

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

Case No. 09-11233

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In the Matter of:

CHEMTURA CORPORATION,

Debtors.

- - - - -x

United States Bankruptcy Court  
One Bowling Green  
New York, New York

April 1, 2009  
10:06 AM

B E F O R E:

HON. ROBERT E. GERBER  
U.S. BANKRUPTCY JUDGE

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Hearing re: Debtors' Motion for Entry of an Order Granting an Extension of Time to File Schedules and Statements

Hearing re: Debtors' Motion for Entry of an Order Authorizing the Debtors to (A) Prepare a List of Creditors in Lieu of Submitting a Formatted Mailing Matrix, (B) File a Consolidated List of the Debtors' 50 Largest Unsecured Creditors and (C) Mail Initial Notices

Hearing re: Debtors' Motion for Entry of an Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals

Hearing re: Debtors' Motion for Entry of an Order Establishing Notification and Hearing Procedures for Transfers of Certain Common Stock and for Related Relief

Hearing re: Debtors' Motion for Entry of an Order Determining Adequate Assurance of Payment for Future Utility Services

Transcribed by: Hana Copperman

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UNITED STATES DEPARTMENT OF JUSTICE

U.S. Attorney's Office  
Southern District of New York  
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BY: MATTHEW SCHWARTZ, ESQ.  
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UNITED STATES DEPARTMENT OF JUSTICE

Office of the United States Trustee  
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BY: GREG M. ZIPES, ESQ.

## P R O C E E D I N G S

1  
2 THE COURT: Chemtura. Ms. Labovitz, I didn't expect  
3 to see you in this courtroom so soon.

4 MS. LABOVITZ: Your Honor, when last I was here I  
5 told you I was at heart a debtor's attorney.

6 THE COURT: Okay. I do want to get the appearances  
7 from the other folks in the case.

8 MR. GOLDEN: Good morning, Your Honor.

9 THE COURT: Mr. Golden.

10 MR. GOLDEN: Daniel Golden, Akin Gump Strauss Hauer &  
11 Feld, proposed counsel for the official creditors' committee.

12 THE COURT: Fair enough.

13 MR. DEL VIRGINIA: Good morning, Your Honor. Please,  
14 Gabriel Del Virginia on behalf of Hess Corporation.

15 THE COURT: Okay. Anybody else appearing today?

16 MR. SCHWARTZ: Matthew Schwartz and Brian Morgan --

17 MR. BLOOMBERG: Noah Bloomberg --

18 THE COURT: Just a minute, please. Would the caller  
19 on the telephone wait until the folks in my courtroom have had  
20 a chance to speak?

21 MR. SCHWARTZ: Matthew Schwartz and Brian Morgan from  
22 the U.S. Attorney's Office on behalf of the United States of  
23 America.

24 THE COURT: Okay. You're the civil division of U.S.  
25 Attorney's Office?

1 MR. SCHWARTZ: Yes.

2 THE COURT: Okay. Forgive me, Mr. Schwartz. Your  
3 colleague's name, again?

4 MR. SCHWARTZ: Brian Morgan.

5 THE COURT: Morgan. Okay. Thank you.

6 MS. FRIZZLEY: Jill Frizzley of Shearman & Sterling  
7 on behalf of the DIP lenders.

8 THE COURT: I couldn't hear you. Would you come  
9 closer to a mike, please?

10 MS. FRIZZLEY: Jill Frizzley from Shearman & Sterling  
11 on behalf of the Citibank and the DIP lenders.

12 THE COURT: Right. Anybody else?

13 MR. SCHARTZ: Brian Schartz of Kirkland & Ellis.

14 THE COURT: Folks, I need to remind you that not only  
15 can't I hear you if you don't come close to a mike but it won't  
16 be recorded.

17 MR. SCHARTZ: Brian Schartz from Kirkland & Ellis on  
18 behalf of the debtors.

19 THE COURT: Your last name again?

20 MR. SCHARTZ: S-C-H-A-R-T-Z.

21 THE COURT: Schartz?

22 MR. SCHARTZ: Yes.

23 THE COURT: Okay.

24 MR. SCHNABEL: Good morning, Your Honor.

25 Eric Lopez Schnabel on behalf of Entergy.

1 THE COURT: All right, Mr. Schnabel. Okay. Folks,  
2 obviously you first appeared before Judge Gonzalez on this  
3 matter in my absence. My understanding is that before me  
4 today, aside from some very, very innocuous motions I have an  
5 NOL motion and a utility motion. Is that correct,  
6 Ms. Labovitz?

7 MS. LABOVITZ: That's correct, Your Honor. I think  
8 there may also have been some appearances on the phone. I  
9 don't know if we wanted to take those.

10 THE COURT: Good thinking. I had forgotten that.  
11 May I get the phone appearances now, please?

12 MR. BLOOMBERG: Yes, Your Honor. I apologize for  
13 interrupting before. My name is Noah Bloomberg on behalf of  
14 Bandag, Incorporated.

15 THE COURT: Right. Okay, Mr. Bloomberg. Anyone  
16 else? Okay. Ms. Labovitz, I would suggest that you or one of  
17 your associates take care of the plain vanilla stuff first.  
18 Then do NOLs and then give me an update on the utility motion,  
19 and, if need be, you or the other utility lawyer or lawyers can  
20 tell me if there are any open issues.

21 MS. LABOVITZ: I'm happy to do that, Your Honor. I  
22 think I can quickly go through the procedural motions as well.  
23 I'll take care of that. First, I'd like to say it's nice to  
24 see you in this first hearing in these cases before you, Judge  
25 Gerber. We appreciated Judge Gonzalez's time on the first day

1 and --

2 THE COURT: As did I.

3 MS. LABOVITZ: -- and particularly appreciated his  
4 resolution of issues regarding the DIP financing. The debtors  
5 have made good use of that financing and have gotten their  
6 supply chain mostly up and running. I think we'll hear more  
7 about that at the final hearing that's scheduled on the DIP and  
8 other substantive first day motions.

9 THE COURT: Do you remember what date has now been  
10 set for the final DIP?

11 MS. LABOVITZ: The final DIP is currently set for  
12 April 14th.

13 THE COURT: You said currently. There's a  
14 possibility you may want to massage that date?

15 MS. LABOVITZ: Yes. I should note that the  
16 creditors' committee has requested of the debtors that we  
17 consider extending that or adjourning that hearing to allow for  
18 more time to explore alternate financing possibilities, and the  
19 debtors are considering that request.

20 THE COURT: All right. Forgive me. I interrupted  
21 you. Go ahead.

22 MS. LABOVITZ: That's all right. Your Honor, it's  
23 not the typical first day hearing, so if you have any questions  
24 about the case or where we are or how we got here I'm happy to  
25 answer them, but if not I'll follow your lead and just go right

1 into --

2 THE COURT: I read your 1007-2.

3 MS. LABOVITZ: Okay.

4 THE COURT: So I'm not wholly ignorant on this  
5 matter.

6 MS. LABOVITZ: Fantastic. Thank you, Your Honor. In  
7 that case --

8 THE COURT: And I read the motion papers on the NOL  
9 and on the utilities in anticipation of the possibility you  
10 might not resolve everything.

11 MS. LABOVITZ: Thank you, Your Honor. Happily, we  
12 did. Moving through the procedural motions first, the first  
13 listed on our agenda is the motion for entry of an order  
14 granting an extension of time to file schedules and statements  
15 of financial affairs. Your Honor, we had originally considered  
16 requesting a sixty day extension in addition to the fifteen  
17 days provided by the Bankruptcy Code. At the request of the  
18 U.S. Trustee's Office we've only asked for a thirty day  
19 extension of time at the outset of these cases.

20 THE COURT: Without prejudice to everyone's rights  
21 for another one.

22 MS. LABOVITZ: Exactly. And, Your Honor, I do  
23 believe that we will be seeking a further extension, but we  
24 would do that in consultation with the creditors' committee and  
25 the U.S. Trustee.

1 THE COURT: Right. Everybody read my mind on that.  
2 I prefer to do those in smaller doses. However, if it's fully  
3 consensual you can do it on a notice of presentment so nobody  
4 has to show up.

5 MS. LABOVITZ: Thank you, Your Honor. As it stands  
6 the request before the Court today is for an extension of  
7 thirty days through May 2, 2009.

8 THE COURT: Sure.

9 MS. LABOVITZ: There are no objections, I believe.  
10 Your Honor, should we hold orders and submit them to Ms. Blum  
11 after the hearing?

12 THE COURT: Once more you're reading my mind.

13 MS. LABOVITZ: Thank you, Judge. The next motion on  
14 the agenda is the motion for an order authorizing us to have  
15 our notice and claims agent, KCC, whose retention was approved  
16 by Judge Gonzalez, to maintain our creditors' list in  
17 electronic form rather than filing a matrix with the clerk, to  
18 file a consolidated top fifty list of creditors, rather than  
19 individual lists of the top twenty creditors for each debtor,  
20 and to have KCC mail the notices of the Chapter 11 filing  
21 rather than taxing the clerk's office with that mailing. I  
22 believe there are no objections to that, and, in fact, the U.S.  
23 Trustee has already successfully used the consolidated top  
24 fifty list to form a creditors' committee.

25 THE COURT: Conceptually that's no problem with me.

1 Normally we look to the parties to just coordinate with the  
2 clerk's office, Vito Genna's folks, to make sure no balls fall  
3 between the outfielders and that everything is satisfactory in  
4 form. Are you a step ahead of me on that?

5 MS. LABOVITZ: We have done that, Your Honor,  
6 coordinated with the clerk's office.

7 THE COURT: Okay. Then include that amongst the  
8 orders that are put before me for signature.

9 MS. LABOVITZ: Thank you, Your Honor. We will do  
10 that. The next motion before the Court is a motion for entry  
11 of an order establishing interim compensation procedures for  
12 when we get professionals retained, which is not until the next  
13 hearing, but this just establishes procedures for compensation.  
14 This motion follows the form prescribed by this Court in  
15 allowing professionals to submit monthly fee statements  
16 pursuant to a notice and objection procedure and allowing for  
17 professionals to be paid eighty percent of fees and one hundred  
18 percent of expenses on a monthly basis subject to filing fee  
19 applications every 120 days.

20 THE COURT: And I assume you did it in the usual form  
21 that covers committee professionals as well.

22 MS. LABOVITZ: We did, Your Honor.

23 THE COURT: Fair enough. And am I correct that I  
24 have no objections?

25 MS. LABOVITZ: No objections, and I believe the U.S.

1 Trustee has reviewed the form.

2 THE COURT: Mr. Zipes?

3 MR. ZIPES: We have no objections, Your Honor.

4 THE COURT: Fair enough. Granted.

5 MS. LABOVITZ: That brings us, Your Honor, to the  
6 motion regarding NOLs. I believe there are no objections. We  
7 have conferred with proposed counsel to the creditors'  
8 committee with respect to this motion, and they had made some  
9 informal requests that we have accommodated, specifically that  
10 the creditors' committee receive certain notices. With that,  
11 though, Judge, I can lay out what it is that we're seeking.

12 THE COURT: I don't think I need you to do that,  
13 Ms. Labovitz. As I said, I've read the papers. Refresh my  
14 recollection. Have I entered the case management order in this  
15 case?

16 MS. LABOVITZ: You have, Your Honor.

17 THE COURT: Okay. So to save money in this case and  
18 to put more money into the pockets of creditors I'm not going  
19 to make people repeat things that are said in their papers, and  
20 factual statements in papers are going to be taken as true  
21 unless they're controverted. Mr. Golden, do you want to be  
22 heard in any way on the NOLs?

23 MR. GOLDEN: No, Your Honor. We have, as  
24 Ms. Labovitz said, we have reviewed the motion. We concur with  
25 the relief being sought. We did make some informal requests in

1 terms of notification. Those requests have been accommodated,  
2 and, therefore, the committee supports the motion.

3 THE COURT: Fair enough. Mr. Golden's thoughts have  
4 already been incorporated into the order that will be put  
5 before me.

6 MS. LABOVITZ: They have been, Your Honor.

7 THE COURT: Okay. That motion is granted.

8 MS. LABOVITZ: Thank you, Judge.

9 THE COURT: 366?

10 MS. LABOVITZ: That's the last one before us. And,  
11 Judge, I am happy to report that we have resolved the two  
12 objections that were filed and three informal objections. The  
13 motion itself is relatively standard. True to Your Honor's  
14 suggestion I will not repeat the relief that the debtors are  
15 requesting.

16 THE COURT: Right. And I'm not going to ask you to  
17 describe in open Court what the arrangements were with the  
18 complaining utilities, but I want the final resolution  
19 submitted. Of course, I assume you've already told your  
20 creditors' committee and your secured lender group. I do want  
21 the details of the arrangement with each utility to be proved  
22 to me, but they can be submitted in camera.

23 MS. LABOVITZ: Okay. Thank you, Your Honor. I think  
24 today we can put the arrangements in open Court because it's  
25 really just a deferral of the resolution of one issue.

1 THE COURT: Okay. I also thought I saw Mr. Golden  
2 thinking about speaking. If you want to be heard --

3 MR. GOLDEN: I just think that there may have been a  
4 misimpression. The two objections have not been resolved.  
5 They've been adjourned. And so I didn't want the Court to  
6 think that there had been a resolution of those objections.

7 THE COURT: No, I appreciate that, Mr. Golden,  
8 because, as you can guess, I had a different understanding.

9 MR. GOLDEN: Right.

10 THE COURT: We may be going beyond the thirty day  
11 anniversary of this case. Do I have a commitment from the two  
12 utilities that nobody's turning off the lights while you get  
13 this thing resolved?

14 MS. LABOVITZ: We have the commitments we need.  
15 Perhaps it'll help if I explain it briefly. One of the  
16 objections that was filed was a limited objection by a party to  
17 a forward contract asking --

18 THE COURT: Right.

19 MS. LABOVITZ: -- to be removed.

20 THE COURT: They said they weren't a utility.

21 MS. LABOVITZ: Right. And that we have resolved. We  
22 have removed that party and three other parties who raised  
23 informal objections from the utilities list, and we'll address  
24 those as contracts going forward. The one objection by a  
25 utility was that of Entergy, who's represented in the courtroom

1 today. Mr. Golden is correct. We have resolved that objection  
2 for purposes of this motion, but there remains a potential  
3 dispute between the parties with regard to the amount of  
4 adequate assurance that needs to be provided pursuant to  
5 Section 366. That dispute, the parties would request, be heard  
6 by evidentiary hearing on April 14th if it can't be resolved  
7 earlier. And, Judge, we will try to resolve it. The thirty  
8 day anniversary of the filing of the cases is April 17th, so we  
9 believe that gives us ample time to come back before the Court  
10 if we can't resolve our issues before anyone would turn out the  
11 lights.

12 THE COURT: Okay. Anything else? Mr. Schnabel? You  
13 bent there. You want to be heard on that? Anything she said  
14 you disagree with?

15 MR. SCHNABEL: No, Your Honor.

16 THE COURT: Okay. That's fine. It looks like you  
17 packed two things on April 14th now, Ms. Labovitz. If the  
18 final DIP is not consensual I'm going to need you and the other  
19 folks to satisfy yourselves that it can all be done in a single  
20 day. Evidentiary hearings typically take a lot more time than  
21 argument on strictly law or exercises of discretion.

22 MS. LABOVITZ: We appreciate the point, Your Honor.

23 THE COURT: Okay. All right. Anything else in  
24 Chemtura? Anybody? All right. Thank you very much, folks.

25 ALL: Thank you.

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(Proceedings concluded at 10:19 a.m.)

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RULINGS

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for an Extension of Time  
to File Schedules and  
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Granting of Motion re        13        7  
Listing of Creditors and  
Mailing of Initial Notices

Granting of Motion            14        4  
for Establishing  
Procedures for Interim  
Compensation and  
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Expenses

Granting of NOL Motion       15        7

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C E R T I F I C A T I O N

I, Hana Copperman, certify that the foregoing transcript is a true and accurate record of the proceedings.

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HANA COPPERMAN

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Date: April 3, 2009