Kodak's emergence from bankruptcy triggers slew of major events

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Recent years have not been kind to Eastman Kodak Co.

And its Chapter 11 bankruptcy of the past 20 months has marked the lowest of its low points. But that long day’s journey into night comes to an end Tuesday when the company is expected to officially emerge from bankruptcy.

That emergence — approved by U.S. Bankruptcy Court last month — triggers a slew of major events for the company. All of Kodak’s old stock effectively ceases to exist. A new generation of stock shares will be created and go to entirely different investors, for the most part. Kodak’s board gets replaced with a nine-person board, two-thirds of which is new. Its Document Imaging and Personalized Imaging businesses become the property of the pension fund covering Kodak’s United Kingdom workforce. As part of that transaction, roughly 3,200 Kodak workers, including 700 locally, will work instead for that pension fund.

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That emergence also means Kodak is no longer under the supervision of U.S. Bankruptcy Court and the scrutiny of the U.S. Trustee. “You have layers and layers of supervision and oversight and — here’s the big one — expenses that are gone,” said Robert Rock, senior counsel with the bankruptcy practice at Albany law firm Tully Rinckey PLLC. “There is kind of a ‘Prometheus unbound’ existence when you emerge.”

Like most major corporations, Kodak prior to bankruptcy had been largely owned by a variety of big financial firms and investment groups ranging from Vanguard Group to TIAA CREF. Post-bankruptcy, ownership of Kodak is largely in the hands of a variety of different investors — these being the firms behind helping pay for its emergence from bankruptcy.