

UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT

IN RE CROMPTON CORP.  
SECURITIES LITIGATION

No. 3:03-CV-1293 (EBB)

**NOTICE OF MODIFIED PROPOSED CLASS ACTION SETTLEMENT  
AND RESCHEDULING OF FAIRNESS HEARING DUE TO BANKRUPTCY**

***IF YOU PURCHASED OR OTHERWISE ACQUIRED THE SECURITIES OF CROMPTON CORPORATION (“CROMPTON”) DURING THE PERIOD BETWEEN OCTOBER 26, 1998, AND OCTOBER 8, 2002, INCLUSIVE, INCLUDING WITHOUT LIMITATION ALL PERSONS AND ENTITIES THAT PURCHASED OR OTHERWISE ACQUIRED CROMPTON SECURITIES PURSUANT TO THE MERGER BETWEEN CROMPTON & KNOWLES CORPORATION AND WITCO CORPORATION AND WHO WERE DAMAGED THEREBY (THE “CLASS”), PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. A MODIFICATION TO THE SETTLEMENT OF THIS CLASS ACTION THAT MAY AFFECT YOU HAS BEEN PROPOSED.***

Previously, a document entitled Notice of Pendency of Class Action and Proposed Settlement was mailed to you. That notice described a proposed settlement of this class action lawsuit (“the Lawsuit”) brought under federal securities laws, in the amount of \$20,650,000, and advised you of the terms of the settlement, how to participate in the settlement, and related matters.

Before that settlement was finalized, Chemtura Corporation (“Chemtura”), Crompton’s successor, filed for bankruptcy. As a result, the Lawsuit was stayed pursuant to 11 U.S.C. § 362(a) of the U.S. Bankruptcy Code, and, pursuant to 11 U.S.C. §§ 547 and 550, the \$9,292,500 directly contributed to the settlement by the Company was returned to it. The remaining \$11,357,500 paid or caused to be paid from Chemtura’s Directors & Officers Insurance by the Defendants has remained in escrow.

Lead Plaintiffs have determined that it is unlikely that renewed litigation against bankrupt Chemtura or the remaining Defendants will result in any increased recovery. Instead, by proceeding with a modified settlement, Chemtura will allow the bankruptcy stay (which could last until the conclusion of Chemtura’s chapter 11 case) to be lifted, and this will enable Class members to receive a recovery more quickly. **Accordingly, Lead Plaintiffs have elected to modify the settlement of the Lawsuit by settling with the Defendants for the \$11,357,500 now in escrow (the “Settlement”).**

If you previously submitted a Proof of Claim and Release form (“Proof of Claim”) in connection with the original settlement of this Lawsuit and wish to participate in this Settlement, you do not need to do anything else. If you have not yet submitted a Proof of Claim but wish to participate in this Settlement, you may still do so in accordance with the instructions set forth herein. If you previously objected to or excluded yourself from the original settlement, you need not re-file your objection or exclusion. If you wish to object to or exclude yourself from this Settlement, you may still do so in accordance with the instructions below, even if you previously filed a Proof of Claim in connection with the original settlement.

***A federal court authorized this Notice. This is not a solicitation from a lawyer.***

**Securities and Time Period:** Crompton securities (Crompton common stock and Crompton notes) (collectively, “Crompton Securities”) purchased or otherwise acquired during the period between October 26, 1998, and October 8, 2002, inclusive (the “Class Period”), including without limitation all persons and entities that purchased or otherwise acquired Crompton Securities pursuant to the merger between Crompton & Knowles Corporation and Witco Corporation.

**Settlement Fund and Statement of Plaintiff Recovery:** The proposed Settlement consists of \$11,357,500 in cash. The Class will also receive interest on the Settlement Fund (the “Gross Settlement Fund”). Based on Lead Plaintiffs’ estimate of the number of shares of Crompton common stock entitled to participate in the Settlement,<sup>1</sup> and assuming that all such shares entitled to participate do so, Lead Plaintiffs estimate that the average recovery per damaged share of Crompton common stock would be approximately \$0.155 per share before deduction of Court-awarded attorneys’ fees and expenses and payments that would be paid to damaged purchasers of Crompton notes and options<sup>2</sup> during the Class Period. **Please Note: This average is only an estimate, and is before deduction of Court-approved fees and expenses.** A Class member’s actual recovery will be a proportion of the Net Settlement Fund determined by comparing his, her or its Recognized Loss to the total Recognized Losses of all Class members who submit acceptable Proofs of Claim. An individual Class member’s actual recovery will depend on, for example: (1) the total number of claims submitted; (2) when the Class member purchased and/or acquired Crompton Securities during the Class Period; (3) the purchase price paid; (4) the type of security purchased or acquired; (5) whether those Crompton Securities were held at the end of the Class Period or sold during the Class Period (and, if sold, when they were sold and the amount received); (6) administrative costs, including the costs of notice, for the Lawsuit; and (7) the amount awarded by the Court for attorneys’ fees, costs and expenses. Distributions to Class members will be made based on the Plan of Allocation set forth in this Notice. See the Plan of Allocation on pages 5-6.

**The Lawsuit:** The Settlement resolves class action litigation over whether Crompton, Vincent Calarco, Peter Barna, E. Gary Cook, Harry G. Hohn, Bruce F. Wesson, Simeon Brinberg, and Nicholas Pappas (collectively, the “Defendants”) issued materially false and misleading statements and/or concealed material adverse facts relating to Crompton’s financial results, competition, pricing, sales, and margins or breached any fiduciary duties. See Question 2 below for more information.

**Attorneys’ Fees and Expenses:** Co-Lead Counsel have litigated this Lawsuit on a contingent basis and have conducted this litigation and advanced the expenses of litigation with the expectation that if they were successful in recovering money for the Class, they would receive

<sup>1</sup> Lead Plaintiffs estimate that there were 73,059,149 shares of Crompton common stock potentially damaged during the Class Period.

<sup>2</sup> The total payouts for damaged purchasers of Crompton notes and options will not exceed 10% and 5% of the Net Settlement Fund, respectively.

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fees and be reimbursed for their expenses from the Settlement Fund, as is customary in this type of litigation. Court-appointed Co-Lead Counsel will apply to the Court for attorneys' fees not to exceed 25% of the Settlement Fund and reimbursement of out-of-pocket expenses not to exceed \$350,000, plus interest on both amounts, all to be paid from the Settlement Fund. If the above amounts are requested and approved by the Court, the requested fees and expenses would amount to an average of \$0.04 per damaged share of Crompton common stock.

**Deadlines:**

Submit Claim: September 24, 2010  
Request Exclusion: July 28, 2010  
File Objection: July 28, 2010

**Court Hearing on Fairness of Settlement:** August 17, 2010

**More Information:**

Claims Administrator:  
Epiq Systems  
P.O.Box 4655  
Portland, OR 97208-4655  
1-866-840-0341

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- Your legal rights are affected whether you act or do not act. Read this Notice carefully.

**The Circumstances of the Settlement**

The Settlement resolves claims against Defendants over whether they violated federal securities laws in connection with allegedly false and misleading public statements. The Defendants deny any wrongdoing, fault, liability or damage to Lead Plaintiffs or the Class, deny that they engaged in any wrongdoing, deny that they committed any violation of law, and deny that they acted improperly in any way. The Defendants further state that they believe that (i) they acted properly at all times, and (ii) Lead Plaintiffs' claims are without merit.

Co-Lead Counsel believe that Lead Plaintiffs' claims have merit, and that Lead Plaintiffs' claims would be sustained by the Court and ultimately result in a verdict for the Class. However, Co-Lead Counsel also recognize that success against the Defendants is not assured. Here, the claims advanced by the Class involve numerous complex legal and factual issues, which would require extensive expert testimony and would add considerably to the expenses and duration of the litigation. Lead Plaintiffs also recognize that the principle reason to consent to the Settlement, which is to provide a substantial monetary benefit to the Class, must be compared to the risk that no recovery might be achieved after contested motions, a contested trial and likely appeals, possibly years into the future. These risks are further compounded by the bankruptcy of Chemtura and the stay of the Lawsuit, discussed herein, which could delay resolution of the Lawsuit.

This Settlement enables Defendants to eliminate the burden and expense of further litigation, including the substantial expense and length of time necessary to defend the proceeding (potentially through the conclusion of discovery, summary judgment motions, trial, post-trial motions, appeals, and bankruptcy-related issues). It also enables the Class to recover without incurring any additional risk or costs and Lead Plaintiffs believe this Settlement is a fair, reasonable, and adequate recovery for the Class.<sup>3</sup>

**YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

**SUBMIT A CLAIM FORM**.....The only way to receive a payment from the Settlement Fund.

**EXCLUDE YOURSELF** .....Receive no payment from the Settlement Fund. This is the only option that allows you to participate in another lawsuit against the Defendants or the Released Parties (as defined below) concerning the Released Claims.

**OBJECT** .....You may write to the Court if you do not like this Settlement, the Plan of Allocation, or Co-Lead Counsel's request for attorneys' fees and expenses.

**GO TO A HEARING**.....You may ask to speak in Court about the fairness of the Settlement.

**DO NOTHING**.....Receive no payment from the Settlement Fund and give up your rights with regard to the claims in this lawsuit.

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice. Please note the date of the Fairness Hearing – currently scheduled for August 17, 2010 – is subject to change without further notice. If you plan to attend the hearing, you should check the website, [www.CromptonSecuritiesSettlement.com](http://www.CromptonSecuritiesSettlement.com), or with Co-Lead Counsel as set forth above to be sure that no change to the date and time of the hearing has been made.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to Class members if the Court approves the Settlement and that approval is upheld in appeals that are filed, if any. Please be patient.

<sup>3</sup> This Settlement modifies the terms of the previous settlement by reducing the Settlement Fund by the amount Crompton originally contributed. Lead Plaintiffs, at the recommendation of Co-Lead Counsel, believe that this modified Settlement is fair and reasonable, considering that (1) it is unlikely that renewed litigation against the Defendants will provide any increased recovery, and (2) the modified Settlement will allow the bankruptcy stay (which could last until the conclusion of Chemtura's chapter 11 case) to be lifted, enabling Class members to receive a recovery more quickly.

**QUESTIONS? CALL 1-866-840-0341 OR VISIT: [www.CromptonSecuritiesSettlement.com](http://www.CromptonSecuritiesSettlement.com)**

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**BASIC INFORMATION**

**1. Why Did I Receive This Notice Package?**

You or someone in your family may have purchased or otherwise acquired the securities of Crompton during the period between October 26, 1998, and October 8, 2002, inclusive, including without limitation all persons and entities that purchased or otherwise acquired Crompton Securities pursuant to the merger between Crompton & Knowles Corporation and Witco Corporation.

If this description applies to you, you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the Lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive them.

**2. What Is This Lawsuit About?**

On October 8, 2002, Crompton announced that it was cooperating with authorities in the United States and European Union concerning an investigation into allegations of collusive business dealings in the rubber chemicals industry. That day, the Company’s stock price dropped 35.5%, from a closing price of \$9.15 on October 8, 2002 to \$5.90 on October 9, 2002.

On or after July 28, 2003, three actions were filed in the District of Connecticut against Crompton and certain of the Company’s officers and directors. These three actions were consolidated by Order dated October 3, 2003. Thereafter, on March 18, 2004, the Court approved Pierre Brull and William Ashe as Lead Plaintiffs, and appointed their choice of counsel, Murray, Frank & Sailer LLP and Schiffrin Barroway Topaz & Kessler, LLP<sup>4</sup> as co-lead counsel (“Co-Lead Counsel”) for the Class.

Lead Plaintiffs filed their Consolidated Amended Class Action Complaint for Violations of Federal Securities Laws (the “Complaint”) on July 20, 2004. The Complaint alleged, among other things, that throughout the Class Period, Crompton participated in collusive business conspiracies designed to artificially fix price and demand for most of its product line. The Complaint further alleged that, as a result, Defendants’ Class Period statements concerning financial results, competition, pricing, sales, and margins were materially false and misleading as these statements were largely the result of undisclosed anticompetitive business practices.

On September 17, 2004, Defendants Crompton, Calarco and Barna filed a motion to dismiss the Complaint. On November 19, 2004, Lead Plaintiffs filed an opposition to that motion to dismiss, and on January 4, 2005, those Defendants filed a reply memorandum in support of the motion to dismiss. In addition, Defendants Cook, Hohn, Wesson, Brinberg and Pappas filed a motion to dismiss the Complaint on February 14, 2005. Lead Plaintiffs filed an opposition to that motion to dismiss on April 11, 2005, and those Defendants filed a reply in support of their motion to dismiss on May 11, 2005.

While Defendants’ motions to dismiss were pending, the Parties engaged in settlement negotiations, participating in a formal mediation before a retired state superior court judge. Following the mediation and continued telephonic negotiations, the Parties reached a

<sup>4</sup> Schiffrin Barroway Topaz & Kessler, LLP has since changed its name to Barroway Topaz Kessler Meltzer & Check, LLP.

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tentative agreement to settle the Lawsuit, and executed a Memorandum of Understanding outlining the general terms of their proposed settlement on April 30, 2008. Thereafter, Lead Plaintiffs engaged in discovery in order to confirm the fairness of the Settlement.

On November 28, 2008, the Parties executed a stipulation of settlement. On December 12, 2008, the Court issued an Order preliminarily approving that settlement, and scheduled a fairness hearing for June 12, 2009 (which was subsequently postponed and cancelled due to Chemtura's bankruptcy).

On March 18, 2009, Chemtura filed for Chapter 11 bankruptcy protection. Pursuant to 11 U.S.C. § 362(a), Chemtura's bankruptcy resulted in an automatic stay of this Lawsuit. On October 30, 2009, as required by 11 U.S.C. §§ 547 and 550, Co-Lead Counsel returned to Chemtura the \$9,292,500 that Crompton originally contributed to fund the Settlement.

After significant consideration and further mediation and negotiations, the Parties have agreed to modify the Settlement in order to lift the bankruptcy stay in this Lawsuit and avoid further delay in administering any settlement. Accordingly, the Lawsuit will be settled for the \$11,357,500 that Defendants paid or caused to be paid from the Company's Directors & Officers Insurance.

### **3. Why Is This Lawsuit a Class Action?**

In a class action, one or more people called class representatives (in this case the court-appointed Lead Plaintiffs, Pierre Brull and William Ashe) sue on behalf of individuals and entities who have similar claims. All of these individuals and entities who have similar claims are referred to collectively as a Class, or individually as Class members. One court resolves the issues for all Class members, except for those who exclude themselves from the Settlement. The United States District Court for the District of Connecticut, the Honorable Ellen Bree Burns, is in charge of this Lawsuit.

### **4. Why Is There a Settlement?**

In order to avoid the cost and risks of further litigation and trial, both sides agreed to a settlement. As explained above, Lead Plaintiffs and their attorneys believe the Settlement is best for all Class members.

## **WHO IS IN THE SETTLEMENT**

To see if you will receive money from this Settlement, you first have to determine if you are a Class member.

### **5. How Do I Know if I Am Part of the Settlement?**

The Class includes: all those who purchased or otherwise acquired the securities of Crompton during the period between October 26, 1998, and October 8, 2002, inclusive, including without limitation all persons and entities that purchased or otherwise acquired Crompton Securities pursuant to the merger between Crompton & Knowles Corporation and Witco Corporation, *except those persons and entities that are excluded, as described below.*

### **6. What Are the Exceptions to Being Included?**

Excluded from the Class are: Defendants, members of the immediate family of any Defendant, any parent, subsidiary, affiliate, partner, or successor-in-interest of Crompton, and the directors and officers of Crompton or its subsidiaries, affiliates, or successor-in-interest, or any entity in which any excluded person has a controlling interest, and the legal representatives, heirs, successors and assigns of any excluded person. Also excluded from the Class are any putative Class members who exclude themselves by filing a request for exclusion in accordance with the requirements set forth herein.

If you sold Crompton Securities during the period between October 26, 1998, and October 8, 2002, inclusive, that alone does not make you a Class member. You are a Class member only if you purchased or otherwise acquired Crompton Securities during the Class Period.

If one of your mutual funds purchased or owns Crompton Securities, that alone does not make you a Class member.

### **7. What If I Am Still Not Sure if I Am Included?**

If you are still not sure whether you are included, you can ask for free help. You can call the Claims Administrator, Epiq Systems, at 1-866-840-0341, for more information. Or you can fill out and return the claim form described in Question 10, to see if you qualify. If you already submitted a valid Proof of Claim in connection with the original settlement, you do not need to submit another claim form.

## **THE SETTLEMENT BENEFITS – WHAT YOU RECEIVE**

### **8. What Does the Settlement Provide?**

Defendants have created a \$11,357,500 cash Settlement Fund. The balance of this fund, after payment of court-approved attorneys' fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing notice (the "Net Settlement Fund"), will be divided among all Class members who submit timely and valid claim forms.

## **PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS**

### **9. How Much Will My Payment Be?**

The proposed Plan of Allocation provides for distribution of the Net Settlement Fund to Authorized Claimants as follows:

Each Person claiming to be an Authorized Claimant shall be required to submit a separate Proof of Claim signed under penalty of perjury and supported by such documents as specified in the Proof of Claim as are reasonably available to the Authorized Claimant. If you are entitled to a payment, your share of the Net Settlement Fund will depend on the number of valid claim forms that Class members submit, the amount and type of Crompton Securities you purchased or acquired during the Class Period, and when you bought, acquired and sold your Crompton Securities. By following the Plan of Allocation described herein, you can calculate your "Recognized Loss." The Claims Administrator will distribute the Net Settlement Fund according to the Plan of Allocation after the deadline for submission of Proofs of Claim has passed.

All Proofs of Claim must be postmarked or received by September 24, 2010, addressed as follows:

*In re Crompton Corp. Securities Litigation*

c/o Epiq Systems

Claims Administrator

P.O. Box 4655

Portland, OR 97208-4655

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Unless otherwise ordered by the Court, any Class member who fails to submit a properly completed and signed Proof of Claim within such period, or such other period as may be ordered by the Court, shall be forever barred from receiving any payments pursuant to the Amended Stipulation and Agreement of Settlement dated as of April 13, 2010 (the "Amended Stipulation"), but will in all other respects be subject to the provisions of the Amended Stipulation and the final judgment entered by the Court.

The Net Settlement Fund will be distributed to Authorized Claimants pursuant to the terms of the Plan of Allocation described below. An Authorized Claimant will be eligible to receive a distribution from the Net Settlement Fund only if a Class member had a net loss, after all profits from transactions in Crompton Securities during the Class Period are subtracted from all losses. However, the proceeds from sales of securities which have been matched against securities held at the beginning of the Class Period will not be used in the calculation of such net loss. No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

The date of purchase, acquisition, or sale is the "contract" or "trade" date and not the "settlement" date. All profits will be subtracted from all losses to determine the net Recognized Loss of each Class member. For Class members who held Crompton Securities at the beginning of the Class Period or made multiple purchases, acquisitions or sales during the Class Period, the first-in, first-out ("FIFO") method will be applied to such holdings, purchases, acquisitions and sales for purposes of calculating a Recognized Loss. Under the FIFO method, sales during the Class Period will be matched, in chronological order, first against your holdings at the beginning of the Class Period and thereafter, in chronological order, against subsequent purchases and acquisitions during the Class Period.

The Plan of Allocation reflects the differences in the claims of claimants who acquired Crompton common stock through its merger with Witco (the "Merger Claimants"), because these claimants also have claims under Section 11 of the Securities Act of 1933 ("Section 11"), in addition to claims under Section 10(b) of the Exchange Act of 1934 ("Section 10(b)"). As opposed to claims under Section 10(b), several elements, including the elements of scienter and loss causation, need not be pled and/or proven under Section 11. Therefore, the Plan of Allocation provides the Merger Claimants with a 20% premium for their Recognized Loss over claimants suing only under Section 10(b).

Recognized Losses for claimants who sold their stock before October 8, 2002 are substantially discounted since Class members sold their shares prior to any alleged corrective disclosures.

Consistent with the requirements of the Private Securities Litigation Reform Act of 1995, Recognized Losses are reduced to an appropriate extent by taking into account the closing prices of Crompton common stock during the 90-day period following the end of the Class Period. The mean (average) closing price for Crompton common stock during this 90-day period beginning on October 9, 2002 and ending on January 6, 2002 was \$6.62.

## **RECOGNIZED LOSS CALCULATIONS**

### **A. Common Stock Acquired As A Result Of Crompton's Merger With Witco:**

For shares of Crompton common stock acquired as a result of Crompton's merger with Witco, and:

1. Sold at a loss on or before October 8, 2002, the Recognized Loss per share is 6% of the difference between \$16.00 and the sales proceeds received (excluding commissions and fees) (the "SPR");
2. Still held as of the close of trading on October 8, 2002, the Recognized Loss is \$3.90 per share.

### **B. All Other Common Stock:**

For shares of Crompton common stock purchased or acquired between October 26, 1998 and October 8, 2002, inclusive (including purchases to cover shares sold short prior to the Class Period) and:

1. Sold at a loss on or before October 8, 2002, the Recognized Loss per share is 5% of the difference between the purchase price paid (excluding commissions and fees) (the "PPP") and the SPR;
2. Still held as of the close of trading on October 8, 2002, the Recognized Loss per share is the lesser of: (a) PPP minus \$6.62; or (b) \$3.25.

### **C. Debt Securities:**

Crompton had publicly traded debt securities during the Class Period consisting of 8.50% Notes due 2005 ("2005 Notes"); 6.60% Notes due 2003 ("2003 Notes"); 6.125% Notes due 2006 ("2006 Notes"); 7.75% Notes due 2023 ("2023 Notes"); and 6.875% Notes due 2026 ("2026 Notes") (collectively, the "Notes").

In recognition of the risks involved in establishing the element of loss causation for these claims and the efficiency of the market for the Notes, Authorized Claimants with respect to the Notes will share in an amount not to exceed 10% of the Net Settlement Fund on the basis of claims filed. Recognized Losses for Notes will be computed as follows:

1. Sold at a loss on or before October 8, 2002, the Recognized Loss per Note is 5% of the difference between the PPP and the SPR;
2. Still held as of the close of trading on October 8, 2002, the Recognized Loss shall be the difference of the PPP and the SPR.

### **D. Call Options:**

1. For call options on Crompton common stock purchased during the Class Period, the Recognized Loss for each call option contract shall be 10% of the difference between the PPP per call option contract and the SPR per the call option contract when said call option contract was subsequently sold (if the option expired worthless while still owned by the Authorized Claimant, the sale price shall be deemed to be \$0).
2. Shares of Crompton common stock purchased or acquired during the Class Period through the exercise of a call option shall be treated as a purchase on the date of exercise for the exercise price plus the cost of the call option, and any Recognized Loss arising from such transaction shall be computed as provided for other purchases and acquisitions of Crompton common stock as set forth herein.
3. No Recognized Loss shall be calculated based upon the sale or writing of any call option that was subsequently repurchased.

### **E. Put Options:**

1. For put options on Crompton common stock sold or written during the Class Period, the Recognized Loss per put option contract is 10% of the difference between the amount received per put option contract and the PPP per put option contract

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when said put options were subsequently repurchased at any time (including after the Class Period). For put options sold or written during the Class Period that expired worthless and unexercised, the Authorized Claimant's Recognized Loss is \$0.

2. For Crompton put options that were sold or written during the Class Period, that were "put" to the Authorized Claimant (i.e., exercised) at any time, the Authorized Claimant's Recognized Loss shall be calculated as a purchase of Crompton common stock as shown herein, and as if the sale of the put option were instead a purchase of Crompton common stock on the date of the sale or writing of the put option, and the PPP shall be the strike price of the put option less proceeds received from the sale of the put option.
3. No Recognized Loss shall be calculated based upon the sale of any put options on Crompton common stock that was previously purchased.

Since options are derivative securities that are expected to have additional volatility, it makes it more difficult to prove that losses on such securities are causally related to the alleged wrongdoing, as opposed to non-actionable causes. For the purposes of this allocation, the total payout to these Authorized Claimants with respect to options is limited to 5% of the Net Settlement Fund on the basis of claims filed.

**Please note that the term "Recognized Loss" is used solely for calculating the amount of participation by Authorized Claimants in the Net Settlement Fund. It does not reflect the actual amount an Authorized Claimant can expect to recover.**

The Plan of Allocation is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Plan of Allocation may be modified in connection with, among other things, a ruling by the Court, an objection filed by a Class member, without further notice to the Class.

Each Authorized Claimant shall be paid the percentage that each Authorized Claimant's claim bears to the total of the claims of all Authorized Claimants. The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Class member on equitable grounds. Each Claimant is deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's claim, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to that Claimant's status as a Class member and the validity and amount of that Claimant's claim. No discovery shall be allowed on the merits of the Lawsuit.

Payments will be final and conclusive against all Class members. All Class members whose claims are not approved by the Court will be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of the Settlement, including the terms of the Order and Final Judgment to be entered in the Lawsuit and will be barred from bringing any Released Claim against any Released Parties, including Unknown Claims (as those terms are defined in the Proof of Claim enclosed with this Notice and in the Amended Stipulation), which is available on the Internet at [www.CromptonSecuritiesSettlement.com](http://www.CromptonSecuritiesSettlement.com), or through the mail upon request).

## HOW YOU RECEIVE A PAYMENT – SUBMITTING A CLAIM FORM

### 10. How Will I Receive a Payment?

To qualify for payment, you must be an eligible Class member and you must submit a claim form. A claim form is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form requests, sign it, and mail it in an envelope postmarked no later than September 24, 2010. Retain a copy of everything you mail, in case the materials are lost or destroyed during shipping.

Please Note: **If you previously submitted a valid Proof of Claim in connection with the original settlement of this Lawsuit and wish to participate in this Settlement, you do not need to do anything else.** If you are unsure about whether you previously submitted a valid Proof of Claim, you may contact Epiq Systems at the address set forth above, or by calling 1-866-840-0341.

### 11. When Will I Receive My Payment?

The Court will hold a hearing on August 17, 2010, to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether appeals, if any, can be resolved, and resolving them can take time, perhaps several years. In addition, the Claims Administrator must process all of the Proof of Claim forms. The processing is complicated and will take many months. Please be patient.

### 12. What Am I Giving Up By Staying in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants or the Released Parties about the Released Claims. It also means that all of the Court's orders will apply to you and legally bind you, and you will release your claims in this Lawsuit against the Defendants. The terms of the release are included in the claim form that is enclosed.

## EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep the right to sue or continue to sue the Defendants on your own about the same claims being released in this Settlement, then you must take steps to exclude yourself from the Settlement. This is referred to as opting out of the Class. Please note that, ordinarily, opting out of the Class would allow you to sue the Defendants on your own. However, in this case, Chemtura is in bankruptcy. All claims against Chemtura must therefore be resolved through Chemtura's bankruptcy proceeding, known as In re Chemtura Corporation, et. al., Debtor(s), Case No. 09-11233 (REG), Chapter 11. The bankruptcy case is being administered in the United States Bankruptcy Court for the Southern District of New York. The bankruptcy court previously set a Bar Date of October 30, 2009 that precludes the filing of new claims relating to pre-bankruptcy events unless you filed a "Proof of Claim" form in that proceeding prior to that date. So, if you exclude yourself from the Class and did not file an individual proof of claim in the bankruptcy proceeding, you will **not** be able to pursue any claim against Chemtura.

### 13. How Do I Exclude Myself from the Settlement?

To exclude yourself from the Settlement, you must send a letter by mail stating that you want to be excluded from the Settlement in *In re Crompton Corp. Securities Litigation*, No. 3:03-CV-1293 (EBB). You must include your name, address, telephone number, your signature, and information concerning your purchase(s), acquisition(s) and sale(s) of Crompton Securities during the Class Period, including the type and

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amount of Crompton Securities (*e.g.*, the number of shares of Crompton common stock) and the dates of each purchase, acquisition and sale of Crompton Securities. You must mail your exclusion request so that it is *received* no later than July 28, 2010 to:

***In re Crompton Corp. Securities Litigation***  
**c/o Epiq Systems**  
**Claims Administrator**  
**P.O. Box 4655**  
**Portland, OR 97208-4655**

\*Please keep a copy of everything you send by mail, in case it is lost or destroyed during shipping.

You cannot exclude yourself over the phone or by e-mail. If you ask to be excluded from the Settlement, you are not eligible to receive any payment from the Net Settlement Fund, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit and you will be able to pursue the claims that are being released in this Settlement. If you already filed a Proof of Claim in connection with the original settlement of this Lawsuit, but now wish to opt-out of this Settlement, you may do so, and by doing so, will no longer be eligible to participate in the Settlement.

**14. If I Do Not Exclude Myself, Can I Sue the Defendants for the Same Thing Later?**

No. Unless you exclude yourself, you give up any right to sue the Defendants or the Released Parties for the claims being released by this Settlement. If you have a pending lawsuit relating to the claims being released in this Lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is July 28, 2010.

**15. If I Exclude Myself, Can I Receive a Payment from This Settlement?**

No. If you exclude yourself, do not send in a claim form. But, you may sue, continue to sue, or be part of a different lawsuit asserting the claims being released in this Settlement against the Defendants or the Released Parties.

**THE LAWYERS REPRESENTING YOU**

**16. Do I Have a Lawyer in This Case?**

The Court appointed the law firms of Barroway Topaz Kessler Meltzer & Check, LLP (formerly, Schiffrin Barroway Topaz & Kessler, LLP) and Murray, Frank & Sailer LLP to represent you and the other Class members. These lawyers are called Co-Lead Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

**17. How Will the Lawyers Be Paid?**

Co-Lead Counsel will apply to the Court for attorneys' fees not to exceed 25% of the Settlement Fund and for reimbursement of their out-of-pocket expenses advanced in connection with the Lawsuit up to an amount of \$350,000, plus interest on both amounts at the same rate as earned by the Settlement Fund. *Such sums as may be approved by the Court will be paid from the Settlement Fund.* Class members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Co-Lead Counsel for their efforts in achieving this Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, Co-Lead Counsel have not been paid for their services for conducting this Lawsuit on behalf of Lead Plaintiffs and the Class or for their substantial out-of-pocket expenses. The fee requested will compensate Co-Lead Counsel for their work in achieving the Settlement Fund and is well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may, however, award less than this amount.

**OBJECTING TO THE SETTLEMENT**

You can tell the Court that you do not agree with the Settlement or some part of it.

**18. How Do I Tell the Court that I Do Not Like the Settlement?**

If you are a Class member, you can object to the Settlement if you do not like any part of it. If you filed a Proof of Claim in connection with the original settlement, but now wish to object to this Settlement, you may still do so. To object, you must send a letter saying that you object to the Settlement in *In re Crompton Corp. Securities Litigation*, No. 3:03-CV-1293 (EBB) and the reasons why you object to the Settlement. Be sure to include your name, address, telephone number and your signature. You must also include information concerning your purchase(s), acquisition(s) and sale(s) of Crompton Securities during the Class Period, including the type and amount of Crompton Securities (*e.g.*, the number of shares of Crompton common stock) and the dates of each purchase, acquisition and sale of Crompton Securities. Any objection to the Settlement must be *received* by *each of the following* by July 28, 2010:

COURT	CO-LEAD COUNSEL	DEFENDANTS' COUNSEL
Clerk of the Court United States District Court District of Connecticut Richard C. Lee United States Courthouse 141 Church Street New Haven, CT 06510	Michael K. Yarnoff, Esq. Karen E. Reilly, Esq. Jennifer L. Enck, Esq. BARROWAY TOPAZ KESSLER MELTZER & CHECK, LLP 280 King of Prussia Road Radnor, PA 19087  Brian P. Murray, Esq. Gregory B. Linkh, Esq. MURRAY, FRANK & SAILER LLP 275 Madison Avenue, Suite 801 New York, NY 10016	Andrew J. Frackman, Esq. William J. Sushon, Esq. O'MELVENY & MYERS LLP 7 Times Square New York, NY 10036  Bradford S. Babbitt, Esq. Jeffrey J. White, Esq. ROBINSON & COLE LLP 280 Trumbull Street Hartford, CT 06103  Thomas D. Goldberg, Esq. DAY PITNEY LLP One Canterbury Green Stamford, CT 06901-2047

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**19. What is the Difference Between Objecting and Excluding?**

Objecting is simply telling the Court that you do not like something about the Settlement, the Plan of Allocation, or the application for attorneys' fees and expenses. You can object *only if* you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

**THE COURT'S SETTLEMENT FAIRNESS HEARING**

**20. When and Where Will the Court Decide Whether to Approve the Settlement?**

The Court will hold a fairness hearing at 10:00 a.m., on August 17, 2010, at the United States District Court for the District of Connecticut, Richard C. Lee United States Courthouse, 141 Church Street, New Haven, CT 06510, Courtroom Three. At this hearing, the Court will consider whether the Settlement and the Plan of Allocation are fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have requested in writing by July 28, 2010 to speak at the hearing. The Court may also consider Co-Lead Counsel's application for attorneys' fees and reimbursement of expenses.

**21. Do I Have to Come to the Fairness Hearing?**

No. Co-Lead Counsel will answer any questions Judge Burns may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not required.

**22. May I Speak at the Fairness Hearing?**

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter stating your intention to appear in *In re Crompton Corp. Securities Litigation*, No. 3:03-CV-1293. Be sure to include your name, address, telephone number, your signature, and also identify the date(s), price(s) amount(s) and type(s) of all purchases/acquisitions of Crompton Securities you made during the Class Period. Your notice of intention to appear must be received no later than July 28, 2010, and be sent to the Clerk of the Court, Co-Lead Counsel, and Defendants' Counsel, at the addresses listed in Question 18. You cannot speak at the hearing if you exclude yourself from the Settlement.

**IF YOU DO NOTHING**

**23. What Happens if I am a Class Member and I Do Nothing at All and I Did Nothing in Connection with the Original Settlement?**

If you do nothing, and you did not previously submit a Proof of Claim form in connection with the original settlement of the Lawsuit, you will receive no money from this Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants or the Released Parties about the same claims being released in this Settlement.

**24. What Will Happen if I am a Class Member and I Previously Submitted a Proof of Claim in Connection With the Original Settlement and I Take No Further Action?**

If you previously submitted a valid Proof of Claim in this Lawsuit, you are eligible to receive a recovery from this Settlement without taking any further action. If you are unsure about whether you already submitted a Proof of Claim, or have questions regarding the status of a previously submitted Proof of Claim, please contact Epiq Systems at the address set forth herein, or by calling 1-866-840-0341.

**OBTAINING MORE INFORMATION**

**25. Are There More Details About the Settlement?**

This Notice summarizes the proposed Settlement. More details are in the Amended Stipulation. All terms used in this Notice shall have the same meanings as in the Amended Stipulation. You can obtain a copy of the Amended Stipulation or more information about the Settlement by visiting [www.CromptonSecuritiesSettlement.com](http://www.CromptonSecuritiesSettlement.com), or by writing to one of Co-Lead Counsel listed above in Question 18. You can also obtain a copy of the Amended Stipulation from the Clerk's office at the United States District Court for the District of Connecticut, Richard C. Lee United States Courthouse, 141 Church Street, New Haven, CT 06510, during regular business hours.

**DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE  
SPECIAL NOTICE TO NOMINEES**

If you purchased the Securities of Crompton between October 26, 1998, and October 8, 2002, inclusive, as nominee for a beneficial owner, then, the Court has ordered that within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such beneficial owners; or (2) provide a list of the name and addresses of such beneficial owners to the Claim Administrator:

*In re Crompton Corp. Securities Litigation*  
c/o Epiq Systems  
Claims Administrator  
P.O. Box 4655  
Portland, OR 97208-4655

**Please Note: If you previously provided the Claims Administrator with a list of names and addresses of all of your beneficiaries for who you purchased Crompton Securities during the Class Period, then you do not need to respond; the Claims Administrator will send this Notice to those persons as well.**

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for reasonable administrative costs actually incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: May 27, 2010

BY ORDER OF THE COURT

UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT

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