

**IT IS SO ORDERED.**

**Dated: 04:41 PM December 19 2007**



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

IN RE: : Case No. 06-51848  
: (Jointly Administered)  
CEP HOLDINGS, LLC, et al.,<sup>1</sup> :  
: Chapter 11  
Debtors. :  
: Honorable Marilyn Shea-Stonum  
: United States Bankruptcy Judge  
: :  
: Related to Docket No. 697, 705, 709  
: and 712

**STIPULATION AND AGREED ORDER RESOLVING CLAIMS OF THE STATE OF MICHIGAN, DEPARTMENT OF TREASURY AND JAMES VAN TIEM**

The CEP Liquidating Trust, as successor in interest to the above-captioned debtors-in-possession, (the "Trust"), the State of Michigan, Department of Treasury ("Michigan") and James Van Tiem ("Van Tiem") hereby stipulate as follows:

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

## RECITALS

A. On September 20, 2006, the Debtors filed with this Court its voluntary petitions for relief under Chapter 11 of the Bankruptcy Code (the "Petition Date").

B. On October 30, 2006, Creative Engineered Polymer Products, LLC ("CEPP"), a predecessor in interest to the Trust, filed its Schedules of Assets and Liabilities (the "CEPP Schedules") (Docket 16 in Bankruptcy Case No. 06-51847). In the CEPP Schedules, CEPP scheduled the State of Michigan as holding a priority unsecured claim in an undetermined amount (the "Michigan Scheduled Claim"). CEPP identified the Michigan Scheduled Claim as claim "s1258."

C. On January 25, 2007, Michigan filed a proof of claim asserting a priority unsecured claim against CEP Holdings, LLC, a predecessor in interest to the Trust, in the amount of \$28,729.54 at Claim No. 467 (the "Michigan Filed Priority Claim").

D. On January 25, 2007, Michigan filed a proof of claim asserting a general unsecured claim against CEP Holdings, LLC, a predecessor in interest to the Trust, in the amount of \$4,095.75 at Claim No. 468 (the "Michigan Filed Unsecured Claim").

E. On September 14, 2007, Van Tiem filed the Request for Payment of Administrative Expense Claim to the State of Michigan Department of Treasury (the "Initial Van Tiem Administrative Expense Request") (Docket 697). In the Initial Van Tiem Administrative Expense Request, Van Tiem sought an order of the Bankruptcy Court allowing an administrative expense in the amount of \$55,002.42 pursuant to 11 U.S.C. § 503 asserting the Debtors failed to pay its 2006 Michigan Single Business Tax liability. Van Tiem submitted, as a former officer of the Debtors, that he was secondarily liable for the amounts asserted in the Initial Van Tiem Administrative Expense Request.

F. September 28, 2007, the Trust filed an objection to the Van Tiem Administrative Expense Request (the “Trust Objection”) (Docket 705).

G. On October 2, 2007, Van Tiem filed the Renewed Request for Payment of Administrative Expense Claim to the State of Michigan Department of Treasury (the “Renewed Van Tiem Administrative Expense Request” together with the Initial Van Tiem Administrative Expense Request, collectively the “Van Tiem Administrative Expense Request”) (Docket 705). In the Renewed Van Tiem Administrative Expense Request, Van Tiem sought the same relief asserted in the Initial Van Tiem Administrative Expense Request; however, Van Tiem asserted that the renewed nature of the Renewed Van Tiem Administrative Expense Request cured an objection raised in the Trust Objection.

H. The Trust, Michigan and Van Tiem have reconciled the Trust’s tax liabilities to Michigan and have agreed to the following treatment of the Michigan Scheduled Claim, the Michigan Filed Priority Claim, the Michigan Filed Unsecured Claim and the Van Tiem Administrative Expense Request under the terms set forth below.

### **STIPULATION**

I. The Trust, Michigan and Van Tiem agree the Michigan Scheduled Claim, the Michigan Filed Priority Claim, the Michigan Filed Unsecured Claim and the Van Tiem Administrative Expense Request shall be treated as follows:

- i. The Michigan Filed Priority Claim shall be allowed in the amount of \$31,444.21 as a priority unsecured claim.
- ii. The Michigan Filed Unsecured Claim shall be allowed in the amount of \$19,134.75 as a general unsecured claim.

- iii. The Van Tiem Administrative Expense Request shall be allowed in the amount of \$32,155.47 as an administrative expense.
- iv. The Michigan Scheduled Claim shall be disallowed in its entirety.
- v. Van Tiem will pay \$6,697.00 to Michigan.

J. Each person proposing this Stipulation represents that he or she has full authority and capacity to make the commitment contained in this Stipulation.

WHEREFORE, the Court finds that good cause exists for approving the settlement of the parties as contained in this Agreed Order.

IT IS, THEREFORE, ORDERED THAT:

1. The Michigan Scheduled Claim, the Michigan Filed Priority Claim, the Michigan Filed Unsecured Claim and the Van Tiem Administrative Expense Request are hereby allowed or disallowed as follows:

- i. The Michigan Filed Priority Claim shall be allowed in the amount of \$31,444.21 as a priority unsecured claim.
- ii. The Michigan Filed Unsecured Claim shall be allowed in the amount of \$19,134.75 as a general unsecured claim.
- iii. The Van Tiem Administrative Expense Request shall be allowed in the amount of \$32,155.47 as an administrative expense.
- iv. The Michigan Scheduled Claim shall be disallowed in its entirety.

2. Van Tiem shall pay Michigan \$6,697.00.

3. The amounts set forth in paragraphs 1 and 2 above represent the full and final obligation of the Trust to Michigan.

4. The amounts set forth in paragraphs 1 and 2 above also represent the full and final obligation of Van Tiem to Michigan. Upon payment of these amounts Michigan will waive the balance of any unpaid debt, based upon the tax returns and supporting

documentation supplied to Treasury through the date of this Order, against Van Tiem and any other responsible party.

5. To the extent Michigan applies any tax refund due Van Tiem against the obligation set forth in paragraph 2 above, Van Tiem's obligations under paragraph 2 above shall be reduced in the amount of such application.

**IT IS SO ORDERED.**

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Respectfully submitted by:

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