

**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
: :
: Related Docket No. 698
: :
: Hearing Date: 10/02/07 at 9:30 a.m.
: Objection Deadline: 09/28/07 at 4:00 p.m.
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**LIMITED OBJECTION OF THE CEP LIQUIDATING TRUST TO REQUEST OF TAX
COLLECTOR FOR TUSCALOOSA COUNTY, ALABAMA FOR PAYMENT OF AMENDED
ADMINISTRATIVE EXPENSES FOR THE AMENDED AMOUNT**

Shaun M. Martin, the Liquidating Trustee of the CEP Liquidating Trust and successor in interest to the above-captioned debtors (the “**Debtors**”), hereby files this objection (the “**Objection**”) to Request of Tax Collector for Tuscaloosa, Alabama for Payment of Amended Administrative Expenses for the Amended Amount (the “**Application**”). Pursuant to this Objection, the Liquidating Trustee requests that the Court enter an order denying the Application in part. In support of this Objection, the Liquidating Trustee respectfully represents as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this Objection pursuant to 28 U.S.C. §§ 157 and 1334 and Article 12.1(d) of the Plan (as such term is defined below). Consideration of this 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.

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

3. The statutory predicates for the relief requested herein are sections 105(a) and 502 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 3001 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

BACKGROUND

General Background

4. On September 20, 2006 (the “**Petition Date**”), each Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

5. By an Order entered on July 25, 2007 (Docket No. 661), the Court confirmed 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* (the “**Plan**”).

6. Pursuant to Article 8.1 of the Plan, the Liquidating Trustee has the right to object to administrative expense claims, including the Tuscaloosa Administrative Expense Request. See Plan at § 8.1.

The Tuscaloosa, Alabama Facility Sale

7. On October 4, 2006, the Debtors filed the Motion of the Debtors for Order (A) Granting Authority for the Sale of Assets pursuant to Section 363(b); (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection with such Sale and Determining and Adjudicating Cure Amounts with respect to such Contracts and Leases pursuant to Section 365; (C) Establishing Bidding Procedures; (D) Setting Date for Auction and Hearing on Approval of Sale of Assets; and (E) Approving Form of Notice (the “**Sale Motion**”) (Docket 103).

8. On October 26, 2006, this Court entered the Order (A) Establishing Bidding Procedures for the Debtors' Tuscaloosa, Alabama Sale Facility; (B) Setting Date for Auction and Hearing on Approval of Sale of such facility; and (C) Approving Form of Notice (the “**Tuscaloosa Sale Procedures Order**”) (Docket 191). The Tuscaloosa Sale Procedures Order

established the procedures to which the Debtors were authorized to sell their facility located in Tuscaloosa, Alabama (the “**Tuscaloosa Facility**”).

9. On December 14, 2006, this Court entered the Order (A) Granting Authority for the Sale of Assets (Tuscaloosa, AL Facility) pursuant to Section 363(b), and (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection with such Sale and Determining and Adjudicating Cure Amounts with Respect to such Contracts and Leases pursuant to Section 365 (the “**Tuscaloosa Sale Order**”) (Docket 282). Pursuant to the Tuscaloosa Sale Order, the Debtors were authorized to sell the Tuscaloosa Facility to Visteon Corporation (“**Visteon**”). A closing on the sale of the Tuscaloosa Facility to Visteon closed on December 19, 2006.

The Tuscaloosa Tax Collector Administrative Claim

10. On September 17, 2007, the Tax Collector for Tuscaloosa County, Alabama (“**Tuscaloosa Tax Collector**”) filed the Request for Payment of Amended Administrative Expenses for Amended Amount (the Application) (Docket 698). Pursuant to the Application, Tuscaloosa Tax Collector seeks allowance and payment of an ad valorem tax for equipment located at the Tuscaloosa Facility in the amount of \$26,727.32 (the “**Tuscaloosa Administrative Expense Request**”) for the taxable year of October 1, 2006 to September 30, 2007 (the “**Tuscaloosa Tax Year**”).

OBJECTION

11. The CEP Liquidating Trust does not generally dispute the Tuscaloosa Administrative Expense Request; however, the CEP Liquidating Trust submits that, by virtue of the closing on the sale of the Tuscaloosa Facility on December 19, 2006 to Visteon pursuant to the Tuscaloosa Sale Order, the Tuscaloosa Administrative Expense Request should be allowed in an amount that reflects the Debtors’ ratable ownership during the Tuscaloosa Tax Year.

12. As noted above, the Debtors closed on the sale of the Tuscaloosa Facility to Visteon on December 19, 2006. As such, the CEP Liquidating Trust submits that the Debtors’

ratable portion of the Tuscaloosa Administrative Expense Request should be set at 79/365th or \$5,784.82.

RESERVATION OF RIGHTS

13. The CEP Liquidating Trust reserves the right to object further to the Application on any and all additional factual and/or legal grounds. Without limiting the generality of the foregoing, the CEP Liquidating Trust specifically reserves the right to (i) amend this Objection, (ii) file additional papers in support of this Objection, (iii) file a subsequent objection on any ground or grounds to any part of the Application that are not disallowed in their entirety as requested herein and (iv) take other appropriate actions to (a) respond to any allegation or pleading that may be filed in response to this Objection by or on behalf of the Tuscaloosa Tax Collector or other interested parties, (b) further object to any claim for which the Tuscaloosa Tax Collator provides (or attempts to provide) additional documentation or substantiation or (c) further object to any claim based on any additional information that may be discovered upon further review by the CEP Liquidating Trust or through discovery pursuant to the applicable provisions of Part VII of the Bankruptcy Rules.

CONCLUSION

WHEREFORE, the CEP Liquidating Trust respectfully requests that the Court deny the Application in part, grant the Tuscaloosa Tax Collector an allowed administrative expense claim in the amount of \$5,784.82 and grant such other and further relief the Court may deem proper.

Dated: September 28, 2007

McGuireWoods LLP

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