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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
CHEMTURA CORPORATION, *et al.*,[1]	)	Case No. 09-11233 (REG)
Debtors.	)	Jointly Administered

SUPPLEMENTAL DECLARATION OF M. NATASHA LABOVITZ IN SUPPORT OF THE DEBTORS' APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF KIRKLAND & ELLIS LLP AS ATTORNEYS FOR THE DEBTORS EFFECTIVE *NUNC PRO TUNC* TO THE PETITION DATE

I, M. Natasha Labovitz, being duly sworn, state the following under penalty of perjury.

1. I am a partner in the law firm of Kirkland & Ellis LLP ("K&E"), with an office at Citigroup Center, 153 East 53rd Street, New York, New York 10022. I am a member in good

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer-identification number, are: Chemtura Corporation (3153); A&M Cleaning Products, LLC (4712); Aqua Clear Industries, LLC (1394); ASCK, Inc. (4489); ASEPSIS, Inc. (6270); BioLab Company Store, LLC (0131); BioLab Franchise Company, LLC (6709); Bio-Lab, Inc. (8754); BioLab Textile Additives, LLC (4348); CNK Chemical Realty Corporation (5340); Crompton Colors Incorporated (3341); Crompton Holding Corporation (3342); Crompton Monochem, Inc. (3574); GLCC Laurel, LLC (5687); Great Lakes Chemical Corporation (5035); Great Lakes Chemical Global, Inc. (4486); GT Seed Treatment, Inc. (5292); HomeCare Labs, Inc. (5038); ISCI, Inc. (7696); Kem Manufacturing Corporation (0603); Laurel Industries Holdings, Inc. (3635); Monochem, Inc. (5612); Naugatuck Treatment Company (2035); Recreational Water Products, Inc. (8754); Uniroyal Chemical Company Limited (Delaware) (9910); Weber City Road LLC (4381); and WRL of Indiana, Inc. (9136).

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standing of the Bar of the State of New York, and I am admitted to practice before the United States District Court for the Southern District of New York. In addition, there are no disciplinary proceedings pending against me.

2. I submit this Declaration in support of the application (the "Application") of the above-captioned debtors (collectively, the "Debtors") for an order pursuant to sections 327(a) and 330 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure and Rules 2014-1 and 2016-1 of the Local Bankruptcy Rules for the Southern District of New York authorizing the Debtors to employ and retain K&E as attorneys for the Debtors in connection with their chapter 11 cases filed on March 18, 2009. The purpose of this Supplemental Declaration is to update and supplement the disclosures contained in my declaration annexed to the Application as Exhibit B (the "Initial Disclosure Declaration").

3. This Declaration is submitted pursuant to section 1746 of title 28 of the United States Code. No one individual at K&E has personal knowledge of all of the facts set forth in this Declaration. All facts set forth herein are based upon my personal knowledge of K&E's practices and representation of the Debtors, information learned from my review of relevant documents and/or information supplied to me by other members of and employees of K&E. If called upon to testify, I would testify to the facts set forth herein on that basis.

4. On March 18, 2009 (the "Petition Date"), each of the Debtors filed a petition with this Court under title 11 of chapter 11 of the United States Code. On the Petition Date, the Debtors filed the Application to employ and retain K&E in connection with their chapter 11 cases (the "Chapter 11 Cases"), together with my Initial Disclosure Declaration.

5. Since the Petition Date, K&E has continued to monitor potential connections to parties in interest in the Chapter 11 Cases so as to use reasonable efforts to ensure that no undisclosed connections exist. In addition, I and my colleagues have been engaged in discussions with the Office of the United States Trustee (the "U.S. Trustee") regarding certain questions the U.S. Trustee asked about the Initial Disclosure Declaration. This Supplemental Declaration will provide additional information in response to the U.S. Trustee's questions, and also will disclose K&E's connections to two parties who have become involved in these chapter 11 cases since the filing of the Initial Disclosure Declaration.

I. New Disclosures

A. Employment of a Former Judicial Law Clerk

6. On the Petition Date, these chapter 11 cases were assigned to the Honorable Robert E. Gerber. Dana Yankowitz, an associate with K&E in its New York office, was employed by the United States Bankruptcy Court for the Southern District of New York as a law clerk to Judge Gerber between September 2007 and September 2008, during which time Ms. Yankowitz worked on matters unrelated to these chapter 11 cases.

7. At K&E, Ms. Yankowitz has been a member of the team representing the Debtors since mid-February 2009, when K&E first began to prepare with the Debtors for a potential chapter 11 filing. In connection with K&E's retention on behalf of the Debtors, Ms. Yankowitz may from time to time communicate with Judge Gerber's chambers regarding scheduling and similar matters. Ms. Yankowitz will not, however, appear before this Court until September 2010. Based on the foregoing, I do not believe that Ms. Yankowitz's former employment precludes K&E from being a disinterested party under the Bankruptcy Code.

B. Connection to Affiliates an Indenture Trustee

8. Since the Petition Date, I have become aware that the name of the indenture trustee for one of the Debtors' outstanding bond issuances was not updated on a conflict checklist provided by the Debtors. Specifically, I understand that Bank of New York Mellon Trust Company ("Bank of New York") became a successor indenture trustee for the Debtors' $370 million outstanding indenture under the 7% unsecured notes due 2009 in connection with Bank of New York's purchase of the corporate trust business of J.P. Morgan Chase. Bank of New York is *not* a client of K&E; however, an affiliated entity, Alcentra Ltd. ("Alcentra"), is a K&E client in matters unrelated to the Debtors and these chapter 11 cases.

9. K&E's records show that Alcentra has been a client since May 2008. During 2008, work performed for Alcentra resulted in less than 1% of K&E's revenues. K&E's client relationship with Alcentra does not prohibit K&E from representing other clients in negotiating against Bank of New York in commercial transactions, nor would it prohibit K&E from representing the Debtors in connection with claims resolution matters and other matters in connection with any role of Bank of New York as agent for, or participant in, a financing facility or indenture.

10. To the extent that, in the future, the Debtors were to discover occasion to commence formal litigation against Bank of New York, K&E may determine that, although Bank of New York is not a client, it would be nevertheless be appropriate for conflicts counsel to pursue such litigation as a result of K&E's client relationship with Alcentra. Under such a hypothetical circumstance, the identified conflicts counsel for the Debtors in these chapter 11 cases, Duane Morris LLP ("Duane Morris"), or some other appropriate counsel would be able to

pursue such litigation.[2] Based on the foregoing, I do not believe that K&E's representation of Bank of New York precludes K&E from being a disinterested party under the Bankruptcy Code.

C. Connection to Affiliates of a Potential Financing Party

11. Since the Petition Date, the Debtors have worked with the statutory committee of unsecured creditors (the "Creditors' Committee") appointed in these chapter 11 cases to explore financing alternatives. Among other potential financing parties, the Debtors have engaged in discussions and negotiations with one potential financing party regarding potential alternative debtor in possession financing.[3] That potential financing party is *not* a client of K&E; however, an affiliated entity of that party is a K&E client in matters unrelated to the Debtors and these chapter 11 cases.

12. K&E's records show that the affiliate to the potential financing party has been a client since 2003. During 2008, work performed for the affiliate resulted in less than 1% of K&E's revenues. K&E's client relationship with the affiliate does not prohibit K&E from representing other clients in negotiating against the potential financing party in commercial transactions, nor would it prohibit K&E from representing the Debtors in connection with claims resolution matters and other matters in connection with any role of the potential financing party as agent for, or participant in, a financing facility.

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2 The Debtors filed their application to retain Duane Morris on April 24, 2009 following the announcement of the dissolution of WolfBlock LLP, the Debtors' original proposed conflicts counsel. The Debtors' application to retain Duane Morris is scheduled to be heard by the Court on May 5, 2009.

3 The identity of the potential financing party has been disclosed to the Creditors' Committee and the agent to the Debtors' postpetition lenders, but is otherwise confidential. The Debtors will provide the United States Trustee and the Court with information identifying the potential financing party and the client affiliate.

13. To the extent that, in the future, the Debtors were to discover occasion to commence formal litigation against the potential financing party, K&E may determine that, although that entity is not a client, it would be nevertheless be appropriate for conflicts counsel to pursue such litigation as a result of K&E's client relationship with the entity's affiliate. Under such a hypothetical circumstance, the identified conflicts counsel for the Debtors in these chapter 11 cases, Duane Morris, or some other appropriate counsel would be able to pursue such litigation.[4] Based on the foregoing, I do not believe that K&E's representation of the affiliate of a potential financing party precludes K&E from being a disinterested party under the Bankruptcy Code.

II. Supplemental and Updated Disclosures

14. As described above, I and my colleagues have been engaged in discussions with the U.S. Trustee regarding certain questions the U.S. Trustee asked about the Initial Disclosure Declaration. On April 24, 2009, the U.S. Trustee filed her Objection to the Debtors' Application to retain K&E (the "Objection"), in which she noted those discussions and K&E's intent to file this Supplemental Declaration, and explained "[t]he United States Trustee files this objection to the Application to preserve her rights." The following paragraphs provide additional information or updated disclosures in response to each of the U.S. Trustee's questions as described in the Objection.

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4 The Debtors filed their application to retain Duane Morris on April 24, 2009 following the announcement of the dissolution of WolfBlock LLP, the Debtors' original proposed conflicts counsel. The Debtors' application to retain Duane Morris is scheduled to be heard by the Court on May 5, 2009.

A. Investment of Mr. Cieri

15. In the Initial Disclosure Declaration, I disclosed that my partner, Richard M. Cieri, was a limited partner of PCM Activist Feeder Fund LP ("PCM"), which invested in Trian Partners ("Trian") which, in turn, owns stock of Chemtura Corp. I also noted that Mr. Cieri had no control over investment decisions of either PCM or Trian. As noted in the Initial Disclosure Declaration, because the Debtors believe it is unlikely that holders of equity interests in Chemtura Corp. will receive a distribution in these chapter 11 cases, K&E believed that it was unlikely Mr. Cieri would receive any distribution on account of his twice-removed indirect ownership of Chemtura Corp. stock. Further, in the unlikely event of such a distribution, Mr. Cieri agreed that he would donate any such distribution to charity. I believe that the proposed arrangements, which as a result of the proposed charitable contribution eliminated any possibility that Mr. Cieri would personally benefit from his investment fund's investment in a fund owning Chemtura stock even in the apparently unlikely event of a distribution on account of equity in these chapter 11 cases, were sufficient to ensure that K&E was a disinterested party.

16. Since the filing of the Application, however, the U.S. Trustee has raised further questions regarding Mr. Cieri's indirect investment interest. Accordingly, Mr. Cieri has taken steps to sell his limited partnership interest in the PCM fund and has requested that PCM take all appropriate steps to reflect the transfer of interest in its ownership records, effective as of March 31, 2009. I anticipate being able to report at the hearing on the Application that the transfer of Mr. Cieri's interest in PCM is complete. I believe that the transfer of Mr. Cieri's interest should resolve the concerns of the U.S. Trustee and further underscores that Mr. Cieri's twice-removed indirect investment does not disqualify K&E from representing the Debtors in these chapter 11 cases.

B. Representations of Citigroup and J.P. Morgan Trust Co.

17. In the Initial Disclosure Declaration, I disclosed that K&E currently represents, and formerly has represented, certain affiliates, subsidiaries and entities associated with Citigroup, Inc. and J.P. Morgan Trust Co. Citibank, N.A. and Citibank N.A. Canada, affiliates of Citigroup, Inc. (Citigroup"), are currently secured and unsecured creditors of the Debtors; in addition, Citibank, N.A. is the agent for the Debtors' post-petition financing facility and is a participant in that facility. J.P. Morgan Trust Co., which was an affiliate of J.P. Morgan Chase, Inc. but has subsequently been acquired by Bank of New York, was listed in an initial conflict checklist provided by the Debtors as an indenture trustee for one of the Debtors' outstanding bond issuances, as set forth in Schedule 1(d) to the Initial Disclosure Declaration.[5] The Initial Disclosure Declaration set forth certain information regarding connections to J.P. Morgan Trust Co. and entities affiliated or associated with it ("Chase"). Disclosure with respect to Bank of New York is set forth in paragraphs 8 through 10 above.

18. As set forth in the Initial Disclosure Declaration, all prior and current K&E representations of Citigroup and Chase have been in matters unrelated to the Debtors and these chapter 11 cases. The U.S. Trustee has requested additional information regarding these representations, as follows:

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[5] In fact, as noted above, the conflict checklist provided by the Debtors did not reflect the acquisition by the Bank of New York of J.P. Morgan Trust Co.'s indenture trust business. Additional disclosure with respect to the Bank of New York is included in paragraphs 8-10 above. I believe the U.S. Trustee's Objection is therefore moot with respect to the questions raised regarding Chase; nevertheless, the disclosures requested by the U.S. Trustee are included in this Supplemental Declaration.

19. K&E's records show that Citigroup has been a client of the firm at least since 2000.[6] During 2008, work performed for Citigroup resulted in less than 1% of K&E's revenues. K&E's client relationship with Citigroup does not prohibit K&E from representing other clients in negotiating against Citigroup in commercial transactions, nor would it prohibit K&E from representing the Debtors in connection with claims resolution matters and other matters in connection with any role of Citigroup as agent for, or participant in, a financing facility. In fact, in numerous other chapter 11 cases, K&E has taken negotiating positions and/or has participated in adversarial motion practice in bankruptcy court directly adverse to Citigroup in such situations.[7]

20. To the extent that, in the future, the Debtors were to discover occasion to commence formal litigation against Citigroup, K&E would request that conflicts counsel pursue such litigation as a result of K&E's client relationship with Citigroup. Under such a circumstance, the identified conflicts counsel for the Debtors in these chapter 11 cases, Duane Morris, or some other appropriate counsel would be able to pursue such litigation.[8] Based on the foregoing, I do not believe that K&E's representation of Citigroup precludes K&E from being a disinterested party under the Bankruptcy Code.

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6 One Citigroup affiliate formerly was a client of K&E but is not currently the subject of any active matters. K&E's representation of that entity extended back to 1995.

7 By way of example, last week, I represented our debtor client, TOUSA, Inc., and its affiliates in a contested cash collateral hearing adverse to Citibank, N.A. in its capacity as agent for, and participant in, certain prepetition credit facilities. That hearing was held before Judge Olsen in the Bankruptcy Court for the Southern District of Florida on April 23, 2009, and it followed a similar contested hearing on January 9, 2009.

8 The Debtors filed their application to retain Duane Morris on April 24, 2009 following the announcement of the dissolution of WolfBlock LLP, the Debtors' original proposed conflicts counsel. The Debtors' application to retain Duane Morris is scheduled to be heard by the Court on May 5, 2009. In addition, the Debtors are aware that the Creditors' Committee may seek standing to pursue litigation claims against Citigroup, and thus it is possible that any such litigation may not be pursued by the Debtors' counsel at all.

21. K&E's records show that Chase has been a client since 1996.[9] During 2008, work performed for Chase resulted in less than 1% of K&E's revenues. K&E's client relationship with Chase does not prohibit K&E from representing other clients in negotiating against Chase in commercial transactions, nor would it prohibit K&E from representing the Debtors in connection with claims resolution matters and other matters in connection with any role of Chase as agent for, or participant in, a financing facility or indenture.

22. To the extent that, in the future, the Debtors were to discover occasion to commence formal litigation against Chase, K&E's waiver arrangements with Chase would permit K&E to be adverse to Chase in such litigation. Alternatively, conflicts counsel may also pursue such litigation. Under such a circumstance, the identified conflicts counsel for the Debtors in these chapter 11 cases, Duane Morris LLP, would be able to pursue such litigation and would have no conflict of interest. Based on the foregoing, I do not believe that K&E's representation of Chase precludes K&E from being a disinterested party under the Bankruptcy Code.

C. Individual Attorney Screens and Screening Procedure

23. In my Initial Disclosure Declaration, I disclosed certain interests or connections held by individual K&E attorneys, and represented that those attorneys would not perform any work in connection with K&E's representation of the Debtors. The U.S. Trustee has requested that this Supplemental Declaration include an express representation that those attorneys will be formally screened from information regarding the Debtors' cases.

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9 In addition, K&E has maintained a long-standing client relationship with Bear Stearns & Co. Inc. ("Bear Stearns") that dates to well before 1996. However, at that time, I understand that Bear Stearns was not affiliated with Chase.

24. As requested by the U.S. Trustee, K&E will implement a formal ethical screen whereby Helen E. Witt, P.C., George Stamas, Joshua Korff, Lisa Esayian, Albert Cho and Paul J. Astolfi (the "Screened K&E Attorneys") will not perform work in connection with K&E's representation of the Debtors and will not have access to confidential information related to the representation. I believe that K& E's formal ethical screen provides sufficient safeguards and procedures to prevent imputation of conflicts by isolating the Screened K&E Attorneys and protecting confidential information.

25. Under K&E's screening procedures, K& E's conflicts department will distribute a memorandum to all K&E attorneys and legal assistants directing them as follows: (a) not to discuss any aspects of K& E's representation of the Debtors with the Screened K&E Attorneys; (b) to conduct meetings, phone conferences and other communications regarding K&E's representation of the Debtors in a manner that avoids contact with the Screened K&E Attorneys; (c) to take all measures necessary or appropriate to prevent access by the Screened K&E Attorneys to the files or other information related to K& E's representation of the Debtors and (d) to avoid contact between the Screened K&E Attorneys and all K&E personnel working on the representation of the Debtors unless there is a clear understanding that there will be no discussion of any aspects of K&E's representation of the Debtors. Furthermore, K&E has already implemented procedures to block the Screened K&E Attorneys from accessing files and documents related to the Debtors that are stored in K&E's electronic document managing system.

D. Process for Retaining the Debtors' Claims and Noticing Agent

26. In my Initial Disclosure Declaration, I disclosed that several former partners and associates are currently employed by Kurtzman Carson Consultants LLC ("KCC"), the claims and noticing agent retained by the Debtors. The U.S. Trustee has requested that K&E disclose

the process by which the Debtors selected KCC as their claims and noticing agent. While I do not believe that information is relevant to the retention of K&E, I offer the following description as requested by the U.S. Trustee:

27. On or about February 17, 2009, the Debtors requested that K&E begin preparations for a chapter 11 filing. On the same day, in connection with those preparations, K&E informed the Debtors that retention of a claims and noticing agent would be required and K&E provided the Debtors with the names and contact information for three potential claims and noticing agents, each of whom K&E has worked with before. KCC was among the three potential agents referred by K&E.

28. Within the two or three days following February 17, 2009, I and others at K&E discussed the potential representation and the scope of work required, on a confidential and in some cases no-names basis, with each of the three potential agents. Each of the agents provided informational materials and a pricing bid to K&E or to the Debtors directly; in the case of materials being provided to K&E, they were forwarded to a member of the Debtors' in-house legal team. Although K&E was asked for some initial input and recommendations regarding the selection of the claims and noticing agent, including the provision of the three initial contacts and a description of past work with each of those contacts, K&E did not make the decision among the three bids received.

29. My understanding of the process by which the Debtors selected KCC as their claims and noticing agent is that the Debtors' legal department coordinated with the Debtors' procurement department, which ensured that a competitive bid review process occurred. On information and belief, the Debtors' procurement department reviewed the bids provided by each

of the potential claims and noticing agents and, before retaining KCC, negotiated favorable pricing terms for KCC's services. K&E was not involved with those negotiations.

E. The K&E Retainer

30. The U.S. Trustee Objection notes an objection to K&E's retention to the extent that the retainer is "evergreen" and has questioned the nature of the prepetition retainer. Paragraphs 7-8 of the Initial Disclosure Declaration provided a comprehensive summary of all prepetition retainer payments received by K&E from the Debtors, as well as a summary of prepetition invoices from K&E to the Debtors. As set forth in the Initial Disclosure Declaration, prior to the Petition Date, K&E periodically drew against the retainer that it held prepetition, and the Debtors periodically provided additional or "refresher" retainer payments to ensure that K&E would at no time be a creditor of the Debtors or subject to a potential preference payment that would threaten its disinterestedness within the meaning of section 327 of the Bankruptcy Code.

31. K&E does not anticipate the Debtors making any retainer payments to K&E during these chapter 11 cases. Furthermore, K&E anticipates applying any remaining amounts of its prepetition retainer (after application to prepetition fees and expenses) as a credit toward post-petition fees and expenses, as such post-petition fees and expenses become payable by the Debtors' to K&E pursuant to the procedures for interim compensation of professionals adopted by the Bankruptcy Court in these chapter 11 cases.

F. The K&E Engagement Letter

32. The U.S. Trustee Objection notes a provision in K&E's Engagement Letter that provides the Debtors will reimburse K&E for fees and expenses incurred by K&E in connection with participating in, preparing for, or responding to third-party actions related to legal services provided by K&E to the Debtors. As requested in the U.S. Trustee Objection, I hereby clarify

that no provision in K&E's Engagement Letter is intended to be construed in such a manner as to contravene any law of New York state (or any other applicable state law or professional ethics obligations) banning attorneys from making agreements prospectively limiting their malpractice liability. Rather, the provision in question is intended to cover permissible reimbursements such as, by way of example, a client reimbursing its counsel for fees and expenses incurred in responding to third-party discovery with respect to litigation involving the client.

33. I further note that K&E intends fully to comply with the provisions of this Court's order regarding interim compensation payments to professionals, including providing full disclosure with respect to all fees and expenses invoiced to the Debtors, and K&E understands that all payments of fees and expenses made during these chapter 11 cases in connection with the Engagement Letter will be subject to review by parties in interest and, ultimately, to approval by the Bankruptcy Court in the context of interim fee applications and a final fee application at the conclusion of these chapter 11 cases.

G. Increases in K&E's Billing Rates

34. The U.S. Trustee Objection requests that K&E will notify the Bankruptcy Court, the Creditors' Committee and the United States Trustee, promptly and in writing, if the hourly rates of its partners, associates and paraprofessionals change. I note that, as set forth above, K&E intends fully to comply with the provisions of the Bankruptcy Court's order regarding interim compensation payments to professionals, including providing full disclosure with respect to all fees and expenses invoiced to the Debtors. Specifically, K&E intends to provide information regarding the billing rate of each of the partners, associates and paraprofessionals providing services to the Debtors on a monthly basis in accordance with the monthly fee statements required under the Bankruptcy Court's interim compensation procedures. I further

represent that, if K&E's billing rates are increased on an across-the-board basis, K&E will make specific disclosure of such increase in the applicable monthly fee statement.

H. Conflict Procedures for Contract Attorneys

35. The U.S. Trustee Objection requests that K&E provide clarification regarding certain practices related to the use of contract attorneys or non-attorneys who are hired by K&E to provide services to the Debtors.[10] As requested in the U.S. Trustee Objection, I represent that K&E will not charge a markup to the Debtors with respect to fees billed by contract attorneys. Moreover, any contract attorneys or non-attorneys who are employed by the Debtors in connection with work performed by K&E will be subject to conflict checks and disclosures in accordance with the requirements of the Bankruptcy Code.

[10] As noted in discussions with the U.S. Trustee, K&E does not anticipate using contract attorneys during these chapter 11 cases, but I make the disclosures set forth herein to clarify the terms upon which contract attorneys would be employed in the unlikely event that such employment becomes necessary.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

New York, New York
Date: April 28, 2009

/s/ M. Natasha Labovitz
M. Natasha Labovitz