

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

IN RE: §  
§ Case No: 06-51848 (Jointly Administered)  
CEP Holdings, LLC, et al. §  
§ Chapter 11  
Debtors.<sup>1</sup> §  
§ Judge Marilyn Shea-Stonam

**OBJECTION TO AND MOTION FOR EXTENSION OF TIME TO FULLY RESPOND TO EMERGENCY MOTION OF DEBTORS AND DEBTORS-IN-POSSESSION, PURSUANT TO SECTIONS 362, 363, AND 364 OF THE BANKRUPTCY CODE, AND BANKRUPTCY RULES 4001(B) AND (C), FOR INTERIM AND FINAL ORDERS (I) AUTHORIZING DEBTORS TO INCUR POST-PETITION SECURED INDEBTEDNESS, (II) GRANTING SECURITY INTEREST AND PRIORITY CLAIMS, (III) GRANTING ADEQUATE PROTECTION; (IV) MODIFYING AUTOMATIC STAY, AND (V) SETTING FINAL HEARING AND FOR DEBTORS TO CONTINUE TO MANUFACTURE PARTS FOR HONDA**

Honda of America Mfg, Inc. and Honda of South Carolina Mfg, Inc. (collectively referred to herein as “Honda”), by and through its counsel, hereby files this objection and further seeks an extension of time to fully respond to the Emergency Motion of Debtors and Debtors-in-possession, pursuant to Sections 362, 363 and 364 of the Bankruptcy Code, and Bankruptcy Rules 4001(B) and (C) for Interim and Final Orders (i) Authorizing Debtors to Incur Post-Petition Secured Indebtedness, (ii) Granting Security Interest and Priority Claims, (iii) Granting Adequate Protection; (iv) Modifying Automatic Stay, and (v) Setting Final Hearing (“Motion”). Honda further seeks an order of an extension of time requiring Debtors to continue to manufacture parts for Honda.

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

A Memorandum in Support is attached hereto.

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## MEMORANDUM IN SUPPORT

The basis for this Objection and Motion for Extension of Time is that Honda has not been given adequate time to review the Motion (Docket No. 22) nor adequate information to make an informed decision by October 2, 2006 as to whether or not it should become an Assisting Customer,<sup>2</sup> as required by the Emergency Order signed by the Court with respect to the Motion. Because of this lack of information Honda submits that it should not be penalized and that the Debtors should be required to continue to manufacture parts for Honda.

The Chapter 11 Debtors filed their bankruptcy petitions on Wednesday, September 20, 2006. No notice was given to Honda of this filing. On the same day, Debtors also filed certain first day motions, including the Motion referenced above. No timely notice of the Motion was given to Honda. A hearing was scheduled for the first day motions on Friday, September 22, 2006. The original bankruptcy petitions were filed before Judge Kendig in the United States Bankruptcy Court for the Northern District of Ohio (Canton). On September 21, 2006, Judge Kendig entered an order reassigning the Debtors' case to the United States Bankruptcy Court for the Northern District (Akron). The hearings on the first day motions were held before Judge Shea-Stonam on September 22, 2006, and apparently continued on September 25, 2006.

At the time when the hearings on the first day motions were held, Honda had not yet received service of the first day motions. Honda first received the first day motions by ordinary mail delivery on September 25, 2006. Pursuant to the Emergency Order that was filed September 25, 2006 and entered on September 26, 2006, this Court determined that it was not in

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<sup>2</sup> The capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Emergency Order (Docket No. 66).

a position to make certain affirmative findings of fact. However, this Court accepted the proposed Emergency Order attached to the Motion as the binding agreement of the signatories thereto and set a deadline of October 2, 2006 for certain parties to respond on whether to become an “Assisting Customer.” As stated above, Honda had not yet seen the Motion nor had a chance to respond to said Motion.

Pursuant to the Emergency Order entered by the Court, it was ordered that the Debtors shall not use cash collateral, post-petition debt or cash infusions to manufacture parts for customers representing the Debtors’ top 22 customers by sales revenue for the first six months of 2006, other than the Participating Customers, unless such other customers become Assisting Customers as provided in paragraph 11 of Exhibit 1. This Court further ordered that the Emergency Order be promptly served by the Debtors on all such customers immediately upon entry. Pursuant to the Emergency Order, any such customers, such as Honda were given the right to object to this provision of the Order on or before October 2, 2006. After learning of the Emergency Order, Honda initiated contact with the Debtors in order to determine what “funding” was required in order to avoid cessation of the production of Honda parts by the Debtors.<sup>3</sup>

Only after Honda initiated requests to the Debtors, and after the Debtors’ representatives professed “surprise” that they needed to give customers some backup data that their funding demands were justified, did Honda receive information from the Debtors pertaining to the production and sales figures. This first level of data was received by Honda after 3 p.m. on September 27, 2006. Honda then immediately requested additional information (partly because the data supplied by the Debtors was incomplete and largely unhelpful) relevant to whether the

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<sup>3</sup> While not directly relevant to the extension issue, the announced intent of the Debtors to breach their obligations to Honda on such short notice, without complying with the mandatory provisions of Section 365 of the Bankruptcy Code and without any apparent analysis of the consequences of such a breach on the bankruptcy estate, is highly irregular.

“funding” demand was supportable. The second level of information was orally communicated to Honda in the afternoon of September 28, 2006 (over a week after the filing of bankruptcy, and six days after the hearing on the Emergency Order). Honda, with a threatened shutdown of its production now only two business days away, communicated both orally and in writing to the Debtors, and the Participating Customers, on September 29, 2006, requesting consideration of a Honda counter-proposal on the Assisting Customer issue.

As of 4:00 p.m. on October 2, 2006, almost three full days after receiving the Honda counter-proposal, and the deadline day for production to cease, Honda has not heard from all the several necessary parties that there is, or there is not, an agreement to continue Honda production after October 2, 2006. In light of the foregoing, Honda submits and respectfully requests that it be provided an extension of time until Friday, October 6, 2006, to fully respond to the Motion and Emergency Order, without prejudice to further extension. At this point, Honda does not yet have enough information or response from the Debtors to file an objection with specific numbers nor to determine whether it should become an Assisting Customer on terms acceptable to it.<sup>4</sup>

Further, Honda submits and respectfully requests that an order be entered requiring Debtors to continue to supply parts to Honda. Because of the above described lack of information and response of the Debtors, Honda submits that it should not be penalized and that the Debtors should be required to continue to manufacture parts for Honda. Honda has made good faith attempts to acquire information in a timely manner and to submit a counter-proposal to the Debtors. Honda is currently waiting to receive a response and additional information from

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<sup>4</sup> Further, in reviewing the docket of this Court, it appears that the Unofficial Unsecured Creditors Committee has filed a motion to convert the case to a Chapter 7 (Pleading No. 40). Honda has not yet had the opportunity to review said motion and/or to determine its impact upon the Motion and Emergency Order.

those Debtors and should not be required to make a decision without the information required.

Based upon the foregoing, Honda hereby objects to the Motion and submits and respectfully requests, that it be provided an extension of time until Friday, October 6, 2006 to fully respond to the Motion and Emergency Order. Honda further submits and respectfully requests that the Debtors be ordered to require Debtors to continue to manufacture and supply parts to Honda.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the foregoing was served upon the parties listed below by e-mail and regular first class U.S. Mail, postage prepaid, this 2<sup>nd</sup> day of October 2006:

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