

DRINKER BIDDLE & REATH LLP

Andrew C. Kassner (AK-9067)

David B. Aaronson (DA-8387)

18th & Cherry Streets

Philadelphia, PA 19103

Telephone: (215) 988-2700

Facsimile: (215) 988-2757

- and -

140 Broadway

39th Floor

New York, New York 10005

Telephone: (212) 248-3140

Facsimile: (212) 248-3141

Attorneys for Quaker Chemical Corporation

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

GENERAL MOTORS CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 09-50026

Jointly Administered

**CURE OBJECTION OF QUAKER CHEMICAL CORPORATION TO
THE DEBTORS' PROPOSED ASSUMPTION AND ASSIGNMENT OF CERTAIN
EXECUTORY CONTRACTS AND THE CURE COSTS RELATED THERETO**

Quaker Chemical Corporation (“Quaker”), by and through its undersigned counsel, hereby files this Cure Objection to the Debtors’ proposed assumption of certain executory contracts by and between Quaker and the Debtors and assignment thereof to Vehicle Acquisition Holdings LLC or any other purchaser of the Debtors’ assets (the “Purchaser”) and the cure costs related thereto. In support of its Cure Objection, Quaker respectfully represents as follows:

1. On June 1, 2009 (the “Petition Date”), General Motors Corporation and several of its affiliates (collectively, the “Debtors”) filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”).

2. On June 1, 2009, the Debtors filed a motion [Docket No. 92] seeking the entry of an order, *inter alia*, establishing certain bidding procedures (the “Bidding Procedures”) authorizing the Debtors to sell substantially all of their assets to the Purchaser and to assume and assign certain executory contracts to the Purchaser in connection with the sale.

3. On June 2, 2009, this Court entered an order approving the Bidding Procedures [Docket No. 274] pursuant to which, *inter alia*, certain procedures were established (the “Contract Procedures”) by which (a) the Debtors are required to designate the executory contracts they intend to assume and assign to the Purchaser and list the amounts that must be paid to cure all pre-petition defaults under such contracts and (b) the Debtors and any objecting non-debtor counterparty are required to meet and confer in a good faith attempt to resolve any objections challenging the ability of the Debtors to assume and assign an executory contract or the amount of the proposed cure costs.

4. On June 5, 2009, the Debtors sent Notice of (I) Debtors’ Intent to Assume and Assign Certain Executory Contracts, Unexpired Lease of Personal Property, and Unexpired Leases of Nonresidential Real Property and (II) Cure Amounts Related Thereto (“Assignment Notice”), which indicates that Debtors intend to assume and assign Debtors’ agreements with Quaker (“Quaker Agreements”). The proposed cure cost relating to the Quaker Agreements as indicated by the Debtors web site as of the date of this response is the aggregate amount of \$3,563,384.59 (the “Proposed Cure Cost”).

5. Quaker does not object to the proposed assumption of the Quaker Agreements or the assignment of the Quaker Agreements to the Purchaser. However, Quaker is filing this Cure Objection as a protective measure (a) to ensure that the Debtors meet and confer in good faith to attempt to reconcile and fix the Proposed Cure Cost and (b) to reserve its rights with respect to the Proposed Cure Cost.

Limited Objection

6. Before the Petition Date, Quaker sold various products and provided services at various plants to the Debtors pursuant to the Quaker Agreements.

7. The Debtors have indicated on their secure web site that the Proposed Cure Cost represents the amount that the Debtors believe is due and owing to Quaker as of the Petition Date.

8. Quaker's records indicate that the net aggregate amount due and owing to Quaker for products sold and services provided at various plants on or before the Petition Date pursuant to the Quaker Agreements is \$5,219,074.07 (the "Actual Cure"), leaving a Proposed Cure Cost shortfall of \$1,655,689.48 (the "Balance").¹ Quaker is prepared to share with the Debtors information about, and invoices supporting, the Balance and to cooperate with the Debtors to reconcile the difference between the Proposed Cure Cost and the Actual Cure Cost. Quaker requests that Counsel for the Debtors promptly contact, the undersigned counsel for Quaker, to initiate this reconciliation process.

Reservation of Rights

¹ The Balance includes any amounts owed to Quaker that are entitled to administrative priority pursuant to section 503(b)(9) of the Bankruptcy Code.

9. Quaker reserves the right to (a) amend, supplement, or otherwise modify this Limited Objection and (b) raise such other and further objections on as may be determined by further investigation by Quaker or the Debtors into the Quaker Agreements and the Proposed Cure Cost. Further, since this Cure Objection is filed with respect to the proposed assumption and assignment of the Agreements and the amount of the Proposed Cure Cost set forth in the Notice, Quaker reserves the right to file an additional objection to the extent that any supplemental or revised notices are served on Quaker.

Conclusion

WHEREFORE, Quaker Chemical Corporation respectfully requests this Court grant the relief requested in this Cure Objection and such other or further relief as is just and proper.

Respectfully submitted,

Dated: June 15, 2009

DRINKER BIDDLE & REATH LLP

By: /s/ David B. Aaronson
Andrew C. Kassner (AK9067)
David B. Aaronson (DA8387)
One Logan Sq. 18th & Cherry Sts.
Philadelphia, Pennsylvania 19103
Telephone: (215) 988-2700
Facsimile: (215) 988-2757

- and -

140 Broadway 39th Floor
New York, New York 10005
Telephone: (212) 248-3140
Facsimile: (212) 248-3141

Attorneys for Quaker Chemical Corporation

DRINKER BIDDLE & REATH LLP

Andrew C. Kassner (AK-9067)

David B. Aaronson (DA-8387)

18th & Cherry Streets

Philadelphia, PA 19103

Telephone: (215) 988-2700

Facsimile: (215) 988-2757

- and -

140 Broadway

39th Floor

New York, New York 10005

Telephone: (212) 248-3140

Facsimile: (212) 248-3141

Attorneys for Quaker Chemical Corporation

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

GENERAL MOTORS CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 09-50026

Jointly Administered

CERTIFICATE OF SERVE

I hereby certify that on June 15, 2009, I caused to be electronically served using the ECF system which will send notification of the filing of the Cure Objection of Quaker Chemical Corporation To The Debtors' Proposed Assumption And Assignment Of Certain Executory Contracts And The Cure Costs Related Thereto; and I caused to be served by the manner indicated on the following parties:

General Motors Corporation
Cadillac Building
30009 Van Dyke Avenue
Warren, Michigan 48090-9025
Attn: Warren Command Center
Mailcode 480-206-114
VIA OVERNIGHT MAIL

Harvey R. Miller
Stephen Karotkin
Joseph H. Smolinsky
Weil, Gotchal & Manges LLP
767 Fifth Avenue
New York, New York 10153
VIA FACSIMILE
212-310-8007

Matthew Feldman
The U.S. Treasury
1500 Pennsylvania Avenue NW, Room 2312
Washington, D.C. 20220
VIA OVERNIGHT MAIL

John J. Rapisardi
Cadwalader, Wickersham & Taft LLP
One World Financial Center
New York, New York 10281
VIA FACSIMILE
212-504-6666

Michael J. Edelman
Michael L. Schein
Vedder Price, P.C.
1633 Broadway, 47th Floor
New York, New York 10019
VIA FACSIMILE
212-407-7799

Diana G. Adams
Office of the United States Trustee
For the Southern District of New York
33 Whitehall Street, 21st Floor
New York, New York 10004
VIA FACSIMILE
212-668-2255

Thomas Moers Mayer
Kenneth H. Eckstein
Gordon Z. Novod
Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
VIA FACSIMILE
Fax: (212) 715-8000

Dated: June 15, 2009

DRINKER BIDDLE & REATH LLP

By: /s/ David B. Aaronson
Andrew C. Kassner (AK9067)
David B. Aaronson (DA8387)
One Logan Sq. 18th & Cherry Sts.
Philadelphia, Pennsylvania 19103
Telephone: (215) 988-2700
Facsimile: (215) 988-2757

- and -

140 Broadway 39th Floor
New York, New York 10005
Telephone: (212) 248-3140
Facsimile: (212) 248-3141

Attorneys for Quaker Chemical Corporation