

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

Case No. 09-11233-reg

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In the Matter of:

CHEMTURA CORPORATION,

Debtor.

- - - - -x

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

May 28, 2009

9:35 AM

B E F O R E:

HON. ROBERT E. GERBER

U.S. BANKRUPTCY JUDGE

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HEARING re Debtors' Motion to Reject Certain Unexpired Lease of
Non-Residential Real Property Located in Suwanee, Georgia,
Pursuant to Section 365(a) of the Bankruptcy Code.

Transcribed by: Clara Rubin

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A P P E A R A N C E S :

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BY: ASHLEIGH L. BLAYLOCK, ESQ.

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P R O C E E D I N G S

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THE COURT: Chemtura.

MS. BLAYLOCK: Good morning, Your Honor. Ashleigh Blaylock from Kirkland & Ellis on behalf of the debtors.

THE COURT: That was Blaylock?

MS. BLAYLOCK: Blaylock.

THE COURT: Yes. Good morning, Ms. Blaylock.

MS. BLAYLOCK: Good morning. Judge, we appreciate the Court making time in its calendar to hear us this morning. We have only one item on the docket which is uncontested and one additional matter that we'd like to preview for the Court this morning, so we hope we'll be brief.

THE COURT: Sure.

MS. BLAYLOCK: Your Honor, the only item on our agenda this morning is a motion to reject an unexpired lease of nonresidential real property located in Suwanee, Georgia. Specifically, this is an industrial warehouse lease between Biolab Inc. and Cobalt Industrial REIT as successor-in-interest to Duke Realty. The lease term is not set to expire until May of 2015.

This warehouse was previously used by Biolab to house a portion of its in-house marketing activities and events. Before commencement of the Chapter 11 cases, however, Biolab began reducing the amount of its in-house marketing activities in favor of outsourcing. Since the Chapter 11 filing, the

1 debtor has determined that rejecting the warehouse lease and
2 outsourcing the very little remaining marketing activities and
3 other activities held in the Suwanee warehouse would be the
4 most cost-effective.

5 Accordingly, Judge, and based on an estimated savings
6 of approximately 121,000 dollars in administrative expenses
7 each month over the remaining term of the lease, the debtors
8 believe that it's in the best interest of their estates to
9 reject the lease at this time. Additionally, the debtors have
10 conferred with the creditors' committee and provided them an
11 estimated rejection damages analysis.

12 The objection deadline for the motion was May 22nd and
13 no objections were received.

14 Accordingly, Judge, with that, unless you have any
15 additional questions, the debtors would respectfully request
16 that the Court enter an order granting the relief requested.

17 THE COURT: Well, fair enough. You're not going to
18 get much of a workout today, Miss Blaylock, because under my
19 case management order the allegations of your motion are taken
20 as true. And this is such an obviously sensible decision that
21 you're making. So your motion is granted. And I'm going to
22 ask that you take the order and floppy to my courtroom deputy
23 Ms. Blum across the hall.

24 MS. BLAYLOCK: Will do.

25 THE COURT: And the order will be entered.

1 MS. BLAYLOCK: Thank you, Your Honor.

2 THE COURT: Thank you.

3 MS. BLAYLOCK: As I mentioned at the beginning of my
4 presentation, we just have one additional matter we wanted to
5 preview for the Court this morning. As you're undoubtedly
6 aware, the debtors were scheduled to file their statements of
7 financial affairs and schedules of assets and liabilities on
8 June 1st, which is Monday.

9 THE COURT: Um-hum.

10 MS. BLAYLOCK: We have discussed with the United
11 States Trustee and with counsel to the creditors' committee
12 seeking an additional extension of only ten days, Judge, to
13 June 11th for our filing of the schedules and statements. And
14 Ms. Golden has graciously agreed to that extension, as has
15 counsel to the committee. So the debtors intend to file a
16 notice of presentment and a stipulation memorializing that
17 agreement and granting that extension. But given the proximity
18 to the June 1 deadline, we wanted to raise that with the Court
19 this morning.

20 THE COURT: Sure. This case, if I recall correctly,
21 has over a billion dollars in debt?

22 MS. BLAYLOCK: That's correct, Judge.

23 THE COURT: Under these circumstances, the extension
24 you're requesting is a very reasonable one.

25 MS. BLAYLOCK: Thank you, Judge.

1 THE COURT: That's not a problem. Just prepare a stip
2 or consent order with Ms. Golden or Ms. Nakano of the U.S.
3 Trustee's Office to just paper the fact that I gave you
4 permission to do it.

5 MS. BLAYLOCK: Absolutely. I believe, Judge, that our
6 current extension order actually provides for a further
7 extension upon such a stipulation --

8 THE COURT: Sure.

9 MS. BLAYLOCK: So we'll absolutely do so.

10 THE COURT: I'm going to revise what I said in a minor
11 respect. Put a "no object by the creditors' committee" on it
12 as well.

13 MS. BLAYLOCK: Will do.

14 THE COURT: Okay.

15 MS. BLAYLOCK: Thank you, Your Honor. Thanks. That's
16 all we have.

17 THE COURT: Thank you very much. Does that take care
18 of everything today, Ms. Blaylock?

19 MS. BLAYLOCK: That's everything today.

20 THE COURT: Okay. Have a good day.

21 MS. BLAYLOCK: Thank you. You too.

22 THE COURT: Thank you very much. We're adjourned.

23 (Proceedings concluded at 9:40 AM)

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I N D E X

RULINGS

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

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

Clara Rubin

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Date: May 29, 2009