

# Kodak retirees get voice in court

## Judge OKs panel to represent them

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Any cuts Eastman Kodak Co. hopes to make to retirees' health care benefits might now need retirees to sign off first.

U.S. Bankruptcy Court on Monday ordered that the U.S. trustee appoint a retiree committee to represent the former Kodakers' interests during the company's Chapter 11 case.

Since Kodak filed for bankruptcy in January, its retirees have faced the prospect of having a scalpel applied to their health care coverage as the company looks to shed costs.

Even with the creation of a retiree committee, "No one ... will come out unscathed," said Jeffrey A. Dove, an attorney with Syracuse firm Menter, Rudin & Trivelpiece and a counsel for Kodak retiree group EKRA Ltd. "There is going to be pain. We hope we can minimize that pain."

EKRA president Bob Volpe called the decision by Bankruptcy Court Judge Allan Gropper "good news for all retirees. This committee will have direct interaction with Kodak to try to find win/win solutions for the resolution of all of our health and survivor benefits."

The company provides medical coverage and survivor benefits to about 39,000 retirees, including nearly 17,000 in the Rochester region.

Kodak already is negotiating with a committee of unsecured creditors — the various suppliers and lenders who are owed money but don't have any collateral backing up what they are owed. Now retirees join the unsecured creditors as a group Kodak has to deal with on major changes it wishes to make.

Ultimately, Kodak will need the support of such groups for its reorganization plan, which is the path out of bankruptcy. If Kodak and the committees cannot agree, the judge is the arbiter.

One thing the retiree committee will look at is whether Kodak even needs committee approval to make unilateral changes to benefits of retirees who left the company after

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1991. Kodak has maintained it has a legal right to change those post-1991 benefits at any time.

Dove said the U.S. trustee's office has indicated it expects to appoint the committee by early May. The size of the committee has not yet been determined, but its membership is to come from names provided by Kodak and EKRA and from individual retirees who have written letters or filed motions in the Chapter 11 case.

The notion of a retiree committee first came up in March, when Kodak proposed eliminating the Medicare Advantage plan it provides to post-1991 retirees. Facing objections from retirees and prodding during one hearing by Gropper, Kodak yanked the proposal and filed a motion asking for the retiree committee instead.

Kodak spokesman Christopher Veronda said Monday that the company has no specific timeline by which it expects to again propose benefit cuts.

"It's also premature to speculate on the nature of proposed changes before the committee has formed and had a chance to engage in dialogue," he said. "We have said that our objective is to preserve a core set of benefits while reducing overall cost."

Such committees are funded by Kodak. The retiree committee is allowed \$50,000 a month for expenses including accountants and attorneys — an amount that jumps to \$175,000 a month when Kodak actually comes forward with a proposed change to benefits.