

## What's Next in Kodak's Bankruptcy Journey?

In the 16-month-plus marathon that has been Eastman Kodak Co.'s Chapter 11 bankruptcy, the company is nearing the final leg. The company has sold off or ended lines of business, shuttered numerous offices and ended the health care benefits it provided thousands of retirees. And to wrap up its bankruptcy, Kodak is preparing to issue a whole new generation of stock with which to settle roughly \$2.7 billion worth of unsecured claims and \$375 million in second lien notes. Between now and the end of the third quarter of this year, Kodak will be busy getting U.S. Bankruptcy Court approval for its disclosure statement, pitching that reorganization plan to creditors, and trying to lasso enough "yes" votes on that plan to make it happen. Here are some questions and answers about Kodak's plan to emerge from bankruptcy. What happens to existing Kodak stock?

Short answer, it goes the way of the dodo, the passenger pigeon and the stock of such companies as General Motors and Delta Airlines when they went bankrupt. In bankruptcy, some claims for money owed by the bankrupt company have higher priority than others. Paid first, for example, are the legal and accounting professionals representing the debtor. Then unpaid tax claims. "Then you come down to the more general unsecured claims — trade debt, anything a creditor owed money but can't look to a specific item of collateral," said Robert Rock, senior counsel with the bankruptcy practice at Albany law firm Tully Rinckey PLLC. "Below the unsecured creditors is the shareholders. Unsecured creditors may receive only pennies on the dollar (and) they are in the pecking order higher than equity. So what generally happens is the stockholders get wiped out and the stock is redistributed to the creditors." "It's effectively a new company." "Current shareholders "really have no credible argument that their shares have any reorganization value — value after those with superior claims, the creditors, can be paid in full," said John C. Ninfo II, retired U.S. bankruptcy judge for the Western District of New York. "Earlier in the case, before it all played out, they may have been able to at least make an argument, but the less-than-successful (imaging patent) sale was probably the end of any such argument." "So bottom line, this is common where the pre-confirmation shareholders clearly have no reorganization value, and the debtor needs to issue new stock in the reorganized debtor to the creditors in order to sweeten the pot and hopefully gain their acceptance of the plan, and have ownership and governance for the reorganized public company." "Not surprisingly, shares in Kodak's current stock plunged 76 percent Wednesday, closing at 9 cents, down 28 cents. What will that new Kodak stock be worth?

During the first three months of 2013, Kodak shares averaged 20 cents apiece. With 271 million shares outstanding, that gave the company a market cap of about \$54 million. Kodak will issue 40 million new shares to pay back its various creditors. So that market cap divided by 40 million means it wouldn't be unreasonable to expect Kodak shares to trade, at least initially, at around \$1.35. What's left of Kodak?

Kodak CEO Antonio M. Perez often points out that making film and printing are very similar — putting a thin spray onto a substance like paper or plastic. With Kodak exiting photography

with the sale of its Personalized Imaging business, it will focus almost exclusively on various products and services for the printing industry. In its disclosure statement filed Tuesday with U.S. Bankruptcy Court, Kodak describes itself as "a trusted leader in conventional and digital technologies that serve the \$720 billion commercial, packaging and functional printing market" and having "a compelling and unique combination of advantages." Those, according to Kodak, include its Stream high-speed inkjet printing technology found in its Prosper presses and its SquareSpot laser-writing tech. The company said its sweet spots competitively include its growing packaging printing business and the growth it's already seen of such printing technology platforms as Stream and Flexcel. According to Kodak, there are today more than 5,000 of its digital printing units — including everything from Prosper machines to Versamark, Digimaster and NexPress devices. And Kodak says its corporate R&D "will center on technology applications in printed electronics, fluidics, patterned deposition, and new

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materials." "LITERALLY THE BEST MONEY I EVER SPENT!!!! The USAF charged my son with Article 92, Violate General Order and Article 128, Simple Assault. I spoke to many attorneys who said to me, "Your son will be convicted of the Simple Assault because putting lotion on someone's face is considered an assault as it is an unwanted touch." They all wanted me to work on a plea deal with the government that ended with my son being discharged, spending time in the brig and having a federal conviction for the rest of his life. Knowing that this just didn't warrant a federal conviction, bad conduct discharge and time in the brig, I was on a search to find an attorney who would look at this case for what it was: a couple of 19-21 year-old immature young men horse playing. I was looking for someone who would say something different; someone who would be able to look at the case from more than one view. When I spoke to Mr. Rinckey, I thought I was going to get the same ole speech, but to my surprise, I IMMEDIATELY felt at ease and I knew right then that he was going to be my attorney (not sure if he knew it at this time). He took on this case with vigor and ZERO FEAR of the government! He wanted them to know that this was NOT going to go away with any plea deal! And he went to work! Then, LITERALLY 2 DAYS BEFORE trail the government added an additional charge, which was Article 134, Unlawful Entry. Mr. Rinckey stayed focused, developed a plan, and off to trail we went. He was so prepared, calm and at ease. I remember him saying to me, "I am ready to try this case." And yesterday – 14 APR 2016 – my son was found NOT GUILTY on ALL CHARGES AND SPECIFICATIONS!!! Yesss!!! You know, it's always hard to find money for an attorney, but I learned one thing with this case. Although I thought we couldn't afford an attorney, the truth of the matter was that we couldn't afford NOT TO HAVE an attorney. I only wish I had found Mr. Rinckey sooner, but that's okay. I have found my ATTORNEY for life," Y.W. on Founding Partner on Greg Rinckey, Esq.

Prior results do not guarantee similar outcomes.

"Great Customer Service" – C.R.

"Great customer service, thoroughly explained all aspects of my case. Thank you." - C.R.

Prior results do not guarantee similar outcomes

&#8220;Great Service&#8221; &#8211; E.S.

I want to thank you all for the great service rendered [to] myself and family. - E.S. on Client Relations Attorney Derrick Hogan

"High Regard" – R.E.M.

"Your firm held my best interests with high regard... I thank you for your efforts" - R.E.M.

“Prompt and Efficient” – K.E.

“Prompt and efficient in processing claim, all correspondence handled in prompt & efficient manner” – K.B.

“Impressed” – W.W.

“As a retired heavy user of attorneys, I’m impressed with your concerns and your efforts to stay in touch with your clients. Its damned good management aligned with top notch expertise.” – W.W.

“Excellent Service” – J.R.

“Excellent service, very professional, and understanding and considerate of clients needs” Attorney was very approachable and there was a very good comfort level” – J.R.

“Full Service” – K.M.

“I like the fact the office is close enough to where I work and live and that it is a full service practice, not just estate planning” – K.M.

“Professional and Informative” – J.H.

“Professional and informative... I was pleased with the handling of the case. I was treated as a person, and kept abreast of all aspects of the case. Thank you all.” – J.H.

“Thanks So Much” – J.D.

“Without your Firm, I would not have known of my claim. Thanks so much!” – J.D.

“Gets Results” – F.P.

“Most certainly – The firm gets results!” – F.P.

“Outstanding” – M.P.

“Results are outstanding” – M.P.

“Quite Satisfied” – R.W.

“I am quite satisfied with the services your office has provided.” – R.W.

“Exceptional Legal Services” – A.S.

“Your firm, Tully Rinckey, has provided and continues to provide me with prompt, keen, exceptional legal services. After the initial consult, I felt relieved that I had the representation from Tully Rinckey... I have found a new found hope with Tully Rinckey...” – A.S.

“Absolute Best” – R.H.

“My attorney was the absolute best I could ever have hoped for. A pure professional in every sense of the word. She was very mindful of my financial expenditure and still was able to represent me very well in my court case.” – R.H.

“Outstanding Service” – A.R.

“Outstanding service, true professional.” – A.R.

“Top Notch” – V.W.

“My attorney was top notch. Very Pleasant and helpful” – V.W.

“Very Thankful” – C.P.

“Very thankful for the help and guidance I received from your law firm. Because of your law firm I was able to return to work with all my back benefits.” – C.P.

“Ideal Choice” – D.H.

“My attorney knew exactly the approach to take and was the ideal choice. She was extremely responsive. She was clear, balanced, and open to our views and feelings. She made it clear she was there for us and ready to answer questions.” – D.H.

“Very Satisfied” – D.D.

“I was very satisfied with the services provided which were completed in a very timely and professional manner.” – D.D.

“Excellent” – B.M.

“Your firm provides excellent & free service to federal workers and NG/USAR members.” – B.M.