

# Kodak Receives Final Approval to Make Bankruptcy Emergence

by Joel R. Glucksman on September 5, 2013

Photography pioneer Eastman Kodak Co. has experienced a rough 19 months after seeking Chapter 11 bankruptcy protection of the U.S. Bankruptcy Code. However, it appears that the company is well on its way to emerging from bankruptcy protection and entering the commercial and packaging printing market, as a bankruptcy court recently approved its reorganization plan.

U.S. Bankruptcy Judge Allan Gropper gave the final seal of approval to Kodak, ensuring that it will encounter no more legal hurdles as it seeks to transform itself into a new company. The previous week, a number of retirees, shareholders, and other parties objected to the plan, arguing that they should be entitled to assets in exchange for their stock. However, Judge Gropper reiterated his previous ruling, which allowed for the company's creditors to receive 4 to 5 cents on the dollar for their investments, and that they're entitled to be paid prior to shareholders. Despite his ruling, Gropper acknowledged that many parties involved in the bankruptcy will not benefit from the proceedings.

"Many are losing their retirement benefits," said Gropper, according to USA Today. "Many are finding their recovery as a creditor is just a minute fraction of what their debt is from Kodak. (Kodak's) decline and bankruptcy is a tragedy of American economic life."

Kodak said that it is pleased to have finally emerged from its bankruptcy proceedings, and the belt-tightening strategies it undertook during the case have allowed it to emerge with a bright financial future.

"Next, we move on to emergence as a technology leader, serving large and growing commercial imaging markets - such as commercial printing, packaging, functional printing, and professional services - with a leaner structure and a stronger balance sheet," said Kodak CEO Antonio Perez.

Although the company is on pace to formally emerge from proceedings, it's not out of the woods yet. The Associated Press reports that the U.S. Trustee overseeing the bankruptcy proceedings has filed an objection with the court, challenging the legality of large cash and stock bonuses that Kodak executives are likely to receive when the company exits bankruptcy protection.