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# Groups want voices heard in Kodak's bankruptcy proceedings

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Who will have negotiating power with Eastman Kodak Co. in its bankruptcy is increasingly becoming a can of worms.

A group of Kodak retirees that had pushed the company to appoint a retiree committee to represent its interests now is partially opposing Kodak's motion to do just that.

And a group of shareholders seeking creation of a shareholder committee is now objecting to the idea of a retiree committee unless the shareholders, too, get negotiating rights.

Retirees and shareholders "should rise and fall together," the shareholders argued Thursday in a flurry of legal paperwork.

In an objection filed Thursday in U.S. Bankruptcy Court, a group of 17 retirees represented by Washington, D.C., law firm McTigue & Veis and Alabama firm Haskell Slaughter said that Kodak's motion for a retiree committee would create a toothless tiger.

The objection revolves around Kodak's proposal to give a retiree committee 30 to 60 days' notice before Kodak moves in court to change retiree benefits. The 17 objectors say that amounts to the committee not being allowed "to take any meaningful action until some triggering event" and that the retiree committee should be negotiating with Kodak to come up with mutually agreed-on changes.

Having a retiree committee actively engaged throughout the bankruptcy would presumably force Kodak to pay more to fund such a committee. Under Kodak's current proposal, it would provide \$50,000 a month for paying retiree committee expenses such as legal fees, with that cap going as high as \$175,000 a month if and when Kodak came forward with a proposed change to retiree benefits.

“We look forward to a constructive dialogue with the committee once it is formed,” Kodak spokesman Alan Brakoniecki said Thursday. “But until that time, it would be premature to speculate on how the committee will operate. Our intention is to preserve resources for retiree benefits to the greatest extent possible.”

Meanwhile, the shareholder group argued in its own objection Thursday that since the company generally has the legal right at any time to eliminate or change benefits such as health care, the court shouldn’t elevate retiree needs by giving them official negotiating power without also doing so for shareholders.

Kodak earlier this week filed its own objection opposing the idea of a shareholder committee. The company said that shareholders already are represented by the board of directors and by the unsecured creditors committee and that there’s no proof shareholders have any interests to protect since the company arguably is broke.

Kodak filed for Chapter 11 protection in January and remains in business while seeking to emerge from bankruptcy next year.

The motion regarding creation of a retiree committee is to be heard Monday in U.S. Bankruptcy Court in New York City, while creation of a shareholder committee is set for Wednesday.

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