

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

In re:	:	
	:	Chapter 11
CEP HOLDINGS, INC. AND COLON END PARENTHESIS TRUST, LLC,	:	
	:	Case No. 07-71810-JEM
	:	
Debtors.	:	Jointly Administered

SUMMARY DISCLOSURE STATEMENT TO DEBTORS' PLAN OF LIQUIDATION

On June 16, 2010, CEP Holdings, Inc. and Colon End Parenthesis Trust, LLC (the "**Debtors**"), filed their *First Amended Plan of Liquidation*, as hereinafter modified or amended (the "**Plan**"), in their Chapter 11 bankruptcy cases pending before the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division (the "**Court**").

PLEASE TAKE NOTICE THAT in order to minimize the financial burden on the Debtors' Estates and to maximize distributions to creditors, the Court approved this Summary Disclosure Statement (the "**Summary Disclosure Statement**") on June 21, 2010, as a means of providing creditors with the access to "adequate information" necessary to make an informed vote on Debtors' Plan. **THIS SUMMARY DISCLOSURE STATEMENT IS NOT THE FULL DISCLOSURE STATEMENT**,¹ and is not intended to replace the full Disclosure Statement. Rather, this Summary Disclosure Statement is intended to provide creditors of the Debtors with information to enable them to access the electronically published Plan and accompanying full Disclosure Statement (the "**Full Disclosure Statement**"), which Full Disclosure Statement was approved by the Court on June 21, 2010 pursuant to the requirements of section 1125 of the Bankruptcy Code. **NEITHER THIS SUMMARY DISCLOSURE STATEMENT NOR THE FULL DISCLOSURE STATEMENT HAVE BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED THEREIN.**

THE DEBTORS' FULL DISCLOSURE STATEMENT AND PLAN CAN BE FOUND AND ACCESSED FOR FREE AT: WWW.WFPERKINSFORCEP.COM

The Full Disclosure Statement and Plan set forth, among other things, the Debtors' history and proposed treatment of the various holders of Claims against or Interests in the Debtors' Estate. **ALL CREDITORS ARE ADVISED AND ENCOURAGED TO READ THE FULL DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.**

IF YOU CANNOT ACCESS THE INTERNET OR OTHERWISE CANNOT OBTAIN THE FULL DISCLOSURE STATEMENT AND/OR PLAN AT THE WEB ADDRESS PROVIDED ABOVE, YOU MAY REQUEST THAT A PAPER COPY OF THE FULL DISCLOSURE STATEMENT AND PLAN BE MAILED TO YOU AT NO EXPENSE TO YOU BY SUBMITTING A WRITTEN REQUEST TO:

W.G. HAYS & ASSOCIATES, LLC
100 Colony Square, Suite 780
1175 Peachtree Street, Atlanta, GA 30361

Background on Debtors. From May 2006 to July 2007, the Debtors operated three websites: colonendparenthesis.com ("**CEP.com**"), coastin88.com ("**Coastin88**"), and CEPcoast.com ("**CEPcoast**") (together, the "**Websites**"). Participants in the CEP.com program would transfer funds to CEP.com in return for the promise that they would receive profits of 2% per day. The Coastin88 and CEPcoast websites purported to allow participants

¹ Capitalized terms herein not otherwise defined have the same meaning as in the Full Disclosure Statement and Plan.

to earn high rates of return by purchasing “Ad-Packs,” submitting websites for advertisements and then reviewing and rating at least 15 websites per day.

On July 9, 2007, the Securities and Exchange Commission filed its Complaint for Injunctive and Other Relief in the United States District Court for the Eastern District of North Carolina, Raleigh Division (the “**District Court**”), commencing the lawsuit styled *S.E.C. v. CEP Holdings, Inc., d/b/a colonendparenthesis.net, Trevor Reed, Clayton Kimbrell and Colon End Parenthesis Trust, LLC*, Case No. 5:07-cv-00256-BO which accused the defendants of engaging in alleged fraudulent and unregistered offerings of securities.

On July 10, 2007, the District Court entered an order, which, among other things, appointed William F. Perkins (an accountant who specializes in investigating fraudulent financial activity) as Receiver over the Debtors’ assets. The defendants consented to the District Court order and the Websites were shut down. The defendants’ authority over the business ceased and Mr. Perkins became the authorized representative for the Debtors. As Receiver, Mr. Perkins has conducted a thorough investigation of the financial affairs of the Debtors.

On July 27, 2007, the Receiver caused the Debtors each to file a voluntary petition for relief under the United States Bankruptcy Code. Since the Petition Date, the Receiver filed more than eighty adversary proceedings, alleging that certain transfers made prior to the Petition Date by the Debtors were recoverable as fraudulent transfers or preferences. On May 22, 2008, the Court entered its order finding that the Debtors were, in fact, operating a Ponzi scheme (the “**Ponzi Order**”). After the Ponzi Order, the Receiver entered into settlements with or obtained judgments against individuals who were the recipients of the fraudulent transfers in order to reclaim assets of the estates for distribution to creditors. The litigation was prolonged and made more expensive due to the lack of cooperation on the part of Debtors’ former principals (Trevor Reed, Clayton Kimbrell and Chris Barany all asserted their Fifth Amendment privilege against self incrimination and would not answer questions under oath) and the resistance of many defendants to engage in settlement negotiations until shortly before their cases were set for trial.

Summary of the Plan. Subject to the information in the Full Disclosure Statement, the Plan provides for the treatment of creditors consistent with the priorities found in the Bankruptcy Code. As of May 31, 2010, the Receiver for the Debtors was holding approximately \$555,000 of cash and judgments against individuals for approximately \$2,830,000 (the “**Judgments**”). First to be paid from those proceeds are Administrative Claims, those being reasonable, actual and necessary costs of preserving the bankruptcy estate; second, priority claims, such as tax claims; and third, general unsecured creditors whose claims arose prior to the bankruptcy filing, such as vendor and landlord claims and those who participated in Debtors’ programs to the extent they transferred more cash to the Debtors from their bank accounts or third party payment processors than they were paid by the Debtors (“**General Unsecured Creditors**”). After payment of Administrative and Priority Claims, the Receiver for the Debtors estimates that under the Plan, there will be between \$400,000 to \$450,000 plus what he can collect on the Judgments to distribute to General Unsecured Creditors. The Receiver estimates that the distribution to General Unsecured Creditors will take place approximately 90 days after the Plan is confirmed. Due to the cost of making a distribution, no distribution checks of less than \$10.00 will be mailed. If distribution checks are not negotiated within 90 days after mailing, the claimant will lose his or her right to participate in that distribution and future distributions, if any, and that money will be used to pay unpaid professional fees.

As further set forth in the Full Disclosure Statement, the Receiver believes the only alternative to the Plan is to convert these cases from Chapter 11 to Chapter 7. The Receiver does not believe that alternative will produce as good as a result for creditors because of the increased costs and delays that would be associated with proceeding in Chapter 7: a Chapter 7 trustee will be appointed and not only will he or she be entitled to a commission on what is distributed, but the Chapter 7 trustee will have to retain professionals to do the same work the Receiver has already undertaken or can finish more quickly and less expensively because of his familiarity with the Debtors.

The Receiver for the Debtors recommends that all creditors vote in favor of the Plan.

CEP HOLDINGS, INC. AND COLON END
PARENTHESIS TRUST, LLC

BY: /s/ William F. Perkins
William F. Perkins, their Receiver

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

In re: :
: **Chapter 11**

CEP HOLDINGS, INC. AND COLON END :
PARENTHESIS TRUST, LLC, : **Case No. 07-71810-JEM**

Debtors. : **Jointly Administered**

**BALLOT FOR ACCEPTING OR REJECTING DEBTORS' FIRST AMENDED PLAN OF
LIQUIDATION¹**

IF YOU WISH TO VOTE ON THE DEBTORS' FIRST AMENDED PLAN OF LIQUIDATION DATED JUNE 16, 2010 (THE "PLAN"), YOU MUST COMPLETE AND RETURN THIS BALLOT SO THAT IT IS DELIVERED NO LATER THAN AUGUST 9, 2010 TO THE FOLLOWING ADDRESS:

W.G. HAYS & ASSOCIATES, LLC
100 Colony Square, Suite 780
1175 Peachtree Street, Atlanta, GA 30361

The Plan referred to in this ballot can be confirmed by the Court and thereby made binding upon you if it is accepted by the holders of two-thirds in amount and more than one-half in number of the claims in each class voting on the Plan. In the event the requisite acceptances are not obtained, the Court may nevertheless confirm the Plan if the Court finds that the Plan accords fair and equitable treatment to the class or classes rejecting it and otherwise satisfies the requirements of §1129(b) of the Bankruptcy Code.

Any ballots received which do not indicate either acceptance or rejection of the Plan or that indicate both acceptance and rejection of the Plan will not be counted.

The undersigned certifies that it is the holder of a Class 2² Claim against the Debtor in the total amount of \$_____ (this amount is for voting purposes and will not effect the Allowed amount of your Claim).

ACCEPTS **REJECTS** **[CHECK ONE BOX]** **the Plan.**

Claimant's Name: _____

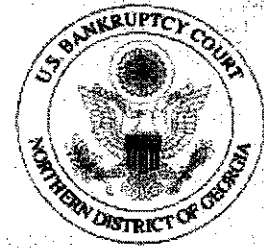
CEP TRUST ACCOUNT #: _____

Address _____

Claimant's Signature: _____

¹ Capitalized terms not otherwise defined herein shall have the meanings given to them in the Plan. A copy of the Plan and accompanying Disclosure Statement is available at www.wfperkinsforcecp.com.

²Class 2 consists of Claims of Participants in Debtors' Programs. Class 1 consists of Claims of general unsecured creditors who were not Participants in Debtors' Programs.



IT IS ORDERED as set forth below:

Date: June 18, 2010

James E. Massey
James E. Massey
U.S. Bankruptcy Court Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

In re:)	
)	
CEP Holdings, Inc. and Colon End)	Chapter 11
Parenthesis Trust, LLC,)	Judge Massey
)	Case No. 07-71810
)	
Debtors.)	Jointly Administered
)	

ORDER APPROVING FIRST AMENDED DISCLOSURE STATEMENT TO FIRST AMENDED PLAN OF LIQUIDATION AND NOTICE OF CONFIRMATION HEARING AND DEADLINES FOR BALLOTS AND OBJECTIONS TO CONFIRMATION

This matter came on for hearing on June 17, 2010, on Debtors' Motion for Entry of Order (A) Approving Disclosure Statement and (B) Solicitation Procedures [Docket No. 263] (the "Motion"). Debtors filed their First Amended Disclosure Statement [Docket No. 277] (the "Amended Disclosure Statement") and First Amended Plan of Liquidation [Docket No. 276] (the "Amended Plan") on June 16, 2010. It appearing that due and adequate notice of the hearing on the Motion has been provided, for good cause shown, the Court finds that the Amended Disclosure Statement contains adequate information as required by 11 U.S.C. §1125.

Accordingly, it is hereby ORDERED and NOTICE IS HEREBY GIVEN as follows:

1. Pursuant to 11 U.S.C. §1125 and Federal Rules of Bankruptcy Procedure 2002 and 3017, the Amended Disclosure Statement is approved;

2. The Debtors are authorized to make non-substantive conforming changes to the Amended Plan and the Amended Disclosure Statement prior to solicitation;

3. The Debtors are authorized, pursuant to 11 U.S.C. §1125(b) and the Order entered approving the solicitation procedures set forth in the Motion (the "Solicitation Order"), to serve the Summary Disclosure Statement, Amended Disclosure Statement, Amended Plan, and related documents, in the manner provided for in the Solicitation Order, to certain known holders of Claims against and Interests in the Debtors and to solicit acceptances of the Amended Plan from Holders of Claims against and interests in the Debtors that are impaired under the Amended Plan, and is directed to file a certificate of service showing service of such documents within five (5) business days from entry of this Order;

4. All Ballots accepting or rejecting the Amended Plan must be received by **5:00 p.m. (Eastern Time) on August 9, 2010**, (the "Voting Deadline") at the following address:

William G. Hays & Associates, LLC
100 Colony Square, Suite 780
1175 Peachtree Street, N.E.
Atlanta, GA 30361

5. A hearing to consider confirmation of the Amended Plan (the "Confirmation Hearing"), will be held on **August 16, 2010 at 10:00 a.m.** in Courtroom 1404, U.S. Courthouse, 75 Spring Street, S.W., Atlanta, Georgia;

6. All objections, if any, to the confirmation of the Amended Plan shall (i) be in writing and state the name of the objector, its interest in this Chapter 11 case, and, if applicable, the amount and nature of its claim or interest, as well as state with particularity the nature of the objection and the legal basis therefore, and (ii) be filed with the Court (Clerk, U.S. Bankruptcy Court, Room 1340, U.S. Courthouse, 75 Spring Street, SW, Atlanta, GA 30303) and served in a manner so as to be received by the parties listed below, together with proof of service, **no later than 5:00 p.m. (Eastern) on August 9, 2010** (the "Plan Objection Deadline"). A copy of any responses and/or objections must be served upon counsel for Debtors, James R. Sacca, Esq., Greenberg Traurig, LLP, 3290 Northside Parkway, Suite 400, Atlanta, Georgia 30327;

End of Document

Prepared and presented by:

/s/ James R. Sacca

James R. Sacca, Georgia Bar No. 2685
John D. Elrod, Georgia Bar No. 2259
Greenberg Traurig, LLP
3290 Northside Parkway, Suite 400
Atlanta, Georgia 30327
(678) 553-2100
Counsel for the Debtors

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In re:	:	
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Debtors.	:	Jointly Administered
	:	

**NOTICE OF DEADLINE REQUIRING FILING OF PROOFS OF CLAIM
ON OR BEFORE JULY 30, 2010**

**TO ALL PERSONS AND ENTITIES WITH CLAIMS AGAINST ANY OF THE ABOVE- CAPTIONED
DEBTOR ENTITIES:**

PLEASE TAKE NOTICE THAT on June 21, 2010, the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division (the “**Bankruptcy Court**”) entered an order (the “**Bar Date Order**”) establishing July 30, 2010 (the “**Bar Date**”), as the last date and time for each person or entity (including individuals, partnerships, corporation, joint ventures, trusts and governmental units) to file a proof of claim against CEP Holdings, Inc. and Colon End Parenthesis Trust, LLC (the “**Debtors**”).

PLEASE TAKE FURTHER NOTICE THAT the Bar Date and the procedures set forth below for the filing of proofs of claim apply to all claims against the Debtors that arose on or prior to July 27, 2007 (the “**Petition Date**”), the date on which the Debtors commenced cases under chapter 11 the United States Bankruptcy Code (the “**Bankruptcy Code**”).

1. WHO MUST FILE A PROOF OF CLAIM

You should only file a proof of claim if you disagree with the amount of your claim on the Proposed Allowed Claim List that can be found at www.wfperkinsforcep.com or if your claim is not on that list. If you agree with the amount of your claim listed on the Proposed Claim List, the filing of a proof of claim will not enable you to receive more or be paid sooner. If you file a claim for more than the amount on the Proposed Claim List, you should attach evidence of the amount of cash you transferred to Debtors from your bank or third party payment processor and the amount of cash you received from Debtor; otherwise, you should expect that the Debtors, through the Receiver, will object to your claim. Claims must be filed prior to the Bar Date. In addition, you should not indicate your claim is a “priority” claim unless it satisfies the requirements for such a claim under Section 507 of the Bankruptcy Code; otherwise, you should expect the Debtors, through the Receiver, to object to your claim. Any proof of claim previously properly filed with the Court prior to the mailing of this notice shall be deemed to be and shall be treated as a properly filed claim subject to the right of the Debtors or any party in interest to object to the allowance thereof.

2. WHAT TO FILE

All proofs of claim must be signed by the individual to whom service of any papers relating to such claim shall be directed. It must be written in English and be denominated in lawful currency of the United States as of the Petition Date. You should attach to your completed proof of claim any documents on which the claim is based. Your proof of claim should conform substantially with the proof of claim form available at www.wfperkinsforcep.com. **If you cannot access the internet to obtain a copy of the proof of claim form, you may request that a copy be mailed at no expense by contacting the CEP Claims Processing Center at the address and phone number below.**

