

**IT IS SO ORDERED.**

**Dated: 04:56 PM June 06 2007**



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

----- X  
In re: : Case No. 06-51848  
: (Jointly Administered)  
CEP HOLDINGS, LLC, et al.,<sup>1</sup> :  
: Chapter 11  
Debtors. :  
: Honorable Marilyn Shea-Stonum  
: :  
----- X

**ORDER (A) APPROVING PROPOSED DISCLOSURE  
STATEMENT, (B) ESTABLISHING PROCEDURES FOR  
SOLICITATION AND TABULATION OF VOTES TO ACCEPT  
OR REJECT PROPOSED JOINT PLAN OF LIQUIDATION AND  
(C) SCHEDULING CERTAIN DATES IN CONNECTION THEREWITH**

Upon the motion (Docket No. 572) (the “**Motion**”)<sup>2</sup> of CEP Holdings, LLC and its affiliated debtors and debtors in possession (each a “**Debtor**” and collectively, the “**Debtors**” or “**CEP**”) and the Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”) in

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

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Motion.

the above-captioned Chapter 11 cases (the “**Cases**”), for entry of an order, pursuant to sections 502, 1125, 1126 and 1128 of the Bankruptcy Code and Bankruptcy Rules 2002, 3003, 3016, 3017, 3018 and 3020, (i) approving the Disclosure Statement (as such term is defined below), (ii) establishing procedures for the solicitation and tabulation of votes to accept or reject the Plan and (iii) scheduling a hearing on the confirmation of the Plan and approving related notice procedures; the Court having reviewed the Motion, having received evidence and having heard the statements of counsel in support of the relief requested therein at a hearing before the Court (the “**Hearing**”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein;

THE COURT FINDS THAT:

- A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.
- B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).
- C. Notice of the Motion and the Hearing, made in the manner described in the Motion, was sufficient and appropriate under the circumstances and complied with the requirements of the Bankruptcy Code and the Bankruptcy Rules.
- D. The *First Amended Disclosure Statement to Accompany First Amended Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code Proposed by the Debtors and the Official Committee of Unsecured Creditors Dated May 25, 2007* (Docket No. 591) (the “**Disclosure Statement**”), contains adequate information within the meaning of section 1125 of the Bankruptcy Code.
- E. The relief requested in the Motion and granted herein is warranted under the circumstances and is in the best interests of the Debtors’ respective estates.

F. The form of the ballot attached hereto as **Exhibit 1** (collectively and including the Instructions set forth therein, the “**Ballot**”) (1) is consistent with Official Form No. 14, (2) adequately addresses the particular needs of these Cases, (3) is appropriate for the class of claims entitled to vote to accept or reject the Plan and (4) complies with Bankruptcy Rule 3017(d).

G. Ballots need not be provided to holders of claims and interest in Classes 1, 2, 3 and 5 under the Plan because: (1) Classes 1, 2 and 3 are unimpaired and are conclusively presumed to accept the Plan in accordance with section 1126(f) of the Bankruptcy Code; and (2) holders of claims and interests in Class 5 under the Plan will not retain or receive any property under the Plan, and therefore, this class is deemed to reject the Plan in accordance with section 1126(g) of the Bankruptcy Code.

H. Because the Plan calls for the substantive consolidation of the Debtors for purposes of voting on the Plan and distributions under the Plan, solicitation and balloting on the Plan on a consolidated basis is appropriate.

I. The period during which the Debtors may solicit votes to accept or reject the Plan, as established by this Order, provides a sufficient time for creditors to make informed decisions to accept or reject the Plan and submit timely Ballots.

J. The procedures for the solicitation and tabulation of votes to accept or reject the Plan, as approved herein, provide a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

K. The contents of the Solicitation Packages and the procedures for providing notice of the Confirmation Hearing and the other matters set forth in the Confirmation Hearing Notice comply with the Bankruptcy Rules 2002 and 3017 and constitute sufficient notice to all interested parties in accordance with the Bankruptcy Code and the Bankruptcy Rules.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED in its entirety.
2. The Disclosure Statement is APPROVED, pursuant to section 1125 of the Bankruptcy Code.
3. The Debtors and the Creditors' Committee are granted authority to make non-substantive modifications to the Disclosure Statement and the Plan prior to dissemination of the Disclosure Statement and the Plan.
4. The Ballot substantially in the form attached hereto as **Exhibit 1**, including the Instructions attached to the Ballot, is APPROVED. The Ballot shall be distributed to holders of claims in the class entitled to vote to accept or reject the Plan.
5. To be counted as votes to accept or reject the Plan, all Ballots must be properly executed, completed and delivered to BMC, the Debtors' solicitation and tabulation agent, by either (a) mail in the return envelope provided with each Ballot, (b) overnight courier or (c) personal delivery so that, in each case, such Ballots are received by BMC no later than 5:00 p.m., Eastern Time, on July 13, 2007 (the "**Voting Deadline**").
6. Solely for purposes of voting to accept or reject the Plan, and not for the purpose of the allowance of, or distribution on account of, a claim and without prejudice to the rights of the Debtors or the Creditors' Committee in any other context, each claim within the class of claims entitled to vote to accept or reject the Plan shall be temporarily allowed in accordance with the following rules (the "**Tabulation Rules**"):

- a. Unless one or more of the Tabulation Rules set forth below applies and provides otherwise, a claim will be deemed temporarily allowed for voting purposes in an amount equal to: (i) the noncontingent, liquidated and undisputed amount of such claim, as set forth in the Schedules; or (ii) if a proof of claim has been timely filed in respect of such claim, the noncontingent, liquidated and undisputed amount set forth in such proof of claim.
- b. If a claim is deemed allowed in accordance with the Plan, such claim will be temporarily allowed for voting purposes in the deemed allowed amount set forth in the Plan.
- c. If a claim for which a proof of claim has been timely filed and has not been disallowed is listed or marked or otherwise referenced on its face as contingent, unliquidated or disputed, either in whole or in part, only the noncontingent, liquidated and undisputed portion, if any, of such claim will be deemed temporarily allowed for voting purposes, subject to the other Tabulation Rules, and the remaining portion of such claim will be disallowed for voting purposes.
- d. If a claim for which a proof of claim has been timely filed is marked as a priority claim, either in whole or in part, but is listed in the Schedules as a nonpriority claim or as a priority claim only in part, such claim will be temporarily allowed for voting purposes as a nonpriority claim in an amount equal to the lesser of (i) the entire amount of such claim as set forth in the proof of claim or (ii) the nonpriority claim set forth in the Schedules, provided that such claim is not listed in the Schedules or marked on the proof of claim as contingent, unliquidated or disputed.
- e. If a claim has been allowed pursuant to a stipulation approved by the Court, such claim will be deemed temporarily allowed for voting purposes in the amount set forth in the stipulation.
- f. If a claim has been estimated or otherwise allowed for voting purposes by order of the Court, such claim will be temporarily allowed for voting purposes in the amount so estimated or allowed by the Court.
- g. With respect to a claim as to which (i) the claim is (A) listed in the Schedules as contingent, unliquidated or disputed or in a zero amount or (B) not listed in the Schedules and (ii) a proof of claim was not timely filed and no stipulation allowing the claim has been approved by the Court, such claim will be disallowed for voting purposes.

- h. If the Debtors have filed and served an objection to a claim on or before the date that is 10 days after the date of service of the Confirmation Hearing Notice, such claim will be disallowed for voting purposes in accordance with the relief sought in the objection, unless the objection only seeks disallowance of part of such claim, in which event only the amount subject to the objection will be disallowed for voting purposes.
- i. If a claim holder identifies a claim amount on its Ballot that is less than the amount otherwise calculated in accordance with the Tabulation Rules, the claim will be temporarily allowed for voting purposes in the lesser amount identified on such Ballot.

7. If any claimant seeks to challenge the allowance of its claim for voting purposes in accordance with the Tabulation Rules, such claimant must file a motion, pursuant to Bankruptcy Rule 3018(a), for an order temporarily allowing such claim in a different amount or classification for purposes of voting to accept or reject the Plan (a “**Rule 3018 Motion**”) and serve such motion on counsel for the Debtors (at the address set forth in the Plan) so that it is received no later than the later of (a) the date of service of the Confirmation Hearing Notice and (b) the date of service of a notice of an objection, if any, to the underlying claim. The Debtors shall have 7 days to file and serve any responses to Rule 3018 Motions. In accordance with Bankruptcy Rule 3018, any Ballot submitted by a creditor that files a Rule 3018 Motion shall be counted solely in accordance with the Tabulation Rules and the other applicable provisions contained herein unless and until the underlying claim is temporarily allowed by the Court for voting purposes in a different amount, after notice and a hearing. The Debtors shall coordinate with the Court to adjudicate and resolve all pending Rule 3018 Motions and any responses thereto in a timely fashion and, to the extent possible, at a single hearing in advance of the Confirmation Hearing.

8. In tabulating the Ballots, the following additional procedures shall be utilized: (a) if a creditor casts more than one Ballot voting the same Claim before the Voting Deadline, the latest dated properly executed Ballot will be deemed to reflect the voter’s intent and thus will

supersede any prior Ballots; (b) creditors will be required to vote all of their claims within a particular class under the Plan either to accept or reject the Plan and may not split their votes; thus, a Ballot (or a group of Ballots within a Plan class received from a single creditor) that partially rejects and partially accepts the Plan will not be counted; and (c) for the purposes of determining whether the numerosity and claim amount requirements of sections 1126(c) and 1126(d) of the Bankruptcy Code have been satisfied, the Tabulation Agent will tabulate only those Ballots received by the Voting Deadline.

9. The Confirmation Hearing is scheduled to be conducted on July 24, 2007 at 1:30 p.m. Eastern Time. The Confirmation Hearing may be continued from time to time by the Court without further notice other than the announcement of the adjourned date(s) at the Confirmation Hearing or any continued hearing.

10. Objections, if any, to confirmation of the Plan must: (a) be in writing; (b) state the name and address of the objecting party and the nature of the claim or interest of such party; (c) state with particularity the basis and nature of any objection to the confirmation of the Plan; and (d) be filed with the Court and served so that they are received no later than 4:00 p.m., Eastern Time, on the same date as the Voting Deadline (the “**Confirmation Objection Deadline**”) on (i) Joseph F. Hutchinson, Esq., Baker & Hostetler LLP, 3200 National City Center, 1900 East 9th Street, Cleveland, OH 44114-3485; (ii) Mark E. Freedlander, Esq., McGuireWoods LLP, 625 Liberty Avenue, 23rd Floor Dominion Tower, Pittsburgh, PA 15222; and (iii) Maria D. Giannirakis, Esq., Office of the U.S. Trustee, Howard M. Metzenbaum U.S. Courthouse, 201 Superior Ave., East, Suite 441, Cleveland, OH 44114. The Debtors or the Creditors’ Committee shall file and serve on the Interested Parties and any party that files an objection to the Plan any reply to any such objections within 2 days of the Confirmation Hearing.

A pre-hearing conference on any objection to the confirmation of the Plan that is filed by the Confirmation Objection Deadline shall be held on July 19, 2007 at 3:30 p.m., Eastern Time.

11. The Confirmation Hearing Notice in substantially the form attached hereto as **Exhibit 2** is APPROVED. The Debtors shall serve copies of the Confirmation Hearing Notice, along with the other materials comprising the Solicitation Package, in accordance with the procedures set forth below.

12. Pursuant to Bankruptcy Rule 3017(d), June 6, 2007 shall be the record date for purposes of determining which creditors and equity holders are entitled to receive Solicitation Packages and, where applicable, vote on the Plan (the “**Record Date**”).

13. With respect to any transferred claim, the transferee shall be entitled to receive a Solicitation Package and cast a Ballot on account of such claim only if: (a) all actions necessary to effect the transfer of the claim pursuant to Bankruptcy Rule 3001(e) have been completed by the Record Date; or (b) the transferee files, no later than the Record Date, (i) the documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer. Each transferee shall be treated as a single creditor for purposes of the numerosity requirement in section 1126(c) of the Bankruptcy Code and the other voting and solicitation procedures set forth herein.

14. The Debtors are authorized to mail or cause to be mailed Solicitation Packages containing copies of: (a) the Confirmation Hearing Notice; (b) the Disclosure Statement (together with the exhibits thereto, that have been filed with the Court before the date of the mailing); (c) the Plan (together with the exhibits thereto, that have been filed with the Court before the date of the mailing), as an exhibit to the Disclosure Statement; (d) letters from the Debtors and the Creditors’ Committee recommending acceptance of the Plan (Docket Nos. 582



& 586); and (e) for Solicitation Packages sent to holders of claims in classes entitled to vote to accept or reject the Plan, an appropriate form of Ballot and a Ballot return envelope.

15. Except as described below, Solicitation Packages will be mailed no later than 7 days after the entry of this Order to: (a) all persons or entities that have filed proofs of claim or equity interests on or before the Record Date (or their transferees in accordance with the procedures set forth above); (b) all persons or entities listed in the Schedules as holding liquidated, noncontingent, undisputed claims as of the Record Date (or their transferees in accordance with the procedures set forth above); (c) all other known holders of claims or equity interests against the Debtors, if any, as of the Record Date; (d) all governmental units identified in the Schedules as creditors or potential creditors; (e) all non-Debtor parties to executory contracts and unexpired leases identified in the Schedules or any motion filed with the Court regarding the Debtors' assumption, assumption and assignment or rejection or executory contracts or unexpired leases; (f) all parties in interest that have filed requests for notice in accordance with Bankruptcy Rule 2002 in the Debtors' Cases on or before the Record Date; (g) the U.S. Trustee; (h) the Securities and Exchange Commission; and (i) all other parties identified on the General Service List established by the Case Management Order. Except as otherwise provided above, entities identified in the Schedules as holding contingent, unliquidated or disputed claims that did not file a timely proof of claim will be served only with a copy of the Confirmation Hearing Notice.

16. If the Debtors and the Creditors' Committee, in their sole discretion, deem it appropriate not to attempt to obtain accurate addresses for those entities for which the Debtors only have Undeliverable Addresses, based on returned mail in connection with the mailing of the Disclosure Statement Notice or earlier mailings in these Cases, the Debtors are excused from

mailing Solicitation Packages to such entities, unless the Debtors are provided with accurate addresses for such entities, in writing, on or before the Record Date. Failure to mail the Solicitation Packages to such entities shall not constitute inadequate notice of the Confirmation Objection Deadline, the Confirmation Hearing, the Voting Deadline or any other matter.

17. The Debtors and BMC are authorized to take any action necessary or appropriate to implement the terms of, and the relief granted in, this Order without further order of the Court.

18. This Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of this Order.

IT IS SO ORDERED.

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**Respectfully submitted by:**

/s/ Joseph F. Hutchinson, Jr.  
Joseph F. Hutchinson, Jr. (0018210)  
Thomas M. Wearsch (0078403)  
Eric R. Goodman (0076035)  
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3200 National City Center  
1900 East 9th Street  
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*Counsel for the Debtors and Debtors-in-Possession*

/s/ Mark Freedlander  
Mark Freedlander  
Sally Edison  
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*Counsel to the Official  
Committee of Unsecured Creditors*

**EXHIBIT 1**

BALLOT AND INSTRUCTIONS

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

----- X  
In re: : Case No. 06-51848  
: (Jointly Administered)  
CEP HOLDINGS, LLC, et al.,<sup>1</sup> :  
: Chapter 11  
Debtors. :  
: Honorable Marilyn Shea-Stonum  
: :  
----- X

**BALLOT FOR ACCEPTING OR REJECTING THE  
FIRST JOINT PLAN OF LIQUIDATION OF CEP HOLDINGS,  
LLC AND ITS AFFILIATED DEBTORS AND DEBTORS IN POSSESSION**

**CLASS 4: GENERAL UNSECURED CLAIMS**

<p><b>THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS 5:00 P.M., EASTERN TIME, ON JULY 13, 2007</b></p>
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This Ballot is submitted to you to solicit your vote to accept or reject the *First Amended Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code Proposed by the Debtors and the Official Committee of Unsecured Creditors Dated May 25, 2007* (as it may be amended or modified, the “**Plan**”)<sup>2</sup> described in the accompanying disclosure statement, dated May 25, 2007 (Docket No. 591) (as it may be amended or modified, the “**Disclosure Statement**”). The Court has approved the Disclosure Statement with respect to the Plan. The Disclosure Statement provides information to assist you in deciding how to vote this Ballot. If you do not have a copy of the Disclosure Statement, you may obtain a copy from BMC Group, Inc. (the “**Tabulation Agent**”) by writing to CEP HOLDINGS, LLC, et al., c/o BMC Group, 1330 E. Franklin Ave., El Segundo, CA 90245 or by visiting the website maintained by the Tabulation Agent at <http://www.bmcgroup.com/cep>.

The Plan can be confirmed by the Bankruptcy Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class that vote on the Plan and if the Plan otherwise satisfies the applicable requirements of section 1129(a) of the Bankruptcy Code. If the requisite acceptances are not obtained, the Bankruptcy Court may confirm the Plan if it finds that the Plan: (a)

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

<sup>2</sup> Capitalized terms used in this Ballot and the attached Instructions that are not otherwise defined herein have the meanings given to them in the Plan.

provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes rejecting the Plan; and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. If the Plan is confirmed by the Bankruptcy Court it will be binding on you whether or not you vote.

To have your vote counted, you must complete, sign and return this Ballot to the Tabulation Agent so that it is received by the Voting Deadline at the following address:

**By regular U.S. mail:**  
CEP HOLDINGS, LLC, et al.  
c/o BMC Group  
PO Box 903  
El Segundo, CA 90245-0903

**By messenger or overnight courier:**  
CEP HOLDINGS, LLC, et al.  
c/o BMC Group  
1330 E. Franklin Ave.  
El Segundo, CA 90245

If your Ballot is not received by the Voting Deadline, your vote will not count as either an acceptance or rejection of the Plan.

**PLEASE READ THE ATTACHED VOTING INFORMATION, INSTRUCTIONS, DISCLOSURE STATEMENT AND PLAN BEFORE COMPLETING THIS BALLOT. YOU MAY WISH TO SEEK LEGAL ADVICE CONCERNING THE PLAN AND YOUR CLASSIFICATION AND TREATMENT UNDER THE PLAN. YOUR CLAIM HAS BEEN PLACED IN CLASS 4 UNDER THE PLAN. IF YOU HOLD CLAIMS IN MORE THAN ONE CLASS, YOU WILL RECEIVE A BALLOT FOR EACH CLASS IN WHICH YOU ARE ENTITLED TO VOTE.**

**PLEASE COMPLETE ITEMS 1 AND 2. IF THIS BALLOT IS NOT SIGNED ON THE APPROPRIATE LINES BELOW, THIS BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN CAST.**

**Item 1. Class Vote.** The undersigned, a holder of a Claim against the Debtors in Class 4 in the amount set forth below, votes to (check one box):

**Accept** the Plan

**Reject** the Plan

**[Continued on Next Page]**

**Item 2. Acknowledgments.** By signing this Ballot, the undersigned acknowledges receipt of the Disclosure Statement and the other applicable solicitation materials and certifies that the undersigned is the claimant or has the power and authority to vote to accept or reject the Plan on behalf of the claimant.

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Name of Creditor

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Claim Amount

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Social Security or Federal Tax I.D. No. (optional)

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Signature

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If by Authorized Agent, Name and Title

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Street Address

---

City, State, Zip Code

---

Telephone Number

---

Date Completed

**VOTING INFORMATION AND INSTRUCTIONS  
FOR COMPLETING THE BALLOT**

1. In the boxes provided in Item 1 of the Ballot, please indicate acceptance or rejection of the Plan. Complete the Ballot by providing all the information requested and sign, date and return the Ballot to BMC Group, Inc. (the “**Tabulation Agent**”) at the following address:

**By regular U.S. mail:**  
CEP HOLDINGS, LLC, et al.  
c/o BMC Group  
PO Box 903  
El Segundo, CA 90245-0903

**By messenger or overnight courier:**  
CEP HOLDINGS, LLC, et al.  
c/o BMC Group  
1330 E. Franklin Ave.  
El Segundo, CA 90245

2. **Ballots must be received by the Tabulation Agent by 5:00 p.m., Eastern Time, on July 13, 2007 (the “Voting Deadline”).** If a Ballot is received after the Voting Deadline, it will not be counted. An envelope addressed to the Tabulation Agent is enclosed for your convenience. ***Ballots submitted by facsimile will not be accepted.***
3. **Each Ballot you receive is for voting only your Claim described on the Ballot. The attached Ballot is designated only for voting General Unsecured Claims in Class 4. Please complete and return each Ballot you receive.** You must vote all of your Claims within a single Class under the Plan to either accept or reject the Plan. Accordingly, if you return more than one Ballot voting different Claims within a single Class under the Plan and the Ballots are not voted in the same manner, those Ballots will not be counted. An otherwise properly executed Ballot that attempts to partially accept and partially reject the Plan will not be counted.
4. Your Claim has been **temporarily allowed solely for purposes of voting** to accept or reject the Plan in accordance with certain tabulation rules approved by the Bankruptcy Court (the “**Tabulation Rules**”). The Tabulation Rules are set forth in *Notice of (A) Deadline for Casting Votes to Accept or Reject Proposed Joint Plan of Liquidation, (B) Hearing to Consider Confirmation of Proposed Joint Plan of Liquidation and (C) Related Matters*, which is enclosed with the solicitation materials you receive along with this Ballot. The temporary allowance of your Claim for voting purposes does not constitute an allowance of your Claim for purposes of distribution under the Plan and is without prejudice to the rights of the Debtors or the Trustee in any other context (*e.g.*, the right of the Debtors or the Trustee to contest the amount or validity of any Claim for purposes of allowance under the Plan). If you wish to challenge the temporary allowance of your Claim for voting purposes, you must file a motion, pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure, for an order temporarily allowing your Claim in a different amount or classification for purposes of voting to accept or reject the Plan and serve such motion on the Debtors so that it is received by the later of June 25, 2007 and 10 days after service of any objection to the underlying claim. Unless the Bankruptcy Court orders otherwise, your Claim will not be counted as a vote in excess of the amount as determined in accordance with the Tabulation Rules.

5. The Ballot does not constitute and shall not be deemed a proof of Claim or Equity Interest or an assertion of a Claim or Equity Interest.
6. If you cast more than one Ballot voting the same Claim prior to the Voting Deadline, the last Ballot received by the Tabulation Agent before the Voting Deadline will supersede any prior Ballots.

**A PERSON ENTITLED TO VOTE ON THE PLAN MUST COMPLETE AND RETURN THE BALLOT BY THE VOTING DEADLINE TO HAVE THE VOTE COUNT. PLEASE RETURN YOUR BALLOT PROMPTLY.**

**THE TABULATION AGENT WILL NOT ACCEPT BALLOTS BY FACSIMILE TRANSMISSION.**

**IF YOU HAVE RECEIVED A DAMAGED BALLOT OR HAVE LOST YOUR BALLOT, OR IF YOU HAVE ANY QUESTIONS CONCERNING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CALL THE TABULATION AGENT AT (888) 909-0100.**

## **II. APPLICABLE LAW AND RULES**

On approval of the disclosure statement, plan proponents may solicit holders of claims or interests for acceptance of a plan. 11 U.S.C. § 1125(b). Unless the court orders otherwise regarding any unimpaired classes of creditors or equity security holders, the debtor in possession, trustee, proponent of the plan, or clerk, as ordered by the court, must mail to all creditors and equity security holders, and to the U.S. trustee, (1) the plan or court approved summary of the plan, (2) the approved disclosure statement, (3) notice of the time within which to file acceptance and rejection of the plan, and (4) other information as the court may direct, including any opinion of the court approving the disclosure statement or court approved summary of the opinion. Rule 3017(d) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**” or “**Fed R. Bankr. P.**”). In addition, notice of the time fixed for filing objections to confirmation of the plan and notice of the hearing on confirmation must be mailed to all creditors and equity security holders, and a ballot must be mailed to those entitled to vote on the plan. Fed. R. Bankr. P. 2002(b), 3017(d).

Section 1123(a)(1) provides that a chapter 11 plan must designate classes of claims and interests for treatment under the reorganization.

Under section 1126(c) of the Bankruptcy Code, an entire class of claims is considered to have accepted the plan if the plan has been accepted by creditors that hold: (1) at least two-thirds in amount, and (2) more than one-half in number of allowed claims of the class held by creditors that have accepted or rejected the plan, *i.e.*, creditors that have voted on the plan. A class of equity security interests is considered to have accepted a plan if the plan has been accepted by the holders of two-thirds in amount of such allowed interests that have voted on the plan. 11 U.S.C. § 1126(d). Under section 1129(a)(10) of the Bankruptcy Code, if there are impaired classes of claims, the court cannot confirm the plan unless it has been accepted by at least one class of non-insiders who hold impaired claims (*i.e.*, claims that are not going to be paid



completely or in which some legal, equitable, contractual right is altered). Moreover, under section 1126(f) of the Bankruptcy Code, holders of unimpaired claims are considered to have accepted the plan.

Entities entitled to accept or reject the plan must do so within the time fixed by the court. Fed. R. Bankr. P. 3018(a). Subject to Bankruptcy Rule 3018(b), a creditor or equity security holder whose claim is based on a security of record is not entitled to vote on a plan unless they were the holder of record of such security on the date the order approving the disclosure statement was entered. Fed. R. Bankr. P. 3018(a). An acceptance or rejection must be in writing; identify the plan; be signed by the creditor, equity security holder or an authorized agent; and conform to the Official Form. More than one plan may be accepted or rejected by the voting person, and if more than one plan is accepted, the voting person may designate a preference or preferences among the plans. Fed. R. Bankr. P. 3018(c). A creditor holding an allowed claim that is partly secured and partly unsecured is entitled to accept or reject the plan in both capacities. Fed. R. Bankr. P. 3018(d).

Bankruptcy Rule 3018(b) allows the acceptance or rejection of the plan before commencement of the case if certain solicitation requirements were satisfied under Bankruptcy Rule 3018(b) and section 1126 of the Bankruptcy Code.

Section 1127(a) of the Bankruptcy Code provides that the plan proponent may modify the plan at any time before confirmation, and the modified plan will become the plan. But the plan as modified must meet all the requirements of chapter 11. Bankruptcy Rule 3019 provides that, when there is a proposed modification after balloting has been conducted and the court finds after a hearing that the proposed modification does not adversely affect the treatment of any creditor who has not accepted the modification in writing, the modification shall be deemed to have been accepted by all creditors who previously accepted the plan. If it is determined that the proposed modification does have an adverse effect on the claims of the nonconsenting creditors, then another balloting must take place.

Because more than one plan may be submitted to the creditors for approval, Bankruptcy Rule 3016(b) requires that every proposed plan and modification be dated and identified with the name of the entity or entities submitting such plan or modification. When competing plans are presented and meet the requirements for confirmation, the court must consider the preferences of the creditors and equity security holders in determining which plan to confirm.

The Bankruptcy Code requires the court, after notice, to hold a hearing on the confirmation of a plan. 11 U.S.C. § 1128. At or after the confirmation hearing, the court may confirm the plan and make it binding on all creditors and equity security holders, if it is accepted by the holders or two-thirds in amount and more than one-half in number of claims in each class of creditors and the holders of two-thirds in amount of equity security interests in each class voting on the plan. Before confirmation can be granted, the court also must be satisfied that there has been compliance with the other requirements of confirmation set forth in section 1129 of the Bankruptcy Code, even in the absence of any objections. In order to confirm the plan, the court must find that the plan is feasible, is proposed in good faith, and that the plan and the proponent of the plan are in compliance with the Bankruptcy Code. In addition, the court must find the confirmation of the plan is not likely to be followed by liquidation or the need for further

financial reorganization, unless it is proposed in the plan. 11 U.S.C. § 1129(a)(11). For a complete list of requirements for confirmation of a plan, parties in interest may refer to section 1129 of the Bankruptcy Code.

In the event the required acceptances are not obtained, the court may nevertheless confirm the plan if the court finds that the plan accords fair and equitable treatment to the class or classes rejecting it and otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code. This procedure is sometimes referred to as a “cramdown.”

In addition to the Bankruptcy and Federal Rules of Bankruptcy Procedure, each district may have local bankruptcy court rules that may contain further requirements. Local rules may be obtained at the bankruptcy clerk’s office or at the court’s website at <http://www.ohnb.uscourts.gov>.

**EXHIBIT 2**

CONFIRMATION HEARING NOTICE

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

----- X  
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: 7/24/07 at 1:30 p.m.  
: Objection Deadline: 7/13/07 at 4:00 p.m.  
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**NOTICE OF (A) DEADLINE FOR CASTING VOTES  
TO ACCEPT OR REJECT PROPOSED JOINT PLAN OF  
LIQUIDATION, (B) HEARING TO CONSIDER CONFIRMATION OF  
PROPOSED JOINT PLAN OF LIQUIDATION AND (C) RELATED MATTERS**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On May 25, 2007, the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) and the Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”) filed: (a) the *First Amended Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code Proposed by the Debtors and the Official Committee of Unsecured Creditors Dated May 25, 2007* (as it may be amended or modified, the “**Plan**”);<sup>2</sup> and (b) the related *First Amended Disclosure Statement to Accompany First Amended Joint Plan of Liquidation Under Chapter 11 of the Bankruptcy Code Proposed by the Debtors and the Official Committee of Unsecured Creditors Dated May 25, 2007* (Docket No. 591) (as it may be

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

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Plan.

amended or modified, the “**Disclosure Statement**”) under section 1125 of title 11 of the United States Code (the “**Bankruptcy Code**”).

2. Pursuant to an order of the Court dated June 6, 2007 (the “**Disclosure Statement Order**”), the Disclosure Statement and certain related materials (collectively, the “**Solicitation Materials**”) have been approved for solicitation of votes to accept or reject the Plan. In accordance with the Disclosure Statement Order, certain Solicitation Materials have been provided with this Notice, including a copy of the Disclosure Statement and the Plan (including all exhibits thereto filed with the Court).

3. A hearing to consider the confirmation of the Plan (the “**Confirmation Hearing**”) will be held before the Honorable Marilyn Shea-Stonum, United States Bankruptcy Judge, in the Judge’s usual courtroom at United States Bankruptcy Court, 455 U.S. Courthouse, 2 South Main Street, Akron, Ohio 44308, at **1:30 p.m., Eastern Time, on July 24, 2007**.

4. Pursuant to the Disclosure Statement Order, the Court approved certain procedures for the tabulation of votes to accept or reject the Plan. If you are the holder of a claim against one of the Debtors as of **June 6, 2007** (the record date established in the Disclosure Statement Order) in a class entitled to vote on the Plan, you have received with this Notice a ballot form (a “**Ballot**”) and voting instructions appropriate for your claim. The following procedures apply with respect to voting your claim:

a. Except as provided in subparagraph (b) below, **for your vote to accept or reject the Plan to be counted, you must complete all required information on the Ballot, execute the Ballot and return the completed Ballot to the address indicated on the Ballot so that it is received by 5:00 p.m., Eastern Time, on July 13, 2007** (the “**Voting Deadline**”). Any failure to follow the voting instructions included

with the Ballot or to return a properly completed Ballot so that it is received by the Voting Deadline may disqualify your Ballot and your vote.

b. Your claim has been temporarily allowed solely for purposes of voting to accept or reject the Plan in accordance with the following tabulation rules approved by the Court in the Disclosure Statement Order (the “**Tabulation Rules**”):

- i. Unless one or more of the Tabulation Rules set forth below applies and provides otherwise, a claim will be deemed temporarily allowed for voting purposes in an amount equal to: (A) the noncontingent, liquidated and undisputed amount of such claim, as set forth in the Schedules; or (B) if a proof of claim has been timely filed in respect of such claim, the noncontingent, liquidated and undisputed amount set forth in such proof of claim.
- ii. If a claim is deemed allowed in accordance with the Plan, such claim will be temporarily allowed for voting purposes in the deemed allowed amount set forth in the Plan.
- iii. If a claim for which a proof of claim has been timely filed and has not been disallowed is listed or marked or otherwise referenced on its face as contingent, unliquidated or disputed, either in whole or in part, only the noncontingent, liquidated and undisputed portion, if any, of such claim will be deemed temporarily allowed for voting purposes, subject to the other Tabulation Rules, and the remaining portion of such claim will be disallowed for voting purposes.
- iv. If a claim for which a proof of claim has been timely filed is marked as a priority claim, either in whole or in part, but is listed in the Schedules as a nonpriority claim or as a priority claim only in part, such claim will be temporarily allowed for voting purposes as a nonpriority claim in an amount equal to the lesser of (A) the entire amount of such claim as set forth in the proof of claim or (B) the nonpriority claim set forth in the Schedules, provided that such claim is not listed in the Schedules or marked on the proof of claim as contingent, unliquidated or disputed.

- v. If a claim has been allowed pursuant to a stipulation approved by the Court, such claim will be deemed temporarily allowed for voting purposes in the amount set forth in the stipulation.
- vi. If a claim has been estimated or otherwise allowed for voting purposes by order of the Court, such claim will be temporarily allowed for voting purposes in the amount so estimated or allowed by the Court.
- vii. With respect to a claim as to which (A) the claim is (I) listed in the Schedules as contingent, unliquidated or disputed or in a zero amount or (II) not listed in the Schedules and (B) a proof of claim was not timely filed and no stipulation allowing the claim has been approved by the Court, such claim will be disallowed for voting purposes.
- viii. If the Debtors have filed and served an objection to a claim on or before the date that is 10 days after the date of service of the Confirmation Hearing Notice, such claim will be disallowed for voting purposes in accordance with the relief sought in the objection, unless the objection only seeks disallowance of part of such claim, in which event only the amount subject to the objection will be disallowed for voting purposes.
- ix. If a claim holder identifies a claim amount on its Ballot that is less than the amount otherwise calculated in accordance with the Tabulation Rules, the claim will be temporarily allowed for voting purposes in the lesser amount identified on such Ballot.

c. Temporary allowance or disallowance of your Claim for voting purposes does not constitute an allowance or disallowance of your Claim for purposes of receiving distributions under the Plan and is without prejudice to the rights of the Debtors in any other context, including the right of the Debtors to contest the amount or validity of any claim for purposes of allowance and distribution under the Plan. **If you wish to challenge the allowance or disallowance of your Claim for voting purposes, you must file a motion, pursuant to Bankruptcy Rule 3018(a), for an order temporarily allowing your Claim in a different amount or classification for purposes of voting to**

**accept or reject the Plan and serve such motion on the counsel to the Debtors so that it is received no later than 10 days after the later of (i) the date of service of this Notice and (ii) the date of service of a notice of an objection, if any, to the underlying claim.** The Debtors shall have 7 days to file and serve any responses to such motions. Unless the Court orders otherwise, your Claim will not be counted for voting purposes in excess of the amount as determined in accordance with the Tabulation Rules.

5. Objections, if any, to the confirmation of the Plan must: (a) be in writing; (b) state the name and address of the objecting party and the nature of the claim or interest of such party; (c) state with particularity the basis and nature of any objection to the confirmation of the Plan; and (d) be filed with the Court and served so that they are received no later than **4:00 p.m., Eastern Time, on July 13, 2007** by (i) Joseph F. Hutchinson, Esq., Baker & Hostetler LLP, 3200 National City Center, 1900 East 9th Street, Cleveland, OH 44114-3485; (ii) Mark E. Freedlander, Esq., McGuireWoods LLP, 625 Liberty Avenue, 23rd Floor Dominion Tower, Pittsburgh, PA 15222; and (iii) Maria D. Giannirakis, Esq., Office of the U.S. Trustee, Howard M. Metzenbaum U.S. Courthouse, 201 Superior Ave., East, Suite 441, Cleveland, OH 44114. A pre-hearing conference on any objection to the confirmation of the Plan that is filed by the Confirmation Objection Deadline will be held on **July 19, 2007 at 3:30 p.m., Eastern Time.**

6. Requests for additional copies of the Disclosure Statement and the Plan (including all exhibits thereto filed with the Court) by parties in interest may be made in writing or orally to BMC Group, Inc., CEP HOLDINGS, LLC, et al., c/o BMC Group, PO Box 903, El Segundo, CA 90245-0903 (telephone number (888) 909-0100). Copies of the Disclosure Statement and the Plan (with all exhibits filed with the Court) also are available for review, without charge, at <http://www.bmcgroup.com/cep>.



7. The Confirmation Hearing may be continued from time to time without further notice, other than the announcement of the adjourned date(s) at the Confirmation Hearing or any continued hearing.

Dated: June 13, 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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