

Debtors' Application for Entry of an Order Expanding the Ordinary Course Retention of Morgan, Lewis & Bockius LLP by Authorizing the Employment and Retention of Morgan, Lewis & Bockius LLP as Special Litigation Counsel for the Debtors and the Debtors in Possession *Nunc Pro Tunc* to December 1, 2009 (the "Morgan Lewis Application").

By the Morgan Lewis Application, the Debtors seek entry of an order authorizing the Debtors to retain and employ Morgan, Lewis & Bockius LLP ("Morgan Lewis") as special counsel, *nunc pro tunc* to December 1, 2009 (the "Retention Date").

As set forth in the Morgan Lewis Application, the Debtors originally retained Morgan Lewis pursuant to the Order Authorizing the Debtors' Retention and Compensation of Certain Professionals Utilized in the Ordinary Course of Business (the "OCP Order"). Morgan Lewis represents the Debtors in connection with, among other things, employment and employee benefit matters, including executive compensation, investment management, and labor and employment law compliance. In addition, Morgan Lewis has conducted and is currently conducting a confidential assessment (the "Assessment") of the policies, procedures and controls governing the Debtors' customer incentive programs, and is providing legal advice to the Debtors on matters related to the Assessment. As the fees incurred by Morgan Lewis 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 Morgan Lewis under Bankruptcy Code section 327(e) *nunc pro tunc* to the Retention Date.

The Debtors believe Morgan Lewis is well suited to serve as special litigation counsel in the Debtors' chapter 11 cases because Morgan Lewis has represented the Debtors and their affiliates in connection with employment and employee benefit matters for over six years and, accordingly, is familiar with the Debtors' businesses. The Debtors contend that as special litigation counsel, Morgan Lewis will not duplicate the services that other firms may provide to the Debtors.

The Debtors propose to compensate Morgan Lewis 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 Morgan Lewis professionals are as follows: (i) partners - \$540 to \$825; (ii) of counsel - \$560; (iii) associates - \$290 to \$525; and (iv) benefits analysts - \$325 to \$335. The Debtors also propose to reimburse Morgan Lewis for expenses incurred in connection with the provision of legal services to the Debtors. Morgan Lewis will apply to the Court for allowance of 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, Morgan Lewis received \$78,505.84 from the Debtors for professional services. In addition, Morgan Lewis filed a \$96,250.74 proof of claim against the Debtors for outstanding prepetition fees.¹

¹ The Debtors scheduled Morgan Lewis's claim as \$132,096.48 in Chemtura Corporation's Amended and Restated Schedules of Assets and Liabilities and intend to address the discrepancy as part of the claims reconciliation process.

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

The Morgan Lewis Application has been scheduled for presentment on March 8, 2010 at 12:00 p.m. (ET), with a corresponding objection deadline of March 4, 2010 at 4:00 p.m. (ET).