

IT IS SO ORDERED.

Dated: 11:11 AM September 27 2006



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.,<sup>1</sup> : (Jointly Administered)  
: :  
Debtors. : Chapter 11  
: :  
: Honorable Marilyn Shea-Stonum  
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**INTERIM AND PROPOSED FINAL ORDER, PURSUANT TO SECTION 366 OF THE BANKRUPTCY CODE: (A) PROHIBITING UTILITIES FROM ALTERING, REFUSING OR DISCONTINUING SERVICES TO, OR DISCRIMINATING AGAINST, THE DEBTORS ON ACCOUNT OF PREPETITION INVOICES; (B) DETERMINING THAT THE UTILITIES ARE ADEQUATELY ASSURED OF FUTURE PAYMENT; (C) ESTABLISHING PROCEDURES FOR DETERMINING REQUESTS FOR ADDITIONAL ASSURANCE; AND (D) PERMITTING UTILITY COMPANIES TO OPT OUT OF THE PROCEDURES ESTABLISHED HEREIN**

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

Upon the motion (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**”) in the above captioned cases (the “**Cases**”) for entry of interim and final orders pursuant to section 366 of the Bankruptcy Code: (a) prohibiting Utilities from altering, refusing or discontinuing services to, or discriminating against, the Debtors on account of prepetition invoices; (b) determining that the Utilities are adequately assured of future payment; (c) establishing procedures for determining requests for additional assurance; and (d) permitting Utility Companies to opt out of the procedures established therein; the Court having reviewed the Motion and having heard the statements of counsel in support of the relief requested therein at a hearing before the Court (the “**Hearing**”); and upon the Mallak Affidavit; and the Court having found and concluded that (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) this is a core proceeding, (iii) notice of the Motion was sufficient under the circumstances, and (iv) the legal and factual bases set forth in the Motion, the Mallak Affidavit, and at the Hearing establish just cause for the relief granted herein; and this Court having determined that granting the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors; and after due deliberation and sufficient cause appearing therefore;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Subject to the procedures described below, no Utility Company may (a) alter, refuse, terminate or discontinue utility services to, and/or discriminate against, the Debtors on the basis of the commencement of these Cases or on account of outstanding prepetition invoices or (b) require additional assurance of payment, other than the Proposed Adequate Assurance, as a

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

condition to the Debtors receiving such utility services pending the entry of a Final Order or this order becoming a Final Order as set forth in paragraph 13 below.

3. A Utility Company shall be entitled to an Adequate Assurance Deposit in the amount set forth on **Exhibit A** to the Motion, provided that: (a) it requests such deposit in writing no later than 30 days after the Petition Date (the “**Request Deadline**”) and sends such request to (i) CEP Holdings, LLC, 3560 W. Market Street, Suite 340, Akron, OH 44333 (Attn: Joseph Mallak) and (ii) Baker & Hostetler LLP, 3200 National City Center, 1900 East 9<sup>th</sup> Street, Cleveland, OH 44114-3485, (Attn: Joseph F. Hutchinson, Jr., Esq.); (b) such requesting Utility Company does not already hold a deposit equal to or greater than the Adequate Assurance Deposit (which existing deposit shall be deemed to be the Adequate Assurance Deposit); and (c) such requesting Utility Company is not currently paid in advance for its services.

4. A Utility Company’s request for, and acceptance of, an Adequate Assurance Deposit shall be deemed an acknowledgement and admission from the Utility Company that the Adequate Assurance Deposit is the form of adequate assurance that is satisfactory to it, within the meaning of section 366 of the Bankruptcy Code. Likewise, any Utility Company that does not request an Adequate Assurance Deposit by the Request Deadline and does not file a Procedures Objection to opt out of the Adequate Assurance Procedures (as described below), shall be deemed to have adequate assurance that is satisfactory to it, within the meaning of section 366 of the Bankruptcy Code. Any Adequate Assurance Deposit requested by, and provided to, any Utility Company pursuant to the procedures described herein shall be returned to the Debtors at the conclusion of these Cases, if not returned or applied earlier.

5. The following Adequate Assurance Procedures are approved in all respects:

- (a) Any Utility Company desiring assurance of future payment for utility service beyond the Proposed Adequate Assurance must serve an

Additional Assurance Request so that it is received by the Debtors by the Request Deadline at the following addresses: (i) CEP Holdings, LLC, 3560 W. Market Street, Suite 340, Akron, OH 44333 (Attn: Jospheh Mallak); and (ii) Baker & Hostetler LLP, 3200 National City Center, 1900 East 9<sup>th</sup> Street, Cleveland, OH 44114-3485, (Attn: Joseph F. Hutchinson, Jr., Esq.).

- (b) Any Additional Assurance Request must (i) be made in writing; (ii) set forth the location(s) for which utility services are provided and the relevant account number(s); (iii) describe any deposits, prepayments or other security currently held by the requesting Utility Company and (iv) explain why the requesting Utility Company believes the Proposed Adequate Assurance is not sufficient adequate assurance of future payment.
- (c) Upon the Debtors' receipt of an Additional Assurance Request at the addresses set forth above, the Debtors shall have the greater of (i) 14 days from the receipt of such Additional Assurance Request or (ii) 30 days from the Petition Date (collectively, the "**Resolution Period**") to negotiate with the requesting Utility Company to resolve its Additional Assurance Request. The Resolution Period may be extended by agreement of the Debtors and the applicable Utility Company.
- (d) The Debtors, in their discretion, may resolve any Additional Assurance Request by mutual agreement with the requesting Utility Company and without further order of the Court, and may, in connection with any such resolution, in their discretion, provide the requesting Utility Company with additional adequate assurance of future payment in a form satisfactory to the Utility Company, including, but not limited to, cash deposits, prepayments and/or other forms of security, if the Debtors believe such additional assurance is reasonable.
- (e) If the Debtors determine that an Additional Assurance Request is not reasonable, and are not able to resolve such request during the Resolution Period, the Debtors, during or immediately after the Resolution Period, will request a Determination Hearing, pursuant to section 366(c)(3)(A) of the Bankruptcy Code.
- (f) Pending the resolution of the Additional Assurance Request at a Determination Hearing, such particular Utility Company shall be restrained from discontinuing, altering or refusing service to the Debtors on account of unpaid charges for prepetition services or on account of any objections to the Proposed Adequate Assurance.
- (g) Other than through the Opt-Out Procedures, any Utility Company that does not comply with the Adequate Assurance Procedures shall be deemed to find the Proposed Adequate Assurance satisfactory to it and is

forbidden from discontinuing, altering or refusing service on account of any unpaid prepetition charges, or requiring additional assurance of payment (other than the Proposed Adequate Assurance).

6. The following Opt-Out Procedures are approved in all respects:
- (a) A Utility Company that desires to opt-out of the Adequate Assurance Procedures must file a Procedures Objection with the Court and serve such Procedures Objection so that it is *actually received* within 15 days of entry of the Interim Order by the Debtors at the following addresses: (i) CEP Holdings, LLC, 3560 W. Market Street, Suite 340, Akron, OH 44333 (Attn: Joseph Mallak); and (ii) Baker & Hostetler LLP, 3200 National City Center, 1900 East 9<sup>th</sup> Street, Cleveland, OH 44114-3485, (Attn: Joseph F. Hutchinson, Jr., Esq.).
  - (b) Any Procedures Objection must (i) be made in writing; (ii) set forth the location(s) for which utility services are provided and the relevant account number(s); (iii) describe any deposits, prepayments or other security currently held by the objecting Utility Company; (iv) explain why the objecting Utility Company believes the Proposed Adequate Assurance is not sufficient adequate assurance of future payment; and (v) identify, and explain the basis of, the Utility Company's proposed adequate assurance requirement under section 366(c)(2) of the Bankruptcy Code.
  - (c) The Debtors, in their discretion, may resolve any Procedures Objection by mutual agreement with the objecting Utility Company and without further order of the Court, and may, in connection with any such resolution and in their discretion, provide a Utility Company with additional adequate assurance of future payment, including, but not limited to, cash deposits, prepayments or other forms of security, if the Debtors believe such additional assurance is reasonable.
  - (d) If the Debtors determine that a Procedures Objection is not reasonable and are not able to reach a prompt alternative resolution with the objecting Utility Company, the Procedures Objection will be heard at the Final Hearing.
  - (e) Any Utility Company that does not timely file a Procedures Objection is deemed to consent to, and shall be bound by, the Adequate Assurance Procedures.

7. A Final Hearing to resolve any Procedures Objections shall be conducted on October 17, 2006 at 9:30 a.m., Eastern Time.

8. A Utility Company shall be deemed to have adequate assurance of payment under section 366 of the Bankruptcy Code unless and until: (a) the Debtors, in their discretion, agree to (i) an Adequate Assurance Request or (ii) an alternative assurance of payment with the Utility Company during the Resolution Period; or (b) this Court enters an order at the Final Hearing or any Determination Hearing requiring that additional adequate assurance of payment be provided.

9. The Debtors are authorized, in their sole discretion, to amend the Utility Service List to add or delete any Utility Company, and this Order shall apply to any such Utility Company that is subsequently added to the Utility Service List. Nothing herein constitutes a finding that any entity is or is not a Utility Company hereunder or under section 366 of the Bankruptcy Code, whether or not such entity is listed on the Utility Service List.

10. The Debtors shall serve a copy of this Order on each Utility Company listed on the Utility Service List within two business days of the date this Order is entered, and shall also serve this Order on each Utility Company subsequently added by the Debtors to the Utility Service List.

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

12. The requirement pursuant to Local Bankruptcy Rule 9013-1(a) that the Debtors file a memorandum of law in support of the Motion is hereby waived.

13. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry. This Interim Order shall be deemed to be the Final Order with respect to any Utility Company that does not file a timely Procedures Objection as described herein.

14. Notwithstanding anything to the contrary, the terms of this Order shall be subject to the terms of the Emergency Order Authorizing Debtors To: (A) Use Cash Collateral on an Emergency Basis; (B) Incur Postpetition Debt on an Emergency Basis; (C) Grant Adequate Protection and Provide Security and Other Relief to Wachovia Capital Finance Corporation (Central; and (D) Grant Certain Related Relief (the “**Emergency Financial Order**”), the “Final Hearing Order” (as defined in the Emergency Order) and all amendments, modifications and supplements to the Emergency Financing Order and Final Hearing Order with WCFC’s consent, as the same are in effect from time to time.

IT IS SO ORDERED.

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Respectfully submitted by:

Joseph F. Hutchinson, Jr.

Joseph F. Hutchinson, Jr. (0018210)  
Thomas M. Wearsch (0078403)  
Eric R. Goodman (0076035)  
BAKER & HOSTETLER LLP  
3200 National City Center  
1900 East 9th Street  
Cleveland, Ohio 44114-3485  
Phone: 216.621.0200  
Fax: 216.696.0740

*Proposed counsel for the Debtors*