

EXHIBIT A

HUTCHINSON DECLARATION

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

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In re: :
: Case No. 06-61796
CEP HOLDINGS, LLC, et al.,¹ : (Jointly Administered)
: :
Debtors. : Chapter 11
: :
: Honorable Russ Kendig
----- X

**DECLARATION OF JOSEPH F. HUTCHINSON, JR.
IN SUPPORT OF APPLICATION FOR ORDER AUTHORIZING
DEBTORS TO EMPLOY AND RETAIN BAKER & HOSTETLER, LLP AS
GENERAL BANKRUPTCY COUNSEL EFFECTIVE AS OF THE PETITION DATE**

JOSEPH F. HUTCHINSON, JR. hereby declares under penalty of perjury:

1. I am a partner of Baker & Hostetler, LLP (“**Baker**”), and an attorney duly admitted to practice law in the State of Ohio and in the United States Supreme Court, the Sixth Circuit Court of Appeals and the United States District Court for the Northern District of Ohio. This declaration is submitted in support of the application (the “**Application**”)² for an order authorizing retention of Baker as general bankruptcy counsel 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 Chapter 11 cases (the “**Cases**”) effective as of the Petition Date. Except as otherwise indicated, I have personal knowledge of the matters set forth herein and, if called as a witness, would testify competently thereto.³

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

² Capitalized terms not otherwise defined herein shall have the meanings given them in the Application.

³ Certain of the disclosures set forth herein relate to matters within the knowledge of other attorneys at Baker and are based on information provided by them.

I. Qualification of Professionals

2. Baker maintains offices at 3200 National City Center, 1900 East 9th Street, Cleveland, OH 44114-3485, and maintains other offices in Cincinnati, Columbus, Costa Mesa, Denver, Houston, Los Angeles, New York, Orlando and Washington, D.C.

3. Baker possesses the requisite experience and expertise to manage complex bankruptcy and debt reorganization problems and procedures, including the vast spectrum of corporate, healthcare, tax-exempt finance, litigation, real estate, employee benefits, tax, labor, regulatory, and other legal matters that arise in the reorganization process. Baker has previously represented other debtors in large bankruptcy cases, including numerous automotive cases, and has extensive experience with respect to the restructuring, financing and divestiture of assets and going concerns both inside and outside of bankruptcy.

4. Moreover, Baker is extremely familiar with the Debtors' businesses, financial affairs, and the circumstances surrounding the Debtors' Chapter 11 filings. In March 2006, attorneys from Baker's bankruptcy and financial restructuring practice became extensively involved in the Debtors' representation. Due to its prior representation of the Debtors and the knowledge of the Debtors' affairs gained therefrom, Baker is uniquely situated to represent the Debtors in these cases.

5. Baker believes it has assembled a highly-qualified team of attorneys to service the Debtors during their reorganization efforts. I am a member of the Firm's restructuring group, a unit of the Firm's corporate department. I will coordinate the firm's representation of the Debtors in these Cases. I have more than 30 years of experience in complex reorganization cases. I am a member in good standing of the Bar of the State of Ohio and am admitted to practice before the United States Supreme Court, the Sixth Circuit Court of Appeals and the United States District Courts for the Northern District of Ohio.

6. Due to its work during the prepetition period, Baker has become familiar with the Debtors' capital structure, financing documents, and other material agreements. Additionally, Baker is familiar with the Debtors' business affairs and many of the potential legal issues that may arise in the context of the Debtors' Cases. I believe that Baker is well positioned to provide the Debtors with the type of legal services they will require as debtors in possession.

II. Services to be Rendered

7. The employment of Baker is necessary to assist the Debtors in executing faithfully their duties as debtors in possession and implementing the reorganization of the Debtors' financial affairs. Subject to further order of this Court, the professional services that Baker may render to the Debtors as their general bankruptcy and special corporate counsel, as the Debtors may request from time to time, include, without limitation:

- (a) advising the Debtors with respect to their powers and duties as debtors in possession in the continued operation of their businesses;
- (b) advising the Debtors with respect to all general bankruptcy matters;
- (c) preparing on behalf of the Debtors all necessary motions, applications, answers, orders, reports, and papers in connection with the administration of their estates;
- (d) representing the Debtors at all critical hearings on matters relating to their affairs and interests as debtors in possession before this Court, any appellate courts, and the United States Supreme Court, and protecting the interests of the Debtors;
- (e) prosecuting and defending litigated matters that may arise during these Cases, including such matters as may be necessary for the protection of the Debtors' rights, the preservation of estate assets, or the Debtors' successful reorganization;
- (f) preparing and filing the disclosure statement and negotiating, presenting and implementing a plan of reorganization;

- (g) negotiating and seeking approval of a sale of some or all of the Debtors' assets should such be in the best interests of the Debtors' estates;
- (h) negotiating appropriate transactions and preparing any necessary documentation related thereto;
- (i) representing the Debtors on matters relating to the assumption or rejection of executory contracts and unexpired leases;
- (j) advising the Debtors with respect to special corporate, securities, real estate, litigation, environmental, labor, regulatory, tax, healthcare and other legal matters which may arise during the pendency of these Cases; and
- (k) performing all other legal services that are necessary for the efficient and economic administration of these Cases.

8. Subject to the Court's approval of the Application, Baker is willing to serve as the Debtors' counsel and to perform the services described above. Baker will work with the Debtors to efficiently utilize professionals in these Cases.

III. Professional Compensation

9. The Debtors' retention of Baker is evidenced by an engagement agreement dated March 31, 2006 (the "**Engagement Agreement**"), which provides for the Debtors' representation by Baker in connection with the Debtors' efforts to restructure their businesses. The Engagement Agreement is included as *Exhibit 1* to this Declaration. Pursuant to the terms of the Engagement Agreement, Baker received a retainer payment of \$75,000 (as replenished from time to time pursuant to the Engagement Agreement, the "**Retainer**"). The Retainer is an "evergreen" retainer which means the Retainer was to be replenished on a weekly basis by the Debtors. Pursuant to the terms of the Engagement Agreement, the Retainer was increased to \$125,000 on August 24, 2006 in contemplation of the filing of these Cases.

10. Prior to the Petition Date, Baker received the following evergreen payments to replenish the Retainer:

<u>Replenishment Amount</u>	<u>Replenishment Date</u>
\$48,450.00	4/12/06
\$20,422.82	4/28/06
\$35,339.00	5/4/06
\$19,939.28	5/9/06
\$21,985.00	5/18/06
\$23,220.73	6/8/06
\$26,881.41	7/6/06
\$28,104.71	7/26/06
\$26,030.81	7/28/06
\$14,336.25	8/8/06
\$14,746.43	8/18/06
\$28,900.86	8/22/06
\$66,393.60	8/28/06
\$35,505.53	9/1/06
\$12,399.31	9/13/06

\$34,203.05	9/14/06
\$35,490.69	9/19/06
Total = \$492,351.48	

11. As of the Petition Date, Baker estimates that the Retainer is approximately \$125,000.00. Baker intends to seek authority from this Court to apply the Retainer to any outstanding fees and disbursements that accrued prior to the Petition Date. Baker will request that any remainder in the Retainer be applied to compensation granted by this Court by final order.

12. Baker's fees for professional services are based upon its standard hourly rates, which are periodically adjusted. The Debtors, subject to Court approval in accordance with section 330(a) of the Bankruptcy Code, applicable Bankruptcy Rules, and the orders and Local Bankruptcy Rules of this Court, propose to pay Baker its customary hourly rates in effect from time to time as set forth in this Declaration, plus reimbursement of actual, necessary expenses incurred by Baker in the course of the representation. The Debtors are advised that the hourly rates set forth below are subject to periodic increases in the normal course of the firm's business, often due to increased experience of a particular professional. Baker will give prior notice to the Debtors of any such periodic increases.

13. The Debtors anticipate that the following Baker attorneys and staff persons will assist the Debtors in these jointly administered Chapter 11 cases:

Attorney	Fee (per hour)
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Joseph F. Hutchinson, Jr.	\$450.00 ⁴
Jeffrey Baddeley	\$440.00
Michael VanNeil	\$250.00
Thomas M. Wearsch	\$235.00
Eric R. Goodman	\$225.00
Timothy J. Richards	\$190.00
Sarah Maxwell	\$130.00

14. These are Baker's hourly rates for work of this nature and are subject to periodic adjustments to reflect economic and other conditions; provided, however, Baker will give the Debtors advance notice of any rate increases. The Debtors understand that other attorneys and paralegals may serve the Debtors at similar rates from time to time in connection with these Cases.

15. Consistent with the firm's policy with respect to its other clients, Baker will continue to charge the Debtors for all other services provided and for other charges and disbursements incurred in the rendition of services. These charges and disbursements include, among other things, costs for telephone charges, photocopying, travel, business meals, computerized research, messengers, couriers, postage, witness fees, and other fees related to trials and hearings. Charges and disbursements are invoiced pursuant to Baker's terms of engagement and will comply with the United States Trustee's guidelines for fees and disbursements for professionals in Northern District of Ohio bankruptcy cases. Baker will charge \$0.10 per page for photocopies.

16. Baker intends to apply to the Court for allowance of compensation for professional services and reimbursement of expenses incurred in these Cases in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the orders and Local Bankruptcy Rules of this Court.

⁴ My normal hourly rate presently is \$500.00/hour. Baker has voluntarily agreed to provide services to the Debtors at the discounted rate of \$450.00/hour through 2006.

17. Baker has agreed to accept as compensation such sums as may be allowed by the Court on the basis of the professional time spent, the rates charged for such services, the necessity of such services to the administration of the estates, the reasonableness of the time within which the services were performed in relation to the results achieved, and the complexity, importance, and nature of the problems, issues, or tasks addressed in these cases.

18. Neither I, nor Baker, nor any partner or associate thereof has received or been promised any compensation for legal services rendered or to be rendered in any capacity in connection with the Debtors' Chapter 11 cases other than as permitted by the Bankruptcy Code.

19. Baker has not agreed to share compensation received in connection with these cases with any other person, except as permitted by section 504(b) of the Bankruptcy Code and Bankruptcy Rule 2016 in respect of the sharing of compensation among members of Baker.

IV. Disinterestedness of Professionals

20. To the best of my knowledge, and except as otherwise set forth herein, the partners, counsel, and associates of Baker (a) do not have any connection with the Debtors, their affiliates, their creditors, any other party in interest, their respective attorneys and accountants, the United States Trustee or any person employed in the Office of the United States Trustee; (b) are "disinterested persons" as that term is defined in section 101(14) of the Bankruptcy Code; and, (c) do not hold or represent any interest adverse to the estates.

21. Baker has undertaken a detailed database and electronic search to determine, and to disclose, whether it represents or has represented any significant creditors, insiders of the Debtors and other parties-in-interest. In connection with its proposed retention by the Debtors in these Cases, Baker conducted a search of its client database to determine whether it had any relationships with any of the Interested Parties. To the extent that this review has indicated that

Baker represents or has previously represented any of the foregoing persons or entities in matters unrelated to these Cases, such persons and entities are identified in *Exhibit 2* attached hereto.

22. Prior to the Petition Date, Baker represented the Debtors as outside counsel, including in connection with corporate matters, the stabilization of their operations, and the restructuring of their debts. The Debtors do not owe any amounts to Baker for the legal services performed or expenses incurred prior to the Petition Date. Baker does not represent and generally has not represented any entity, other than the Debtors, in matters related to the Debtors and these Chapter 11 cases. However, Baker represents or has represented certain creditors and other parties with interests in the Debtors' Cases on matters wholly unrelated to the Debtors and these Cases.

23. Prior to the Petition Date, Baker represented Container Concepts, Inc., a subsidiary of Hamlin Holdings, in certain labor and employment matters. R. Mark Hamlin, who holds a controlling interest in CEP Holdings, LLC, was part owner of Container Concepts, Inc. during the period when Baker represented Container Concepts, Inc. Further, prior to the Petition Date, Baker represented The Reserve Group on certain labor and employment matters. Mr. Hamlin holds a controlling interest in The Reserve Group.

24. Baker does not and has not represented Wachovia Capital Finance Corporation (Central) (“**WCFC**”). Baker currently or formerly represents the following affiliates (the “**Wachovia Affiliates**”) of WCFC:

- (a) Wachovia Bank of Delaware, N.A.;
- (b) Wachovia Bank, N.A.;
- (c) Wachovia Corp.;
- (d) Wachovia Securities, LLC;
- (e) Wachovia Small Business Capital; and

(f) Professional Direct Agency, Inc.

Fees generated by Baker's representation of the Wachovia Affiliates in the last year constitute less than 0.7% of Baker's projected total revenues for fiscal year 2006. Baker's representation of the Wachovia Affiliates constitutes a *de minimis* amount of Baker's total revenues for fiscal year 2006.

25. To the best of the my knowledge, information and belief, and based upon the database search described above, Baker neither represents nor holds any interest materially adverse to the interests of the estates or any class of creditors or equity security holders by reason of any relationship or connections with or interest in the Debtors or any of their creditors or any party in interest in these cases, and is therefore "disinterested" as such term is defined in section 101(14) of the Bankruptcy Code. Baker has no present connections with the United States Trustee in these Chapter 11 cases or any person employed in the office of the United States Trustee. Except as otherwise set forth herein, and based upon the database search described above, Baker is not aware of its representation of any other entity that is a creditor of the Debtors.

26. To the best of my knowledge, information and belief, Baker and all counsel, partners and associates thereof as far as I have been able to ascertain:

- (a) are not creditors of the Debtors; and
- (b) are not and were not, within two (2) years of the Petition Date, a director, officer or employee of the Debtors.

27. Accordingly, to the best of my knowledge, Baker is a "disinterested person" as such term is defined in section 101(14) of the Bankruptcy Code as modified by section 1107(b) of the Bankruptcy Code.

28. Baker, however, has in excess of 600 attorneys and has a broad national and international practice. Consequently, although every reasonable effort has been made to discover and disclose any connections Baker may have with any party in interest in these cases, including the efforts outlined above, Baker is unable to state with certainty that every client or entity affiliated with a client has been disclosed. Baker is conducting a continuing inquiry into any matters which would affect the firm's disinterested status, and I will file promptly a supplemental Declaration setting forth the results of that inquiry, if additional disclosure is required.

29. Baker will conduct a continuing inquiry to ascertain whether there exists any situation that would affect Baker's status as a "disinterested person." Baker will file supplemental Declarations with this Court at such times as additional disclosure is required. I declare under penalty of perjury that the foregoing is true.

To the best of my knowledge and belief, I declare that the foregoing is true and correct under penalty of perjury as provided for by 28 U.S.C. § 1746.

Date: September 20, 2006
Cleveland, Ohio

/s Joseph F. Hutchinson, Jr.

Joseph F. Hutchinson, Jr.

EXHIBIT 1

ENGAGEMENT AGREEMENT

Baker Hostetler

Baker & Hostetler LLP

3200 National City Center
1900 East 9th Street
Cleveland, OH 44114-3485

T 216.621.0200
F 216.896.0740
www.bakerlaw.com

Joseph F. Hutchinson Jr.
direct dial: 216.861.7701
jhutchinson@bakerlaw.com

March 31, 2006

VIA FACSIMILE 330-665-2906

Joseph Mallak, President
CEP Holdings, LLC
3560 W. Market Street
Fairlawn, OH 44333

Re: Engagement of Baker & Hostetler

Dear Joe:

We are pleased that CEP Holdings, LLC; Creative Engineered Polymer Products, LLC and Thermoplastics Acquisition, LLC (the "Companies") have decided to engage Baker & Hostetler LLP ("Baker" or the "Firm") to assist in the Companies' restructuring efforts. We value the relationships we build with our clients and believe that it will be mutually beneficial to have a clear understanding of our engagement. This letter sets forth the terms on which Baker will be retained going forward.

Scope of the Engagement. You have requested our representation in connection with your restructuring efforts and, if necessary to prepare for and represent the Companies in bankruptcy proceedings. You have not requested that we perform any other services or functions or assume any other responsibilities.

Conflict of Interest Review. For the purpose of checking whether there exists any conflict of interest with respect to this engagement, we have searched our conflict of interest database under the following:

CEP Holdings, LLC
Creative Engineered Polymer Products, LLC
Thermoplastics Acquisition, LLC

We will assume that the above listing is accurate and complete unless you otherwise advise us. We also request that you notify us promptly if any additional searches are required because of any change in your circumstances.

Professional Services and Fees. Our professional fees for legal services will be determined by the amount of time our attorneys and paralegals spend on this engagement and based on their applicable hourly rates in effect at the time our invoices are rendered.

Expenses and Other Charges. In addition to fees for our professional services, there may be charges for expenses which we incur (e.g., filing fees, long distance telephone and travel) and for other charges in connection with our engagement (e.g., copying, computerized legal research and faxes). Expenses incurred will be billed at our cost (which in some cases may be estimated). Other charges will be billed at amounts which reflect the value of the service or industry practice. Further detail regarding these expenses and other charges will be furnished upon request.

Invoices and Payments. It is customary in restructuring matters for us to receive a reasonable retainer as security for the services to be rendered and expenses to be incurred in the future.

Given the size and complexity of the Companies' affairs, we have requested, and you have agreed, that the Companies will make an initial payment in the amount of \$75,000 (the "Initial Retainer"), as an initial retainer for professional services to be rendered and any expenses to be incurred by us on the Companies' behalf. In the event that it appears reasonably certain that the Companies will commence bankruptcy proceedings under title 11 of the United States Code, the Companies will make an additional payment in the amount of \$75,000 (the "Supplemental Retainer" and, together with the Initial Retainer, the "Retainer") for professional services and expenses on the Companies' behalf in preparation for the bankruptcy filing.

The Companies also agree to replenish the Retainer from time to time during the course of the engagement in such amounts as we mutually shall agree are reasonably necessary to maintain the Retainer at a level sufficient to pay Baker's fees, charges and disbursements incurred during the time periods covered by the Retainer.

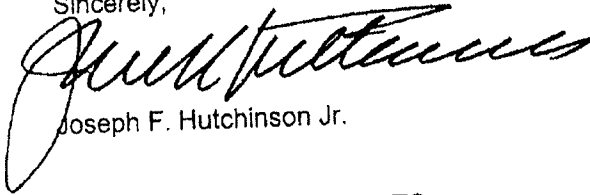
In the future, Baker will invoice the Companies weekly, each Monday, for services rendered and expenses incurred. Upon transmittal of the invoice, the Firm will draw upon the Retainer (as replenished from time to time) in the amount of the invoice. The Companies agree upon submission of each such invoice to wire the invoice amount to us on or before Friday, each week, as replenishment of the Retainer, subject to the Companies' right to advise us of any differences it may have with respect to such invoice. We have the right to apply to any outstanding future invoice for work and disbursements up to the remaining balance of the Retainer (as replenished from time to time), subject to the Companies' opportunity to review our statements.

Acceptance of Engagement. If the terms of engagement described above are acceptable to you, please sign the enclosed copy and return it to me. Upon our receipt of the executed copy, we will be pleased to commence our engagement. Unless terminated earlier by you or us, this engagement will end when we have completed the work described in the Scope of Engagement paragraph above.

If you have any questions or comments, please do not hesitate to contact me.

We look forward to assisting the Companies in their restructuring efforts.

Sincerely,



Joseph F. Hutchinson Jr.

ACCEPTED AND AGREED TO:

CEP Holdings, LLC

By: 

Name: Joseph M. Mallik

Title: CEO

Date: 4/11/06

Creative Engineered Polymer Products, LLC

By: 

Name: Joseph M. Mallik

Title: CEO

Date: 4/11/06

Thermoplastics Acquisition, LLC

By: 

Name: Joseph M. Mallik

Title: CEO

Date: 4/11/06

EXHIBIT 2

CONNECTIONS OF BAKER & HOSTETLER LLP

EXHIBIT 2

**Relationship Between Baker & Hostetler LLP and
Significant Creditors of the Debtors**

Name	Relationship with Debtors	Relationship with Baker & Hostetler
Advantage Services, Inc.	Among the largest creditors of one or more of the Debtors.	Client of Baker & Hostetler LLP on matters wholly unrelated to the Debtors.
A Schulman	Among the largest creditors of one or more of the Debtors.	Former client of Baker & Hostetler LLP on matters wholly unrelated to the Debtors.
BASF Corporation	Among the largest creditors of one or more of the Debtors.	Former client of Baker & Hostetler LLP on matters wholly unrelated to the Debtors.
Chase Bank	Among the largest creditors of one or more of the Debtors.	Client of Baker & Hostetler LLP on matters wholly unrelated to the Debtors.
Delphi Corporation	Among the largest customers of one or more of the Debtors.	Former client of Baker & Hostetler LLP on matters wholly unrelated to the Debtors.
Dow Corning	Among the largest creditors of one or more of the Debtors.	On information and belief, this entity is an affiliate of Corning Incorporated, a client of Baker & Hostetler on matters wholly unrelated to the Debtors.
E.I. DuPont De Nemours & Co.	Among the largest creditors of one or more of the Debtors.	Former client of Baker & Hostetler LLP on matters wholly unrelated to the Debtors.
General Motors Corporation	Among the largest customers of one or more of the Debtors.	On information and belief, this entity is an affiliate of GMAC Insurance Holdings, Inc., a client of Baker & Hostetler on matters wholly unrelated to the Debtors.

GE Polymerland	Among the largest creditors of one or more of the Debtors.	On information and belief, this entity is an affiliate of General Electric Company, a client of Baker & Hostetler on matters wholly unrelated to the Debtors.
Honda Trading America	Among the largest creditors of one or more of the Debtors.	On information and belief, this entity is an affiliate of Honda of America Manuf., Inc. and Honda North America, Inc., clients of Baker & Hostetler on matters wholly unrelated to the Debtors.
IBM	Among the largest creditors of one or more of the Debtors.	Client of Baker & Hostetler LLP on matters wholly unrelated to the Debtors.
Lanxess Corp.	Among the largest creditors of one or more of the Debtors.	On information and belief, this entity is an affiliate of Bayer Corporation, a client of Baker & Hostetler on matters wholly unrelated to the Debtors.
Nissan	Among the largest customers of one or more of the Debtors.	On information and belief, this entity is an affiliate of Nissan North America, Inc., a client of Baker & Hostetler on matters wholly unrelated to the Debtors.
Parker Hannifin	Among the largest creditors of one or more of the Debtors.	Former client of Baker & Hostetler LLP on matters wholly unrelated to the Debtors.
State of Ohio	Interested party to the Debtors' bankruptcy cases.	Baker & Hostetler LLP represents the State of Ohio on matters wholly unrelated to the Debtors.
Visteon	Among the largest customers of one or more of the Debtors.	On information and belief, this entity is an affiliate of Visteon Technologies, LLC, a client of Baker & Hostetler on matters wholly unrelated to the Debtors.