

**Debtors' Motion for an Order Pursuant to Section 363(b) of the Bankruptcy Code and Rule 9019 of the Federal Rules of Bankruptcy Procedure Approving a Settlement Between Chemtura Corporation and United Steelworkers with Respect to Prepetition Holiday Pay Owing to Certain Employees of the Morgantown, West Virginia Facility (the "Grievance Motion").**

By the Grievance Motion, the Debtors seek entry of an order authorizing Debtor Chemtura Corporation ("Chemtura") to enter into a settlement with the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("United Steelworkers") with respect to unpaid prepetition holiday pay allegedly owed to certain current and former bargaining unit employees (the "Employees") at Chemtura's facility in Morgantown, West Virginia (the "Morgantown Facility").

The Debtors assert that the Employees have commenced two separate grievance actions (the "Grievance Actions") against Chemtura alleging that they are entitled to holiday pay totaling approximately \$33,136.88 (the "Unpaid Holiday Pay") for work performed during two periods spanning certain holidays during which Chemtura shut down operations at the Morgantown Facility and during which the Employees were requested to take their vacation. Specifically, the Grievance Actions relate to Unpaid Holiday Pay allegedly owed to the Employees for work performed on November 27, 2008, November 28, 2008, December 24, 2008, December 25, 2008, and January 1, 2009. The Unpaid Holiday Pay is owed to approximately 91 Employees, with the amount owed to each individual Employee ranging from \$198.48 to \$1,023.60.

The Debtors allege that the Employees commenced the Grievance Actions to recover the Unpaid Holiday Pay in accordance with the terms of the collective bargaining agreement in effect at the Morgantown Facility. Chemtura had disputed the amount of the Unpaid Holiday Pay owed to the Employees, but a formal arbitration proceeding with respect to the Grievance Actions was not commenced.

On October 29, 2009, the United Steelworkers filed a proof of claim, on its own behalf and on behalf of the bargaining unit employees that it represents (including the Employees), asserting a claim against Chemtura in the total amount of \$97,529.69 (the "Steelworkers Claim"). Of the total amount of the Steelworkers Claim, \$32,525.69 relates to the Grievance Actions and the Unpaid Holiday Pay. The United Steelworkers assert that the \$32,525.69 is entitled to priority payment under the Bankruptcy Code.

The Debtors maintain that they have engaged in negotiations with the United Steelworkers in an effort to settle the Grievance Actions and, as a result of such negotiations, the parties are now prepared to enter into a settlement pursuant to which Chemtura will pay to the Employees a total amount of \$33,136.88 in full and final satisfaction of all claims based on the Unpaid Holiday Pay.<sup>1</sup> The Debtors believe that the proposed settlement of the Grievance Actions is appropriate

---

<sup>1</sup> According to the Grievance Motion, the Steelworkers Claim will remain in place, but the amount of the Steelworkers Claim will be reduced by \$32,525.69 to reflect the settlement of the Grievance Actions and the payment of such amount by Chemtura. The Debtors assert that the discrepancy between the settlement amount and the amount the Steelworkers Claim that is attributable to the Unpaid Holiday Pay results from amounts owed to additional employees that Chemtura determined were entitled to Unpaid Holiday Pay.

based on (i) the Debtors' evaluation of the merits of the Grievance Actions, (ii) the costs of pursuing arbitration and challenging the Grievance Actions, and (iii) the Debtors' determination that the benefits of entering into the proposed settlement, including protecting employee morale and avoiding the costs and expenses that would be incurred in challenging the Grievance Actions, outweigh proceeding with formal arbitration of the Grievance Actions.

***The Grievance Motion has been scheduled for presentment on December 16, 2009 at 12:00 p.m. (ET), with a corresponding objection deadline of December 11, 2009 at 12:00 p.m. (ET).***