

Eastman Kodak's Bumpy Ride into Digital Age

When Eastman Kodak emerges from bankruptcy -- the goal is early 2013 -- the company will be smaller on all fronts: The size of the global workforce will have been slashed some 20% to well below 14,000, including a stable of executives with six-figure salaries.

A host of businesses -- ranging from its traditional film business to souvenir photos of amusement park patrons on roller coasters -- will either be much smaller or gone. What will remain is a few core businesses with enough revenue to keep Kodak in business.

The anticipated structure of post-bankruptcy Kodak has been changing rapidly in recent weeks. In August, the company filed a tentative business plan with the U.S. Securities and Exchange Commission that had operations such as retail photo kiosks and still camera film remaining. That already has changed.

On Monday, the printing and imaging company said it anticipates cutting 1,000 jobs by year's end, related to previously announced plans to sell its personalized and document imaging businesses.

Those cuts come atop 2,700 already eliminated so far this year. Spokesman Christopher Veronda said the layoffs will occur across the company. He did not specify the impact on Rochester, where employment has dwindled to fewer than 5,000. The company said it expects to save \$330 million from employee cuts.

A new round of job cuts and management departures, coming eight months after the company filed for bankruptcy protection, seems to indicate "a little chaos in this Chapter 11" with company revenues coming in less than expected, said Van Conway, CEO of New York-based turnaround and restructuring consultant Conway MacKenzie.

Co-President Philip Faraci's job is being eliminated, and Chief Financial Officer Ann McCorvey has decided to leave. Other high-level departures will happen as business units are sold, the company says. Faraci, who had been with Kodak for eight years, the last five as president, oversaw the digital printing and enterprise operations.

"You swap out two senior people, that's not totally unusual, but you prefer that not to happen," especially given the important nature of the CFO position, Conway said. "That means there's disagreement on strategy."

McCorvey, the CFO, will be temporarily replaced by Rebecca A. Roof, a managing director of Alix Partners, which is Kodak's restructuring adviser and consultant. McCorvey had been with Kodak since 1999 and was named CFO in 2010. She opted to leave when the company decided it needed a CFO with "certain specialized knowledge and experience in Chapter 11 situations," the company spokesman said.

"Personnel costs can be, and usually are, among the highest category of expenses and companies attempting to reorganize under Chapter 11 almost always need to cut expenses wherever possible," said Robert J. Rock, senior bankruptcy attorney with Albany-based Tully Rinckey. "This is especially true in manufacturing industries in the Northeast, where whole product lines have been lost to advancing technology."

With the sale of the personalized and document imaging businesses â?? which include still camera film, photo paper, retail photo kiosks, document scanners and souvenir photo event imaging â?? "the Kodak that emerges will be a more focused enterprise, and so we need to ensure that our leadership of that business is appropriately scaled with a lean management structure," Veronda said.

In a statement, CEO Antonio M. Perez: "We recognize that we must significantly and expeditiously reduce our current cost structure, which is designed for a much larger, more diversified set of businesses."

Co-President Laura Quatela and Dolores Kruchten, president of enterprise services and solutions, will handle the sale of the personalized and document imaging businesses. The plan is for them to leave Kodak when the sales are complete.

"It would be up to the buyer whether to retain Quatela and Kruchten in ... running the businesses," the company spokesman said. He declined to say how many people are

“He took on this case with vigor and ZERO FEAR of the government!”

employed"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.

"Well Informed Legal Advice" - G.C.

Received sound and well informed legal advice. Responses were timely and extremely relevant. - G.C. on client relations attorney Derrick T. Hogan

“Great Service” – 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.B.

"Prompt and efficient in processing claim, all correspondence handled in prompt and 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.

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"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 Satisfield” – 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.