Certain Cash Collateral (the “**Approval Motion**”). In support of this Motion, the Debtors respectfully state as follows:

BACKGROUND

1. Attached hereto as Exhibit A is the Stipulation and Order Authorizing Debtors’ Use of Certain Cash Collateral (the “**Stipulation**”) by and between the Debtors, the Official Committee of Unsecured Creditors (the “**Committee**”) and Wachovia Capital Finance Corporation (Central) (“**Lender**”).²

2. The Stipulation is the result of arms-length negotiations between the Debtors, the Committee and Lender. While the Debtors believe that Wachovia may consent to the use of its

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

² All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Stipulation.

cash collateral without an order of the Court, out of an abundance of caution, the Debtors, Committee and Lender respectfully request that this Court enter the Stipulation.

3. The Debtors have nearly \$1,000,000.00 of administrative expense liabilities which are currently due or will be due shortly, including, among other things, statutory fees, professional fees and expenses, operating expense obligations and certain customer repayment obligations. Currently, the Debtors have less than \$40,000.00 in their operating account. The Stipulation provides the Debtors with access to \$2,000,000.00 (the “**Remitted Funds**”) of Cash Collateral held by Wachovia. It is estimated that Wachovia holds nearly \$5,000,000.00 of cash in excess of the Aggregate Debt.

4. Given the Debtors’ administrative expense payment obligations and the Debtors’ lack of available cash, entry of the Stipulation is absolute necessary so that the Debtors can continue to administer their estates and ultimately confirm their plan of liquidation.

RELIEF REQUESTED

5. By this Motion, the Debtors request that the Court approve and enter the Stipulation.

BASIS FOR RELIEF

6. Section 363(c) of the Bankruptcy Code provides, in part:

(1) If the business of the debtor is authorized to be operated under section 721, 1108, 1203, 1204, or 1304 of this title and unless the court orders otherwise, the trustee may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.

(2) The trustee may not use, sell, or lease cash collateral under paragraph (1) of this subsection unless—

(A) each entity that has an interest in such cash collateral consents;

7. Rule 4001(d)(1) of the Federal Rules of Bankruptcy Procedure further provides that:

A motion for approval of an agreement . . . to use cash collateral . . . shall be served on any committee elected pursuant to § 705 or appointed pursuant to § 1102 of the Code or its authorized agent . . ., on the creditors included on the list filed pursuant to Rule 1007(d), and on such other entities as the court may direct. The motion shall be accompanied by a copy of the agreement.

8. The Debtors represent that entry into the Stipulation is an appropriate exercise of their business judgment and that the terms of the Stipulation comply with Section 363 of the Bankruptcy Code. As such, the Debtors respectfully request that this Court approve and enter the Stipulation.

Notice

9. Notice of this Motion has been provided to Lender, the Committee, the United States Trustee and all other parties entitled to notice pursuant to this Court's Case Management Order, including all parties properly requesting notice pursuant to Rule 2002.

WHEREFORE, the Debtors respectfully request that this Court enter the Stipulation.

Dated: April 20, 2007
Cleveland, Ohio

Respectfully submitted,

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

By: /s/ Thomas M. Wearsch
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