

## Will Kodak File Bankruptcy?

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[Eastman Kodak Co.](#), the notoriously innovative company that was credited with making the camera financially assessable to the greater public, is considering filing for [Chapter 11](#) bankruptcy, according to the [Wall Street Journal](#). How did a company that was once so successful end up in such a rut?

### The Beginning of Kodak

Kodak was founded in 1881, and the Kodak camera was put on the market in 1888. Former employees compare it to Apple and Google of today; it had a young and exceptionally creative staff and the company's success was wildly discussed throughout the world. On 'wage dividend days', executives would hand out check bonuses that the staff would "use to buy cars and celebrate at fancy restaurants." But even with Kodak's fast achievements, it proved too difficult to compete with the entrance of digital cameras and smartphones.

Kodak first started struggling in the 1980s when foreign companies got in the film game. It began investing in the printing industry after some failed attempts with bathroom cleaners, chemicals, and medical testing devices in the 1980s and 90s. To this day, Kodak stands as the fifth most lucrative printer company in the world with 2.6% of international market share.

[Antonio Perez](#), former CEO of the printing company, Hewlett-Packard, joined Kodak as its chairman in 2005, and got away with using Kodak's patent lawsuits and licensing deals to keep the company running until 2011. In late September, the company withdrew \$160 million from its credit line—even though it was telling its investors that Kodak was working on building cash. Shortly after, lawyers and financial advisers were hired to restructure the company's accounts.

### Restructuring the Company

Now the 131-year-old company is falling back on its patent portfolio, as selling it may help them avoid filing for Chapter 11. However, filing may allow the company to sell at higher prices. Filing would also release the company of its pension and health care obligations for retirees. Kodak is currently in conversation with a handful of large banks, including J.P Morgan Chase, Citigroup, and Wells Fargo about the necessary \$1 billion in financing it will need to survive through the bankruptcy proceedings.

Kodak's future remains unknown and uncertain. As investors are contemplating whether or not the company's printing business is worth financing, or if all of its value remains in its patents, the world prepares to see another nostalgic business enter the ranks of the fallen. In the past five years America has watched as Polaroid, Blockbuster, and Borders have disappeared from the consumer world, victims of the economic turmoil that has become all too familiar. Will Kodak be next, or will it find a way to survive?

In 1932, [George Eastman](#), the original founder and CEO of Kodak, committed suicide, leaving a note that read: "To my friends, my work is done. Why wait?" After its many world-changing accomplishments, perhaps Kodak's work is done as well.

Benjamin Skinner is a bankruptcy and real estate attorney and senior associate at JacksonWhite. He focuses his practice on bankruptcy law, assisting individuals in financial distress. Benjamin also practices in the areas of residential and commercial real estate law. He has been practicing for over ten years and has handled thousands of bankruptcy and real estate cases. He is a member of the State Bar of Arizona and the Maricopa County Bar Association. Benjamin is a member of the American Bankruptcy Institute (ABI) and the National Association of Consumer Bankruptcy Attorneys (NACBA). To read more about what former clients are saying about hiring Mr. Skinner or to set up a free consultation, please visit <http://www.jacksonwhitelaw.com/arizona-bankruptcy/>.

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