

Debtors' Application for Entry of an Order Expanding the Ordinary Course Retention of O'Melveny & Myers LLP by Authorizing the Employment and Retention of O'Melveny & Myers LLP as Special Litigation Counsel for the Debtors and the Debtors in Possession Nunc Pro Tunc to the Petition Date (the "O'Melveny Application").

By the O'Melveny Application, the Debtors seek entry of an order authorizing the Debtors to retain and employ O'Melveny & Myers LLP ("O'Melveny") as special counsel, *nunc pro tunc* to March 18, 2009 (the "Petition Date").

As set forth in the O'Melveny Application, the Debtors originally retained O'Melveny pursuant to the Order Authorizing the Debtors' Retention and Compensation of Certain Professionals Utilized in the Ordinary Course of Business (the "OCP Order"). On May 5, 2009, after entry of the OCP Order, the Debtors stipulated with Bandag Incorporated to lift the automatic stay to permit completion of an arbitration proceeding in connection with the case *Bridgestone Americas Holding, Inc. et al. v. Chemtura Corporation, et al.* (the "Bandag Litigation"). O'Melveny represents the Debtors in connection with the Bandag Litigation and various other litigation and regulatory matters involving alleged violations of antitrust laws.¹ As the fees incurred by O'Melveny in connection with its representation of the Debtors in the foregoing matters will exceed the monthly fee caps contained in the OCP Order, the Debtors seek to retain O'Melveny under Bankruptcy Code section 327(e) *nunc pro tunc* to the Petition Date to cover O'Melveny's fees, including those incurred in prior months that remain as unpaid for being in excess of the OCP Order cap.²

The Debtors believe O'Melveny is well suited to serve as special litigation counsel in these chapter 11 cases because O'Melveny has represented the Debtors and their affiliates in connection with alleged violations of antitrust laws for more than six years and, accordingly, is familiar with the Debtors' businesses. The Debtors contend that as special litigation counsel, O'Melveny will not duplicate the services that other firms may provide to the Debtors.

The Debtors propose to compensate O'Melveny for legal services provided in its capacity as special litigation counsel in accordance with the firm's customary hourly rates. By category, the hourly rates of O'Melveny professionals are as follows: (i) partners - \$635 to \$950; (ii) of counsel - \$520 to \$640; (iii) associates - \$255 to \$565; and (iv) paraprofessionals - \$190 to \$335. The Debtors also propose to reimburse O'Melveny for expenses incurred in connection with the provision of legal services to the Debtors. O'Melveny will apply to the Court for allowance of

¹ O'Melveny also represents the Debtors in, among other matters, *Janet Fina v. Vincent A. Calarco, Roger L. Headrick, Patricia Woolf, Leo I. Higdon, C.A. (Lance) Piccolo, Bruce Wesson, and Robert A. Fox, and Nominal Defendant Crompton Corporation*, Case No. X01 CV 03-0180263S, Connecticut Superior Court; *In re Crompton Corporation Securities Litigation*, Case No. 3:03-CV-1293, United States District Court for the District of Connecticut; *U.S. v. Crompton Corp.*, Case No. 04-0079, United States District Court for the Northern District of California; and *Urethane Cases*, Case No. J.C.C.P. 4367, Superior Court of the State of California, County of San Francisco.

² Prior to May 5, 2009, O'Melveny had invoiced the Debtors for \$44,343.90 for the postpetition period of March 2009 and \$58,936.45 for April 2009. The OCP Order requires that each ordinary course professional's fees not exceed \$50,000 per month on a three-month rolling basis, with the total amount disbursed during the duration of the cases not to exceed \$250,000 per professional.

compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and any further orders of the Court.

During the 90-day period prior to the petition date, O'Melveny received \$248,740.83 from the Debtors for professional services. In addition, as of the Petition Date, the Debtors allegedly owed O'Melveny \$1,565,892.82 for unpaid prepetition fees.³

The Debtors believe that O'Melveny has no disqualifying connections to the Debtors, their creditors or any other parties in interest in the Debtors' chapter 11 cases, and that O'Melveny does not hold or represent any interest adverse to the Debtors or their estates with respect to the matters on which they are to be engaged. O'Melveny has represented certain of the Debtors creditors and other parties in interest in matters unrelated to the Debtors' chapter 11 cases.

³ The Debtors scheduled O'Melveny's claim as \$1,007,943.49 in Chemtura Corporation's Schedules of Assets and Liabilities and intend to address the discrepancy as part of the claims reconciliation process.