

**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.,¹ :
: Chapter 11
Debtors. :
: Honorable Marilyn Shea-Stonum
: :
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**SUMMARY OF SECOND FEE APPLICATION FOR INTERIM ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
FEBRUARY 1, 2007 THROUGH AND INCLUDING MAY 31, 2007, FILED BY
GRANT THORNTON LLP AS FINANCIAL ADVISORS TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS**

Name of Applicant: Grant Thornton LLP

Authorized to provide Professional Services to:	Official Committee of Unsecured Creditors
Date of Retention:	November 8, 2006 (effective as of October 1, 2006)
Period for Which Compensation and Reimbursement is Sought:	February 1, 2007 through May 31, 2007
Amount of Compensation for Services Sought as Actual, Reasonable and Necessary	\$ 15,885.00
Amount of Expenses Sought to be Reimbursed as Actual, Reasonable and Necessary	\$ 1,500.00
Total Amount of Fees and Expenses Sought to be Reimbursed as Actual, Reasonable and Necessary	\$ 17,385.00

This is the second application for an allowance of compensation and reimbursement of expenses incurred pursuant to 11 U.S.C. §§ 330 and 331.

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

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**SECOND FEE APPLICATION FOR INTERIM ALLOWANCE OF
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COMMITTEE OF UNSECURED CREDITORS**

Grant Thornton LLP as financial advisors to the Official Committee of Unsecured Creditors submits its First Fee Application for Interim Allowance of Compensation and Reimbursement of Expenses for the period February 1, 2007 through and including May 31, 2007 (the "Application") under 11 U.S.C. §§ 330 and 331. In support of this Application, Grant Thornton LLP states as follows:

I. INTRODUCTION

1. 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.

2. The Debtors are operating their businesses as debtors in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. On September 28, 2006, the United

² The Debtors are: CEP Holdings, LLC, Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC.

States Trustee appointed an official committee of unsecured creditors. No trustee or examiner has been appointed.

3. On October 19, 2006, the Official Creditor Committee of Unsecured Creditors filed an Application for Entry of an Order, Pursuant to §§ 327(a) and 328(a) of the Bankruptcy Code and Bankruptcy Rule 2014(a), to Employ and Retain Grant Thornton LLP as Financial Advisors to the Official Creditor Committee of Unsecured Creditors effective as of October 1, 2006. Grant Thornton LLP's retention was approved by Court Order entered on November 8, 2006.

II. SUMMARY OF COMPENSATION AND EXPENSE REIMBURSEMENT REQUESTED

4. Grant Thornton LLP files this second fee application seeking allowance for services performed and expenses incurred during the period from February 1, 2007 through May 31, 2007 (the "Application Period"). The Application is subject to, *inter alia*, this Court's Order dated October 13, 2006 (the "Administrative Order") [D.I. 51]. Grant Thornton LLP has received a retainer in connection with its engagement as financial advisors to the official committee of unsecured creditors, and has received interim compensation pursuant to the Administrative Order. A summary of the compensation and expense reimbursement requested and paid during the Application Period is as follows:

Date of Monthly Statement	Period Covered	Requested Fees/Expenses	Fees/Expenses Paid
March 20, 2007	February 1, 2007 – February 28, 2007	Fees: \$5,076.50 Expenses: \$1,500.00	Fees: \$4,061.20 Expenses: \$1,500.00
April 16, 2007	March 1, 2007 – March 31, 2007	Fees: \$2,585.50 Expenses: \$0.00	Fees: \$0.00 Expenses: \$0.00
May 18, 2007	April 1, 2007 – April 30, 2007	Fees: \$7,135.50 Expenses: \$0.00	Fees: \$5,708.40 Expenses: \$0.00
June 19, 2007	May 1, 2007 – May 31, 2007	Fees: \$1,087.50 Expenses: \$0.00	Fees: \$0.00 Expenses: \$0.00

5. Grant Thornton LLP has received no promise of payment for professional services rendered in these cases other than in accordance with the provisions of the Bankruptcy Code.

6. Each of the persons who performed services kept daily time records detailing the services performed and the time expended in connection therewith by category of service (the "Categories") reflected in the Guidelines for Reviewing Applications For Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330 dated March 22, 1995, issued by the Office of the United States Trustee (the "Guidelines").

7. Set forth in **Exhibit A** is a listing of the name and position of each Grant Thornton LLP professional, together with that person's hourly billing rate, and the amount billed for each professional who rendered services during the Application Period. Set forth in **Exhibit B** is a chronological listing of services provided for each category for the Application Period. Set forth in **Exhibit C** is a chart showing the actual and necessary expenses in the amount of \$1,500.00 incurred in the rendition of actual and necessary services by Grant Thornton LLP during the Application period.

8. To the best of Grant Thornton LLP's knowledge, it has complied with the monthly reporting requirements.

III. SUMMARIES OF SERVICES RENDERED

9. A narrative summary of the Categories under which material and substantial services were performed by Grant Thornton LLP during the Application Period is set forth below. A more detailed description of the services provided by Grant Thornton LLP appears on **Exhibit B**. As the narrative summary demonstrates, Grant Thornton LLP focused its efforts during the Application Period on the following categories of service: Business Operations and Case Administration. Each of these Categories is summarized as follows:

10. **Business Operations.** We have classified 53.70 hours with a time value of \$14,251.50 as being devoted to Business Operations. The composite rate for this category is \$265.39 based on the hours for which we are requesting compensation.

11. **Case Administration.** The category of Case Administration includes the general legal support for the administration of the case, strategic planning, and the monitoring of the events and progress of the case necessary to assure that the estate and the creditors were protected. We have classified 9.90 hours with a time value of \$1,633.50 as being devoted to Case Administration. The composite rate for this category is \$165.00 based on the hours for which we are requesting compensation.

12. Set forth below is a chart summarizing the time spent by Grant Thornton LLP on each of these Categories:

Category	Fees
Business Operations	\$ 14,251.50
Case Administration	\$ 1,633.50
Total Fees For the Application Period	\$ 15,885.00

IV. ALLOWANCE OF COMPENSATION

13. The allowance of interim compensation for services rendered and reimbursement of expenses in bankruptcy cases is expressly provided for in § 331 of the Bankruptcy Code:

Any professional person...may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered...as is provided under section 330 of this title.

11 U.S.C. § 331. Moreover, this Court has authorized the filing of this Application in the Administrative Order.

14. With respect to the level of compensation, section 330(a)(1) of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person “reasonable compensation for actual, necessary services rendered....” Section 330(a)(3)(A), in turn, provides:

In determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

(A) the time spent on such services;

(B) the rates charged for such services:

(C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;

(D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and

(E) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3)(A). The clear Congressional intent and policy expressed in this statute is to provide for adequate compensation in order to continue to attract qualified and competent bankruptcy practitioners to bankruptcy cases.

15. Throughout these cases, Grant Thornton LLP has carefully coordinated its efforts with other professionals. The work involved, and thus the time expended, was carefully assigned in light of the experience and expertise required for a particular task. As shown by this Application and supporting documents, the firm spent its time economically and without unnecessary duplication.

16. Grant Thornton LLP incurred actual and necessary out-of-pocket expenses in connection with rendering professional services to the Debtors in the sums indicated on **Exhibit C**, for which Grant Thornton LLP respectfully requests full reimbursement. The disbursements and expenses have been incurred in accordance with the firm's normal practice of charging clients for expenses clearly related to and required by particular matters. Grant Thornton LLP has endeavored to minimize these expenses to the fullest extent possible.

17. Grant Thornton LLP's billing rates do not include charges for photocopying, telephone and telecopier toll charges, computerized research, travel expenses, "working meals," secretarial overtime, postage, and certain other office services, since the needs of each client for such services differ. Instead, Grant Thornton LLP charges each client only for the services actually used in performing services for that client. The expenses incurred by Grant Thornton LLP are in compliance with the Administrative Order and Guidelines.

18. No agreement or understanding exists between Grant Thornton LLP and any other person for the sharing of any compensation to be received for professional services rendered or to be rendered in connection with these cases.

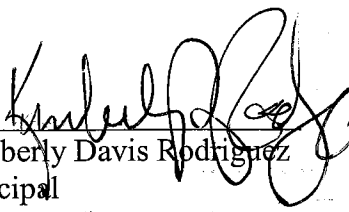
19. No prior application has been made in this or in any other Court for the relief requested herein for the Interim Period.

WHEREFORE, Grant Thornton LLP respectfully requests that this Court enter an Order:

1. approving the allowance for compensation of professional services rendered to the Debtors from February 1, 2007 through and including May 31, 2007, in the sum of \$15,885.00;
2. approving the reimbursement of Grant Thornton LLP's out-of-pocket expenses incurred in connection with the rendering of such professional services from February 1, 2007 through and including May 31, 2007, in the sum of \$1,500.00;
3. authorizing and directing the Debtors to pay compensation to Grant Thornton LLP in the amount of **\$6,115.40**, representing the total amounts for professional services rendered and disbursements incurred by Grant Thornton LLP during the period February 1, 2007 through and including May 31, 2007, *less* amounts that have been paid by the Debtors as of the date of this Application (described on page 2); and
4. granting such other and further relief as this Court may deem just and proper.

Dated: June 20, 2007

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