

IT IS SO ORDERED.

Dated: 03:44 PM August 28 2008



**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.,¹ :
: Chapter 11
Debtors. :
: Honorable Marilyn Shea-Stonum
: United States Bankruptcy Judge
:

**STIPULATION AND AGREED ORDER RESOLVING CLAIMS OF OHIO BUREAU OF
WORKERS' COMPENSATION [S1294, S1306, 646, 647] AND ESTABLISHING
RESERVE FOR OHIO DEPARTMENT OF TAXATION [S1264, S1297, 500]**

The CEP Liquidating Trust, as successor in interest to the above-captioned debtors-in-possession, (the "Trust"), Ohio Bureau of Workers' Compensation ("Ohio BWC") and Ohio Department of Taxation ("Ohio Tax"), hereby stipulate as follows:

RECITALS

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

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

2. Ohio BWC filed, or the Debtors scheduled, the following claims against the Debtors (the “Ohio BWC Claims”):

- i. Claim No. 646 – General unsecured claim \$50,868.10 against CEP Holdings, LLC, et al. (“Claim 646”).
- ii. Claim No. 647 — Priority unsecured claim \$1,082,851.07 against CEP Holdings, LLC, et al. (“Claim 647”).
- iii. S1294 – Priority unsecured claim listed as “Unknown” against Creative Engineered Polymer Products, LLC (“Claim S1294”).
- iv. S1306 – Priority unsecured claim listed as “Unknown” against Thermoplastics Acquisition, LLC (“Claim S1306”).

3. Ohio Tax filed, or the Debtors scheduled, the following claims against the Debtors (the “Ohio Tax Claims”):

- i. Claim No. 500 – Priority unsecured claim \$491,478.79 against Creative Engineered Polymer Products, LLC (“Claim 500”).
- ii. S1264 – Priority unsecured claim listed as “Unknown” against Creative Engineered Polymer Products, LLC (“Claim S1264”).
- iii. S1297 – Priority unsecured claim listed as “Unknown” against Thermoplastics Acquisition, LLC (“Claim S1297”).

4. The Trust, as successor to the Debtors, has raised certain objections to the Ohio BWC Claims and the Ohio Tax Claims.

5. The Trust, Ohio BWC and Ohio Tax have reviewed the Ohio BWC Claims and the Ohio Tax Claims and have agreed to the following treatment of the Ohio BWC Claims and the Ohio Tax Claims under the terms set forth below.

STIPULATION

6. The Trust and Ohio BWC agree to the following:

- i. Claim 646 shall be disallowed in its entirety.

- ii. Claim 647 shall be allowed in a reduced amount included in the claim stated below in paragraph 7.
- iii. Claim S1294 shall be disallowed in its entirety.
- iv. Claim S1306 shall be disallowed in its entirety.

7. Ohio BWC shall have an allowed priority unsecured claim under 11 U.S.C. §507(a)(8)(E) in the amount of \$198,649.41.

8. The Trust and Ohio Tax agree that the Ohio Tax Claims are subject to a bona fide dispute, which cannot be resolved at this time. The Trust and Ohio Tax agree that in the event the Trust performs a distribution to its beneficiaries, the Trust must reserve not less than \$491,478.79 on account of the Ohio Tax Claims (the "Ohio Tax Reserve"). The Trust and Ohio Tax further agree that the Ohio Tax Reserve may, or may not, be reserved against the Trust's entire distribution or the anticipated distribution solely to Carlisle Engineered Products Inc.

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

IT IS, THEREFORE, ORDERED THAT:

- 1. The terms of the stipulation set forth above are hereby granted as if more fully set forth herein.
- 2. For the purposes of clarity, Ohio BWC's allowed claims against the Trust are limited to an allowed, priority unsecured claim in the amount of \$198,649.41.
- 3. The Trust is hereby authorized to establish the Ohio Tax Reserve in a manner consistent with the above stipulation.

IT IS SO ORDERED.

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Respectfully submitted by:

/s/ Mark E. Freedlander

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STIPULATED AND AGREED TO BY:

/s/ Mark Freedlander

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