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**UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK**

In re:))	Chapter 11
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹))	Case No. 12-_____ (_____)
Debtors.))	(Joint Administration Requested)

DEBTORS’ MOTION FOR INTERIM AND FINAL ORDERS (A) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO (I) CONTINUE USING THEIR EXISTING CASH MANAGEMENT SYSTEM, BANK ACCOUNTS AND BUSINESS FORMS, (II) MAINTAIN INVESTMENT PRACTICES AND (III) CONTINUE INTERCOMPANY TRANSACTIONS, (B) PROVIDING POSTPETITION INTERCOMPANY CLAIMS ADMINISTRATIVE EXPENSE PRIORITY AND (C) AUTHORIZING, BUT NOT DIRECTING, ALL FINANCIAL INSTITUTIONS TO HONOR ALL RELATED PAYMENT REQUESTS

Eastman Kodak Company (“**Kodak**”), on behalf of itself and its affiliated debtors and debtors in possession in these chapter 11 cases (collectively, the “**Debtors**”), hereby submits this motion (the “**Motion**”) for entry of interim and final orders, substantially in the forms attached hereto as Exhibit A (the “**Proposed Interim Order**”) and Exhibit B (the “**Proposed**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Eastman Kodak Company (7150); Creo Manufacturing America LLC (4412); Eastman Kodak International Capital Company, Inc. (2341); Far East Development Ltd. (2300); FPC Inc. (9183); Kodak (Near East), Inc. (7936); Kodak Americas, Ltd. (6256); Kodak Aviation Leasing LLC (5224); Kodak Imaging Network, Inc. (4107); Kodak Philippines, Ltd. (7862); Kodak Portuguesa Limited (9171); Kodak Realty, Inc. (2045); Laser-Pacific Media Corporation (4617); NPEC Inc. (5677); Pakon, Inc. (3462); and Qualex Inc. (6019). The location of the Debtors’ corporate headquarters is: 343 State Street, Rochester, NY 14650.



Final Order”, together with the Proposed Interim Order, the “**Proposed Orders**”), respectively, (a) authorizing the Debtors to, solely, (i) continue using their existing cash management system, bank accounts and business forms, (ii) maintain investment practices and (iii) continue intercompany transactions and (b) providing postpetition intercompany claims administrative expense priority. In support of this Motion, the Debtors respectfully represent and set forth as follows:

Background

1. On the date hereof (the “**Petition Date**”), each of the Debtors filed a voluntary petition in this Court for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for appointment of a trustee or examiner has been made in these chapter 11 cases. No committees have been appointed or designated.

2. Founded in 1880 and long one of the world’s leading material science companies, the Debtors and their non-Debtor affiliates operate an integrated global business involving a diverse collection of mature and growth businesses and an array of valuable intellectual property. In order to address a shortfall in liquidity in the United States, monetize non-strategic intellectual property, fairly resolve legacy liabilities and focus on their most valuable business lines, the Debtors commenced these chapter 11 cases.

3. Additional factual background relating to the Debtors’ businesses and the commencement of these chapter 11 cases is set forth in detail in the Declaration of Antoinette P. McCorvey Pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of

New York in Support of First Day Pleadings dated January 18, 2012 (the “**First Day Declaration**”), filed contemporaneously with this Motion and incorporated herein by reference.

Facts Specific to the Relief Requested

A. Description of Bank Accounts and U.S. Banking Strategy

4. In the ordinary course of business, the Debtors utilize a coordinated, centralized cash management system (the “**U.S. Banking System**”) through which funds are received, aggregated and disbursed to pay various business related expenses.

5. The U.S. Banking System is managed primarily by the Debtors’ U.S. Treasury Operations team with assistance from the Debtors’ U.S. Purchasing Operations team, both located in Rochester, New York.² The U.S. Banking System facilitates control, forecasting, reporting and monitoring processes that are vital to the Debtors’ operations and management of their cash flows. The U.S. Banking System is composed of approximately 66 bank accounts (collectively, the “**Bank Accounts**”) maintained at 12 banks (collectively, the “**Banks**”).³ The focal point of the Debtors’ U.S. Banking System is a concentration account maintained at Citibank (the “**Primary Concentration Account**”). The Debtors also maintain concentration accounts (each a “**Secondary Concentration Account**”; together with the Primary Concentration Account, the “**Concentration Accounts**”) at Mellon Bank, PNC Bank, Bank of America, KeyBank, and two branches of Citizens Alliance Bank.

6. In addition to the Concentration Accounts, the Debtors have numerous disbursement accounts (the “**Disbursement Accounts**”) and collections accounts (the

² The U.S. Treasury Operations team also participates in cash management of non-Debtor Canadian affiliates Kodak Graphic Communications Canada Company (“**KGCCC**”) and Kodak Canada Inc.

³ Citibank, N.A. (“**Citibank**”), PNC Bank, KeyBank, Citizens Alliance Bank, Bank of New York Mellon (“**Mellon Bank**”), Bank of America, N.A. (“**Bank of America**”), Ozark Mountain Bank, SunTrust Bank, Bank of the West, ESL Federal Credit Union, U.S. Bank, N.A. (“**U.S. Bank**”) and Bank of Colorado.

“**Collections Accounts**”). Most of these Disbursement and Collections Accounts are “zero-balance” accounts and subaccounts (“**ZBAs**”) from which funds are swept overnight to a Concentration Account. From time to time, funds held in Secondary Concentration Accounts are swept to the Primary Concentration Account. A listing of the Banks and the Bank Accounts is attached hereto as Exhibit C and a schematic depicting the movement of funds through the U.S. Banking System is described below in greater detail and depicted graphically in Exhibit D.

7. The Primary Concentration Account. The Primary Concentration Account is in Kodak’s name and is the central operating account in the U.S. Banking System. The Primary Concentration Account receives funds on a regular basis from the Secondary Concentration Accounts, and from time to time, funds derived from the divestiture of businesses, dividends on investments, royalties, intercompany funding and netting activities, and miscellaneous receipts also are sent to the Primary Concentration Account.

8. On a daily basis, funds are disbursed from the Primary Concentration Account for operating and other expenses through a disbursement ZBA at Citibank (the “**Primary Disbursement Subaccount**”) to (a) the Secondary Concentration Accounts and (b) Disbursement Accounts at Bank of the West and ESL Federal Credit Union. Direct disbursements for (a) debt service on Kodak’s outstanding borrowings, (b) the monthly funding of KGCCC’s operating expenses and (c) intercompany financing activities also are made from the Primary Concentration Account.

9. In addition to the Primary Concentration Account and Primary Disbursement Account, the Debtors maintain the following ZBAs at Citibank:

- a. A receipts account for funds transferred from foreign subsidiaries to Kodak, including as a result of intercompany trade netting activities.

- b. A receipts account for investment dividends and royalties paid to Kodak.
This subaccount was created to allow Kodak's accounting system to track receipts from certain parties separately from those deposited into the Primary Concentration Account.
- c. A receipts account in the name of Eastman Kodak International Capital Company, Inc., a Debtor, maintained for receipt of funds transferred from foreign subsidiaries to that entity.

10. In order to provide incremental intraday liquidity to the Debtors, in the ordinary course of business, the Primary Concentration Account participates in cash pooling with several U.S.-dollar denominated and U.S. domiciled accounts in the name of certain of Kodak's Mexican subsidiaries. At the start of each business day, cash on hand in Kodak's Mexican subsidiaries' accounts is "pooled" with amounts on deposit in the Primary Concentration Account before being returned to those accounts at the end of the business day.

11. Secondary Concentration Accounts. In addition to the Primary Concentration Account, as part of the U.S. Banking System, Kodak maintains Concentration Accounts at PNC Bank, KeyBank, Citizens Alliance Bank, Mellon Bank and Bank of America.

12. On a daily basis, funds are swept from the PNC Bank ZBAs to the PNC Bank Concentration Account. The following day, those funds are wired to the Primary Concentration Account. All of the the PNC Bank ZBAs are Collections Accounts.

13. On a daily basis, funds are swept from the Bank of America ZBAs to the Bank of America Concentration Account. From time to time, funds are wired from the Bank of America Concentration Account to the Primary Concentration Account. Certain of the Bank of America ZBAs are Collections Accounts and others are Disbursement Accounts.

14. Given that the ZBAs at Mellon Bank, Citizens Alliance Bank and KeyBank are Disbursement Accounts, funds are not regularly wired from the Concentration Accounts at those Banks to the Primary Concentration Account. Instead, overnight balances are maintained at each of these Concentration Accounts and all funds are ultimately disbursed.

15. The Collections Accounts. Kodak maintains separate Collections Accounts for each of its operating subsidiaries.⁴ The majority of the Collections Accounts are maintained at PNC Bank, with additional Collections Accounts maintained at Bank of America, Bank of Colorado, Ozark Mountain Bank, U.S. Bank⁵ and Suntrust Bank. Funds on deposit in the PNC Bank Collections Accounts are swept on a daily basis to the Primary Concentration Account via the PNC Bank Concentration Account. Funds on deposit in the Bank of America Collections Accounts are swept from time to time into the Primary Concentration Account via the Bank of America Concentration Account. Funds in other Collections Accounts are wired to the Primary Concentration Account from time to time. No other disbursements are made from the Collections Accounts.

16. For greater certainty, the following Collections Accounts are maintained as part of the U.S. Banking System:

a. PNC Bank ZBAs:

- i. Kodak maintains three receipts ZBAs for the collection of customer receipts and the general operations of Kodak, one of

⁴ As used here, the term operating subsidiaries refers to Qualex, Inc. (“**Qualex**”); FPC, Inc. (“**FPC**”); Kodak Imaging Network, Inc. (“**Kodak Gallery**”); Laser-Pacific Media Corporation (“**Laser-Pacific**”); and NPEC Inc. (“**NPEC**”).

⁵ The Collections Account at U.S. Bank is inactive and is in the process of being closed.

which aggregates the customer receipts from lockbox deposits received in both Pittsburgh, PA, and Chicago, IL.

- ii. Qualex maintains a lockbox account with PNC Bank in Pittsburgh, PA, for the collection of customer receipts and other payments related to Qualex's general operations.
- iii. A separate receipts account in the name of Event Imaging Solutions (a business division of Qualex) is also maintained at PNC Bank to collect credit card payments from Qualex customers.

b. Bank of America ZBAs:

- i. Two ZBAs are maintained in the name of Qualex for the collection of customer receipts and other payments related to Qualex business operations. These ZBAs receive regular ACH and wire deposits from the Theme Park Accounts (as defined below) .
- ii. Kodak maintains a ZBA to collect customer receipts and other payments related to the operations of Kodak's Hollywood entertainment operations.
- iii. Kodak maintains a lockbox ZBA to collect customer receipts and other payments related to the business operations of Nexpress Solutions ("**Nexpress**"), a business division of Kodak.
- iv. A ZBA is maintained in the name of FPC to collect customer receipts and other payments related to the operations of FPC.

v. A ZBA is maintained in the name of Laser-Pacific to collect customer receipts and other payments related to the operations of Laser-Pacific.

c. Bank of Colorado: Kodak maintains a receipts account with Bank of Colorado to collect customer receipts and other payments relating to Kodak's "Kodak Colorado Division" store. These funds are wired to the Primary Concentration Account from time to time.

d. Theme Park Accounts: 11 receipts accounts at Bank of America, five receipts accounts at Ozark Mountain Bank, two receipts accounts at Suntrust Bank and one receipts account at U.S. Bank (collectively, the "**Theme Park Accounts**") are maintained in Qualex's name. Each Theme Park Accounts is used to collect cash payments from Qualex customers at a specific Qualex retail theme park location.

17. The Disbursement Accounts. Kodak maintains several Disbursement Accounts. Scheduling and funding disbursements is a centralized process managed by the U.S. Treasury Operations team along with the U.S. Purchasing Operations team and certain third-party service providers, such as America Data Processing, Inc., Wipro Limited and American Express Company.

18. Mellon Accounts. The vast majority of the Debtors' disbursements are made through two accounts at Mellon Bank. One of these accounts (the "**Mellon Bank Concentration Account**"), serves both as a Concentration Account and as a Disbursement Account. The second account (the "**Mellon Bank Prefunding Account**") is required by Mellon Bank as part of the Debtors' banking relationship with Mellon and is used to "prefund" certain

payroll, tax and other operational disbursements that the Debtors make via automated clearing house (“ACH”). In addition to the Mellon Bank Concentration Account and Mellon Bank Prefunding Account, the Debtors make disbursements from seven⁶ ZBAs at Mellon Bank.

19. On a daily basis, the U.S. Purchasing Operations team sends detailed information (the “**Prefunding List**”) to payment systems at Mellon Bank for upcoming payments to be made by ACH and wire transfers. The Prefunding List contains all wire payments to be debited and cleared from the Mellon Bank Concentration Account within two business days. The Prefunding List also contains all ACH payments to be debited and cleared the following business day from both the Mellon Bank Concentration Account and the Mellon Bank Prefunding Account.

20. Funds for disbursements listed on the Prefunding List are transferred from the Primary Concentration Account (via the Primary Disbursement Subaccount) to the Mellon Bank Concentration Account and the Mellon Bank Prefunding Account. The Debtors do not control the Mellon Bank Prefunding Account, and once funds are deposited into the Mellon Bank Prefunding Account, the Debtors cannot recapture those funds and the funds remain in the account until they are disbursed.

21. In addition to the foregoing, Kodak pays certain U.S. dollar-denominated operating expenses of KGCCC via the Mellon Bank Concentration Account and the Mellon Bank Prefunding Account. Transactions on behalf of KGCCC are recorded in Kodak’s general ledger as an intercompany receivable balance due from KGCCC to Kodak and historically have been settled as part of the intercompany netting process described below.

⁶ This number excludes (a) a Disbursement Account in the name of Eastman Gelatine Corporation (a former affiliate of the Debtors) and (b) an account in the name of KGCCC.

22. Other Disbursement Accounts. In addition to the Disbursement Accounts at Mellon Bank, the Debtors maintain Disbursement Accounts at the following Banks:

- a. Bank of the West: Kodak maintains a Disbursement Account at Bank of the West for payroll disbursements related to Kodak's operations in California.
- b. Bank of America:
 - i. A ZBA is maintained by Kodak for the disbursement of certain physical payroll checks of Kodak.
 - ii. A ZBA is maintained in the name of FPC for payroll disbursements related to that entity's operations.
- c. Keybank: A ZBA is maintained in the name of Nexpress, a business division of Kodak, for disbursements of trade and other payments related to Nexpress operations.
- d. JP Morgan Chase: Four Disbursement Accounts related to healthcare and other benefit payments have been opened by Kodak at JP Morgan Chase. These accounts are in the names of the respective plan administrators and are funded by the Primary Disbursement Subaccount.
- e. ESL Federal Credit Union: A Disbursement Account is maintained by Kodak in the name of Kodak at ESL Federal Credit Union for disbursements to employees for petty cash and travel related cash advances.

f. Citibank: A stand-alone account is maintained in the name of Unicare, a third party benefits provider. This account is inactive and in the process of being closed.

23. The Promotions Accounts. Kodak maintains seven ZBAs at the Clara City branch and two ZBAs at the Lake Lillian branch of Citizens Alliance Bank to pay rebates to U.S. retail customers (collectively, the “**Promotions Accounts**”). The Promotions Accounts are funded as needed from time to time through the Primary Disbursement Subaccount via the Concentration Accounts at each branch.

24. Netting Activities and Intercompany Financing. The Debtors settle intercompany trade accounts receivable and payable (collectively, the “**Intercompany Claims**”) through a series of netting arrangements. It is essential to the Debtors’ global operations that its intercompany netting arrangements remain uninterrupted because they are integral to intercompany trading, financing, and reimbursements (collectively, the “**Intercompany Transactions**”). Simply put, the Intercompany Transactions are an indispensable element of Kodak’s business, the absence of which would severely impair the value of the Debtors’ global enterprise and, in turn, the value of their estates. The process for settling Intercompany Transactions is described below:

a. All Intercompany Transactions and Intercompany Claims are carefully documented in the Debtors’ books and records through their ordinary course accounting process.

b. At the end of each month Kodak International Finance Ltd. (“**KIFL**”), a non-debtor, indirect, wholly-owned foreign subsidiary of Kodak⁷, acts as a multilateral “master netter” for Intercompany Claims among the Debtors and 47 non-Debtor foreign affiliates (collectively, the “**Netting Parties**”). KIFL takes all Intercompany Claims due to and due from each Netting Party and nets them against one another to produce a single net sum either owed to or by each specific Netting Party. That Netting Party is either paid by, or becomes obligated to pay to, KIFL the relevant netted amount (in effect, KIFL is substituted for the applicable Netting Party as the obligor and obligee of the net Intercompany Claim); whether that amount is actually paid in cash, or whether it remains outstanding as an intercompany payable to or from KIFL depends on Kodak’s determination of the cash needs of the Netting Parties. The net sum owed to or from KIFL by a Netting Party is realized through a single monthly cash transaction rather than a series of daily cash transactions. The Debtors historically have been, and are expected to continue to be, net receivers of cash from KIFL⁸; and therefore, have not historically and are not expected to remit funds to KIFL. Funds received by the Debtors from KIFL are deposited on or around the last business day of each month in a ZBA under the Primary Concentration Account.

⁷ KIFL is a wholly-owned subsidiary of Kodak Limited, which is a non-Debtor wholly owned foreign subsidiary of Kodak.

⁸ Since January, 2010, the Debtors have received an average of approximately \$45 million per month from KIFL.

- c. Intercompany Claims among the Debtors and affiliates in Brazil, Argentina, and Venezuela (the “South American Affiliates”) are netted against one another to produce a single net sum either owed to or by each Debtor and South American Affiliate. The Debtors historically have been and are expected to continue to be net receivers of cash from each South American Affiliate and therefore have not historically and are not expected to remit any funds to any South American Affiliate. The South American Affiliates pay amounts owed to the Debtors through a series of small-denomination transactions so that the South American Affiliates are in compliance with local restrictions governing the amount of funds they can convert into U.S. Dollars.
- d. Intercompany Claims between the Debtors and their Indian affiliates are settled once per month. Unlike in the netting arrangements described above, these Intercompany Claims are not netted – each Intercompany Claim is settled independently through a cash payment. The Debtors historically have been and are expected to continue to be a net receiver of cash from India.
- e. Intercompany Claims due from the Debtors to their Chinese affiliates are accounted for in the monthly netting process administered by KIFL. Due to local restrictions on currency conversion, however, Intercompany Claims due from a Chinese affiliate to a Debtor are settled directly with that Debtor.

25. Trust Accounts. Kodak maintains several trust accounts to support various environmental, workers compensation and other obligations. These accounts are subject to trust agreements and are administered by third party financial institutions. These accounts include a trust account at Bank of New York Mellon to support certain environmental liabilities to the New York State Department of Environmental Conservation and a trust account at Citibank to support certain environmental liabilities to Old Republic Insurance.

26. Foreign Branch Accounts. Each of the following Debtors – Kodak Philippines, Ltd., Kodak Portuguesa Limited, Kodak (Near East), Inc., and Kodak Americas, Ltd. – operates a foreign branch in one or more of the following jurisdictions: Philippines, Dubai, Turkey, Greece, Peru, Uruguay and Columbia (collectively, the “**Foreign Branches**”). These Debtors’ primary assets consist of the Foreign Branches. In connection with their respective operation of the Foreign Branches, each maintains local bank accounts, including the accounts with local Citibank branches set forth on Exhibit E hereto (collectively, the “**Foreign Branch Bank Accounts**”).⁹ As of December 31, 2011, the Debtors estimate that there was approximately \$18 million on deposit in the Foreign Branch Bank Accounts. The cash on deposit in the Foreign Branch Bank Accounts is used to conduct business in those foreign jurisdictions in the ordinary course. In addition, local regulation in the jurisdictions in which the Foreign Branches operate limits the Debtors’ ability to remit funds out of the jurisdiction. To the extent possible, however, certain of the Foreign Branches transact with KIFL from a cash management perspective in the ordinary course.

⁹ If and to the extent there are additional Foreign Branch Bank Accounts, the Debtors will provide prompt notice to the US Trustee and the DIP Agent, and will supplement the list of Foreign Branch Bank Accounts attached hereto.

B. The Debtors' Existing Business Forms and Checks

27. In the ordinary course of business, the Debtors use a multitude of check types. Additionally, the Debtors use a variety of correspondence and business forms, including, but not limited to, letterhead, purchase orders and invoices. To minimize the expense to the Debtors' estates associated with developing and/or purchasing entirely new forms, the delay in conducting business prior to obtaining such forms and the confusion of employees, customers and suppliers, the Debtors seek authority to continue to use all correspondence and business forms as such forms existed immediately prior to the Petition Date, without reference therein to the Debtors' status as debtors in possession. The Debtors will use their reasonable best efforts to mark "debtor in possession" on their business forms as soon as reasonably practicable following the Petition Date.

28. The Debtors have prepared communications materials to distribute to the various parties with whom they conduct business, which will, among other things, inform such parties of the commencement of these chapter 11 cases. The Debtors believe that these direct communications will provide adequate notice of the Debtors' status as debtors in possession.

C. The Debtors' Investment Practices¹⁰

29. During the course of these chapter 11 cases, the Debtors will invest any excess cash in (a) certain money market accounts (the "**Money Market Funds**") that (i) only invest in obligations issued or guaranteed by U.S. government agencies, authorities, instrumentalities or sponsored enterprises ("**U.S. Government Securities**") and (ii) carry the

¹⁰ Prior to the Petition Date, any funds remaining in the Citibank Concentration Account at the end of each business day were swept into an interest-bearing overnight deposit account maintained at a Bahamas branch of Citibank (the "**Overnight Sweep Account**"). This sweep will not occur and the Debtor will have no funds in the Overnight Sweep Account during the pendency of these chapter 11 cases.

highest possible ratings under Standard & Poor's Rating Group ("**S&P's**") and Moody's Investor Service, Inc. ("**Moody's**") or (b) in banking institutions that are designated as authorized depositories by the U.S. Trustee Guidelines (as defined below) (the "**Authorized Depositories**").¹¹ The Debtors will use investment accounts maintained by Kodak at Bank of America and Mellon Bank to invest in the Money Market Funds.

Jurisdiction

30. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b). The statutory predicates for the relief requested herein are sections 105(a), 363(c), 364(b), 503(b)(1), 1107(a) and 1108 of the Bankruptcy Code, rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and rule 9013-1(a) of the Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**").

Relief Requested

31. By this Motion, the Debtors seek entry of the Proposed Orders (a) authorizing them to: (i) continue to use, with the same account numbers, all of the Bank Accounts; (ii) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (iii) open new debtor-in-possession accounts (the "**New Bank Accounts**"), if needed, *provided* that the Debtors shall provide notice to the relevant bank and to the DIP Agent (as defined below), of any opening of any New Bank Accounts and obtain the consent of the DIP Agent with respect to all requests to open any New Bank Accounts; (iv) use, in their present form, all correspondence and business forms (including, without limitation, letterhead, purchase

¹¹ As discussed below, small amounts of the Debtors' cash will be located at non-Authorized Depositories as part of the ordinary course operation of the U.S. Banking System.

orders, and invoices) and other documents related to the Bank Accounts existing immediately before the Petition Date, without reference to their status as debtors in possession; (v) continue, in their business judgment and at their sole discretion, performing the Intercompany Transactions in the ordinary course of business, subject to the limitations contained in the Debtor-in-Possession Credit Agreement among Kodak as a borrower, the other borrower party thereto, the guarantors party thereto, and Citicorp North America, Inc., as agent (in such capacity, the “**DIP Agent**”) and as collateral agent (the “**DIP Facility**”); and (vi) maintain investment practices; and (b) providing postpetition Intercompany Claims administrative expense priority.

32. The Debtors further request that the Court authorize the Banks to: (a) continue to maintain, service and administer the Bank Accounts and (b) debit the Bank Accounts in the ordinary course of business on account of (i) checks drawn on the Bank Accounts that are presented for payment at the Banks or exchanged for cashier’s checks prior to the Petition Date; (ii) checks or other items deposited in the Bank Accounts prior to the Petition Date that have been dishonored or returned unpaid for any reason (including associated fees and costs), to the same extent the Debtors were responsible for such items prior to the Petition Date; and (iii) undisputed, outstanding service charges owed to the Banks as of the Petition Date on account of the maintenance of the U.S. Banking System, if any.

Basis for Relief

A. The Court Should Approve the Debtors’ Continued Use of the U.S. Banking System.

i. The U.S. Banking System is Essential to the Debtors’ Ongoing Operations and Restructuring Efforts.

33. The Debtors’ businesses and financial affairs are exceedingly complex, requiring the collection, disbursement and movement of funds through its numerous Bank Accounts. The U.S. Banking System is an essential business practice that the Debtors utilize in

the ordinary course to manage their finances as efficiently as possible and to ensure the availability of cash when and where necessary in the Debtors' enterprise.

34. Bankruptcy courts treat requests for authority to continue utilizing existing cash management systems as a relatively "simple matter." *In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987). This is particularly true where, as here, a chapter 11 case involves affiliated debtors with complex financial affairs. In *In re Charter Co.*, 778 F.2d 617 (11th Cir. 1985), for example, an order authorizing the debtor and 43 of its subsidiaries to continue utilizing a prepetition cash management system was held by the Eleventh Circuit Court of Appeals to be "entirely consistent" with applicable provisions of the Bankruptcy Code. *Id.* at 621.

35. Courts have recognized that an integrated cash management system "allows efficient utilization of cash resources and recognizes the impracticabilities of maintaining separate cash accounts for the many different purposes that require cash." *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1993), *aff'd in part and rev'd in part*, 997 F.2d 1039 (3d Cir. 1993), *cert. denied sub nom, Official Comm. of Unsecured Creditors v. Columbia Gas Transmission Corp.*, 510 U.S. 1110 (1994); *see also In re US Airways, Inc.*, Case No. 04-13819 (Bankr. E.D. Va. Sept. 14, 2004). As a result, courts have concluded that the requirement to maintain all accounts separately "would be a huge administrative burden and economically inefficient." *In re Columbia Gas*, 997 F.2d 1039, 1061; *see also In re Southmark Corp.*, 49 F.3d 1111, 1114 (5th Cir. 1995) (cash management system allows debtor "to administer more efficiently and effectively its financial operations and assets").

36. The continued use of the U.S. Banking System will facilitate the transition into these chapter 11 cases by, among other things, avoiding administrative inefficiencies and

expenses and minimizing delays in payment of postpetition debts. The Debtors respectfully submit that parties in interest will not be harmed by their maintenance of the existing U.S. Banking System, because with the assistance of their professionals, the Debtors have implemented appropriate mechanisms to ensure that unauthorized payments will not be made on account of obligations incurred prior to the Petition Date.

ii. Enforcement of the U.S. Trustee Guidelines Will Cause Substantial Disruption to the Debtors' Businesses.

37. The Office of the United States Trustee for the Southern District of New York (the "**U.S. Trustee**") *Operating Guidelines and Financial Reporting Requirements for Debtors in Possession and Trustees* (the "**U.S. Trustee Guidelines**") require, among other things, that unless the Court orders otherwise, a debtor: (a) close all existing bank accounts and open new debtor-in-possession accounts; (b) maintain a separate debtor-in-possession account for cash collateral; and (c) obtain checks that bear the designation "debtor in possession." Given the substantial economic scale and geographic reach of the Debtors' business operations, a successful reorganization of the Debtors' businesses, as well as the preservation and enhancement of the Debtors' value as a going concern, simply cannot be achieved if these requirements are strictly enforced and the Debtors' U.S. Banking System is substantially disrupted and their Bank Accounts closed.

38. Nearly all of the Bank Accounts are maintained at Banks approved by the U.S. Trustee as Authorized Depositories and the vast majority of the Debtors' cash flows through Authorized Depositories. Only a *de minimis* amount of the Debtors' funds is deposited with Banks that are not Authorized Depositories ("**Non-Authorized Depositories**"). Specifically, the Debtors hold accounts at Citizens Alliance Bank, Ozark Mountain Bank, Bank of Colorado and ESL Federal Credit Union, none of which are Authorized Depositories, but all of which are

insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund. Importantly, funds accumulated at the accounts at the Non-Authorized Depositories are well below the applicable deposit insurance limits at any given time,¹² and accordingly, the Debtors believe that these accounts are secure and comply with the requirements of section 345(b) of the Bankruptcy Code.

39. If the Debtors were required to open separate accounts as debtors in possession and modify the U.S. Banking System, it would necessitate opening new accounts for collections, cash concentration and disbursements. In fact, the Debtors would need to open dozens of new bank accounts. Thus, the Debtors' treasury, accounting and bookkeeping employees would be forced to focus exclusively on immediately opening new bank accounts, instead of on their daily responsibilities during this critical juncture of the Debtors' chapter 11 cases. The opening of new bank accounts would certainly increase operating costs, thereby negatively impacting the Debtors' cash flow. Most importantly, delays that would result from opening new accounts, revising cash management procedures and instructing customers to redirect payments would negatively impact the Debtors' ability to operate their businesses while pursuing these arrangements.

40. Strict enforcement of the U.S. Trustee Guidelines in these chapter 11 cases, therefore, would significantly disrupt the ordinary financial operations of the Debtors, reducing efficiencies and causing unnecessary expense, while providing little benefit to creditors. The Debtors respectfully request that the Court waive the requirements of the U.S. Trustee Guidelines in these chapter 11 cases.

¹² The Debtors' non-interest bearing accounts at the Non-Authorized Depositories additionally benefit from the temporary unlimited deposit insurance offered by the FDIC and National Credit Union Share Insurance Fund through December 31, 2012.

41. Courts in this district have routinely waived the U.S. Trustee Guideline requirements and allowed the continued use of cash management systems and prepetition bank accounts employed in the ordinary course of a debtor's prepetition business. *See, e.g., In re Sbarro Inc.*, Case No. 11-11527 (Bankr. S.D.N.Y. May 4, 2011); *In re The Great Atlantic & Pacific Tea Company, Inc.*, Case No. 10-24549 (Bankr. S.D.N.Y. Feb. 4, 2011); *In re InSight Health Servs. Holdings Corp.*, Case No. 10-16564 (Bankr. S.D.N.Y. Jan. 4, 2011); *In re Metro-Goldwyn-Mayer Studios Inc.*, Case No. 10-15774 (Bankr. S.D.N.Y. Nov. 12, 2010); *In re Blockbuster Inc.*, Case No. 10-14997 (Bankr. S.D.N.Y. Oct. 20, 2010); *In re NR Liquidation III Co. (f/k/a Neff Corp.)*, Case No. 10-12610 (Bankr. S.D.N.Y. June 9, 2010); *In re St. Vincent's Catholic Med. Ctrs. of N.Y.*, Case No. 10-11963 (Bankr. S.D.N.Y. May 7, 2010); *In re Uno Restaurant Holdings Corp.*, Case No. 10-10209 (Bankr. S.D.N.Y. Feb. 17, 2010). The Debtors submit that the present circumstances warrant similar relief in these chapter 11 cases.

iii. The Debtors Should Be Granted Authority To Use Existing Business Forms and Checks Until They Are Depleted.

42. To minimize expenses to their chapter 11 estates, the Debtors request authority to continue to use all correspondence and business forms (including letterhead, purchase orders, invoices, and the like) as such forms were in existence immediately before the Petition Date, without reference to the Debtors' status as debtors in possession. The Debtors also request authorization to use their existing check stock without the "debtor in possession" label for checks that they manually write until such check stock runs out. As soon as practicable after the Petition Date, the Debtors will include "debtor in possession" on the checks they print electronically. Upon depletion of the Debtors' check stock and/or business forms stock, the Debtors will obtain new check stock and/or business forms stock reflecting their status as debtors in possession.

43. By virtue of the nature and scope of the Debtors' business operations and the large number of suppliers of goods and services with whom the Debtors transact on a regular basis, it is important that the Debtors be permitted to continue to use their existing checks and other business forms without alteration or change, except as requested herein. Indeed, because parties doing business with the Debtors undoubtedly will be aware of the Debtors' status as debtors in possession as a result of the publicized nature of these chapter 11 cases and the communications and notice of the commencement of these chapter 11 cases the Debtors intend to distribute to such parties, changing business forms is unnecessary and unduly burdensome.

iv. The Debtors Should Be Authorized to Continue Using Debit, Wire and ACH Payments.

44. The Debtors request further relief from the requirement in the U.S. Trustee Guidelines that all receipts and all disbursements of estate funds be by check with a notation representing the reason for the disbursement. Considering the complexity of the Debtors' operations, it is necessary for the Debtors to conduct transactions by debit, wire or ACH Payments and other similar methods, as discussed above. To deny the Debtors the opportunity to conduct transactions by debit, wire or ACH Payments or other similar methods would likely interfere with the Debtors' performance of their contracts and unnecessarily disrupt the Debtors' business operations, as well as create additional costs to be borne by the Debtors and their creditors. To effect this relief, the Debtors request that the Banks be authorized to continue to pay, honor and execute any and all debit instructions, wires and ACH Payments issued and drawn on the Bank Accounts after the Petition Date.

v. Cause Exists for Waiving the Investment and Deposit Guidelines of Section 345 of the Bankruptcy Code.

45. The Debtors respectfully request authority to invest excess cash in the Money Market Funds. By investing in the Money Market Funds, the Debtors will be able to earn interest on excess cash, as contemplated by section 345(a) of the Bankruptcy Code, without incurring the administrative costs and compliance risk associated with managing a portfolio of direct purchases of U.S. Government Securities.

46. Section 345(a) of the Bankruptcy Code authorizes deposit or investment of money of estates, such as cash, as “will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” 11 U.S.C. § 345(a). While section 345(b) of the Bankruptcy Code generally requires that, with respect to investments other than investments “insured or guaranteed by the United States or by a department, agency or instrumentality of the United States or backed by the full faith and credit of the United States,” the estate must require a bond in favor of the United States secured by the undertaking of a U.S. Trustee-approved corporate surety, it allows the court to dispense with this limitation “for cause.” 11 U.S.C. § 345(b)(2).

47. In determining whether the “for cause” standard has been met, the Court should consider a “totality of the circumstances,” utilizing the following factors:

- a. the sophistication of the debtor’s business;
- b. the size of the debtor’s business operations;
- c. the amount of the investments involved;
- d. the bank ratings (Moody’s and Standard & Poor) of the financial institutions where the debtor-in-possession funds are held;
- e. the complexity of the case;

- f. the safeguards in place within the debtor's own business of insuring the safety of the funds;
- g. the debtor's ability to reorganize in the face of a failure of one or more of the financial institutions;
- h. the benefit to the debtor;
- i. the harm, if any, to the estate; and
- j. the reasonableness of the debtor's request for relief from section 345(b) requirements in light of the overall circumstances of the case.

In re Serv. Merch. Co., Inc., 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999).

48. Here, the Debtors submit that "cause" exists under section 345(b) of the Bankruptcy Code. The Money Market Funds (i) only invest in U.S. Government Securities and (ii) carry the highest possible ratings from S&P's and Moody's. In other words, an investment in the Money Market Funds carries the same credit risk as a direct investment in U.S. Government Securities.

49. If the Debtors are limited to direct investments in U.S. Government Securities, they would need to (a) hire new personnel or a third-party investment manager to oversee such investments and (b) establish (i) a new account to trade the securities and (ii) associated controls and procedures. The risk of a compliance breakdown in connection with these activities is at least as large as any incremental risk posed by investment in the Money Market Funds, and the costs associated with these activities would likely exceed the yield on the investments. The Debtors are part of a large, sophisticated enterprise, and their U.S. Treasury Operations team has determined that investment in the Money Market Funds will benefit the Debtors and the value of the Debtors' estate.

50. In other large, complex or well-publicized chapter 11 cases, courts in this district have liberally construed the requirement of section 345(b) of the Bankruptcy Code that debtors in possession obtain a bond from any entity with which their money is deposited or invested. In those instances, courts in this district have waived the requirements of section 345(b) of the Bankruptcy Code and replaced them with alternative procedures. *See, e.g., In re The Great Atlantic & Pacific Tea Company, Inc.*, Case No. 10-24549 (Bankr. S.D.N.Y. Feb. 4, 2011); *In re Reader's Digest Ass'n, Inc.*, Case No. 09-23529 (Bankr. S.D.N.Y. Nov. 23, 2009); *In re ION Media Networks, Inc.*, Case No. 09-13125 (Bankr. S.D.N.Y. May 21, 2009); *In re Tronox Inc.*, Case No. 09-10156 (Bankr. S.D.N.Y. Jan. 13, 2009). The Debtors submit that the present circumstances warrant similar relief in these chapter 11 cases.

vi. The Debtors Should Be Authorized to Honor Certain Prepetition Obligations Related to the U.S. Banking System.

51. In accordance with their contractual arrangements with the Banks, the Debtors incur periodic service charges and other fees, costs, charges and expenses to the Banks in connection with the maintenance of the U.S. Banking System (collectively, the “**Service Charges**”). Payment of the prepetition Service Charges is in the best interests of the Debtors and all parties in interest in these chapter 11 cases, as it will prevent any disruption to the U.S. Banking System. Further, because the Banks likely have setoff rights for the Service Charges, payment of prepetition Service Charges should not alter the rights of unsecured creditors in these chapter 11 cases. Accordingly, by this Motion, the Debtors also seek authority to pay, at the Debtors’ sole discretion, the prepetition Service Charges, if any.

vii. The Debtors Should Be Authorized to Continue Performing Under the Intercompany Transactions Involving Debtors and Non-Debtors.

52. As described herein and in the First Day Declaration, the Debtors' businesses are operationally and functionally linked, both to each other and to those of their non-Debtor affiliates. In order to permit ordinary course operations of the Debtors' businesses and to preserve the value of their investments in their non-Debtor subsidiaries, the Intercompany Transactions must be preserved to the degree requested herein. If the Intercompany Transactions were discontinued, the Debtors' operations would be significantly disrupted, thereby diminishing the value of the Debtors' estate.

53. At any given time, Intercompany Claims exist among the Debtors and among the Debtors and their non-Debtor affiliates. These claims result from the Intercompany Transactions made in the ordinary course of business that are an essential component of the U.S. Banking System. The Intercompany Transactions ensure that cash and materials are available to support the operations of Debtors and are necessary for the operation of non-Debtor affiliates expected to produce long-term value to the Debtors' estates. Maximization of the Debtors' equity interests in their subsidiaries and affiliates is in the best interest of the Debtors, their estates and all parties in interest.

54. Section 363(c)(1) of the Bankruptcy Code authorizes the debtor in possession to "use property of the estate in the ordinary course of business without notice or a hearing." The purpose of section 363(c)(1) is to provide a debtor in possession with the flexibility to engage in the ordinary transactions required to operate its business without unneeded oversight by its creditors or the court. *Med. Malpractice Ins. Ass'n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 384 (2d Cir. 1997); *Chaney v. Official Comm. of Unsecured Creditors of Crystal Apparel, Inc. (In re Crystal Apparel, Inc.)*, 207 B.R. 406, 409 (S.D.N.Y. 1997). The Bankruptcy Code also allows a debtor in possession to obtain unsecured credit and incur

unsecured debt in the ordinary course of business without a notice and a hearing. 11 U.S.C. § 364(a); *In re Amdura Corp.*, 75 F.3d at 1453 (10th Cir. 1996); *LNC Inv., Inc. v. First Fidelity Bank*, 247 B.R. 38, 45 (S.D.N.Y. 2000).

55. In addition to the authority granted under section 363 of the Bankruptcy Code, the Court may grant relief consistent with the Debtors' requests herein under the longstanding "doctrine of necessity" first articulated in *Miltenberger v. Longansport, C. & S.W.R. Co.*, 106 U.S. 286 (1882). Modern application of the doctrine of necessity is derived from the inherent equitable powers granted to the bankruptcy court under section 105(a) of the Bankruptcy Code, which empowers the court to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). *See Schwartz v. Aquatic Dev. Group, Inc. (In re Aquatic Dev. Group, Inc.)*, 352 F.3d 671, 680 (2d Cir. 2003) ("it is axiomatic that bankruptcy courts are 'courts of equity, empowered to invoke equitable principles to achieve fairness and justice in the reorganization process'") (quoting *In re Momentum Mfg. Corp.*, 25 F.3d 1132, 1136 (2d Cir. 1994)). Continuing the Intercompany Transactions without interruption is vital to the Debtors' business operations and the success of these reorganization cases.

56. Accordingly, the Debtors respectfully request the authority under sections 105(a) and 363(c)(1) of the Bankruptcy Code, in their sole discretion, to continue performing under and honoring the Intercompany Transactions and Intercompany Claims, as described herein, in the ordinary course of business and without need for further Court order, subject to the DIP Facility's limitations.¹³ Aside from permitting the Debtors and their non-Debtor affiliates to

¹³ To the extent deemed necessary by the Court, the Debtors also request relief from the automatic stay pursuant to 362(d) to net all ordinary course Intercompany Claims, including certain prepetition Intercompany Claims.

offset mutual prepetition obligations related to the Intercompany Transactions in accordance with their established monthly netting practices, the Debtors are not seeking authority to pay any prepetition claims of non-Debtor affiliates.

57. Courts have routinely granted such authority in other complex multi-debtor chapter 11 cases to continue in place ordinary course intercompany transactions and, in some circumstances, funds flows. *See, e.g., In re The Great Atlantic & Pacific Tea Company, Inc.*, Case No. 10-24549 (Bankr. S.D.N.Y. Feb. 4, 2011); *In re Reader's Digest Ass'n, Inc.*, Case No. 09-23529 (Bankr. S.D.N.Y. Nov. 23, 2009); *In re ION Media Networks, Inc.*, Case No. 09-13125 (Bankr. S.D.N.Y. May 21, 2009); *In re Chemtura Corp.*, Case No. 09-11233 (Bankr. S.D.N.Y. Mar. 20, 2009); *In re Tronox Inc.*, Case No. 09-10156 (Bankr. S.D.N.Y. Feb. 6, 2009). The Debtors submit that the present circumstances warrant similar relief in these chapter 11 cases.

viii. Granting Administrative Priority Status to Postpetition Intercompany Claims Is Necessary to Protect the Debtors' Claims.

58. The individual Debtors' rights with respect to funds put into the U.S. Banking System are documented by intercompany book entries reflecting intercompany claims, dividends and investments among the participants in the U.S. Banking System. The Debtors track all fund transfers electronically in their accounting system and can ascertain, trace and account for all Intercompany Transactions. If the Intercompany Transactions that permit use of the U.S. Banking System were to be discontinued, that system and related administrative controls would be disrupted to the Debtors' detriment. Furthermore, preserving the "business as usual" atmosphere and avoiding the unnecessary distractions that inevitably would be associated with any substantial disruption in the U.S. Banking System will facilitate the Debtors' reorganization efforts.

59. To ensure each individual Debtor will not fund, at the expense of its creditors, the operations of another entity, the Debtors respectfully request that, pursuant to sections 364(b) and 503(b)(1) of the Bankruptcy Code, all Intercompany Claims against a Debtor by another Debtor or a non-Debtor affiliate arising after the Petition Date be accorded administrative priority expense status.¹⁴ If Intercompany Claims are accorded administrative priority expense status, each entity utilizing funds flowing through the U.S. Banking System should continue to bear ultimate repayment responsibility for such ordinary course transactions.

60. Administrative expense treatment for intercompany transactions, as requested here, has been granted in other comparable chapter 11 cases in this district. *See, e.g., In re Sbarro Inc.*, Case No. 11-11527 (Bankr. S.D.N.Y. May 4, 2011); *In re The Great Atlantic & Pacific Tea Company, Inc.*, Case No. 10-24549 (Bankr. S.D.N.Y. Feb. 4, 2011); *In re Reader's Digest Ass'n, Inc.*, Case No. 09-23529 (Bankr. S.D.N.Y. Nov. 23, 2009); *In re ION Media Networks, Inc.*, Case No. 09-13125 (Bankr. S.D.N.Y. May 21, 2009); *In re Chemtura Corp.*, Case No. 09-11233 (Bankr. S.D.N.Y. Mar. 20, 2009); *In re Tronox Inc.*, Case No. 09-10156 (Bankr. S.D.N.Y. Feb. 6, 2009). The Debtors submit that the present circumstances warrant similar relief in these chapter 11 cases.

Bankruptcy Rule 6003 Is Satisfied

61. In order for a debtor to obtain relief to make Preplan Payments within 21 days of the Petition Date, it must establish that making such payments satisfies the requirements mandated by Bankruptcy Rule 6003 – namely, the relief requested is necessary to avoid “immediate and irreparable harm”. If a debtor’s prospect of reorganizing is threatened, or swift

¹⁴ The Debtors believe that Intercompany Claims arising as a result of ordinary course Intercompany Transactions through the U.S. Banking System also are granted administrative priority expense status pursuant to sections 364(a) and 503(b)(1) of the Bankruptcy Code.

diminution in value of the debtor's estate is likely absent the granting of the requested relief, immediate and irreparable harm likely exists. *See In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 36 n.2 (Bankr. S.D.N.Y. 1990) (finding that "immediate and irreparable harm" exists where loss of the business threatens ability to reorganize).

62. The U.S. Banking System is crucial to the Debtors' continued operations. Without the U.S. Banking System, payments may not be made in a timely manner and the Debtors would be unable to track incoming receipts efficiently. Late payments may cause the Debtors to face suppliers unwilling to provide necessary goods and services. Moreover, the lack of an integrated cash management system would make the tracking of cash movements and balances much more difficult, potentially causing the Debtors to lack critical information on current liquidity. Such situations could cause a diminution in the value of the Debtors' estates (including the equity value of their non-Debtor subsidiaries) to the detriment of all parties in interest. Accordingly, the Debtors respectfully submit that they have satisfied Bankruptcy Rule 6003 as it relates to the relief requested herein.

Waiver of Bankruptcy Rules 6004(a) and 6004(h)

63. Given the nature of the relief requested herein, the Debtors respectfully request a waiver of (a) the notice requirements under Bankruptcy Rule 6004(a), and (b) the 14-day stay under Bankruptcy Rule 6004(h).

Debtors' Reservation of Rights

64. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtors, a waiver of the Debtors' rights to dispute any claim, or an approval or assumption of any agreement, contract or lease under section 365 of the Bankruptcy Code. The Debtors expressly reserve their rights to contest any

claim related to any obligations which are the subject of this Motion under applicable non-bankruptcy law. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

Notice

65. Notice of this Motion has been provided to: (a) the U.S. Trustee; (b) the entities listed on the Consolidated List of Creditors Holding the 50 Largest Unsecured Claims; (c) the agent under the prepetition revolving credit facility; (d) the indenture trustee for the prepetition 9.2% Senior Notes due June 1, 2021; (e) the indenture trustee for the prepetition 10.625% Senior Secured Notes due March 15, 2019; (f) the indenture trustee for the prepetition 9.95% Senior Notes due July 1, 2018; (g) the indenture trustee for the prepetition 9.75% Senior Secured Notes due March 1, 2018; (h) the indenture trustee for the prepetition 7.00% Convertible Senior Notes due April 1, 2017; (i) the Securities and Exchange Commission; (j) the United States Attorney for the Southern District of New York; (k) the Internal Revenue Service; (l) the Environmental Protection Agency; (m) the Banks; (n) the Pension Benefit Guaranty Corporation; (o) counsel to KPP Trustees Limited, the trustee of the Kodak Pension Plan; (p) counsel to the Ad Hoc Committee of Holders of Senior Secured Notes; and (q) counsel to the agent under the DIP Facility. Due to the urgency of the circumstances surrounding this Motion and the nature of the relief requested herein, the Debtors respectfully submit that further notice of this Motion is neither required nor necessary.

No Prior Request

66. The Debtors have not previously sought the relief requested herein from this or any court.

WHEREFORE, the Debtors respectfully request that the Court (a) enter the Proposed Interim Order granting the relief requested in the Motion and such other and further relief as may be just and proper and (b) schedule a final hearing on the Motion within 30 days of the Petition Date or as soon as is otherwise practicable.

Dated: January 19, 2012
New York, New York

/s/ Andrew G. Dietderich

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Proposed Counsel to the Debtors and Debtors in Possession

EXHIBIT A

Proposed Interim Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹)	Case No. 12-_____ (_____)
)	
Debtors.)	(Jointly Administered)
)	

**INTERIM ORDER (A) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO
(I) CONTINUE USING THEIR EXISTING CASH MANAGEMENT SYSTEM, BANK
ACCOUNTS AND BUSINESS FORMS, (II) MAINTAIN INVESTMENT PRACTICES
AND (III) CONTINUE INTERCOMPANY TRANSACTIONS, (B) PROVIDING
POSTPETITION INTERCOMPANY CLAIMS ADMINISTRATIVE EXPENSE
PRIORITY AND (C) AUTHORIZING, BUT NOT DIRECTING, ALL FINANCIAL
INSTITUTIONS TO HONOR ALL RELATED PAYMENT REQUESTS**

Upon the motion (the “**Motion**”)² of Eastman Kodak Company, on behalf of itself and its affiliated debtors and debtors in possession in these chapter 11 cases (collectively, the “**Debtors**”), for entry of interim and final orders (a) authorizing the Debtors to (i) continue using their existing cash management system, bank accounts and business forms, (ii) maintain investment practices and (iii) continue intercompany transactions and (b) providing postpetition intercompany claims administrative expense priority; and upon consideration of the First Day Declaration; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of these chapter 11 cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Eastman Kodak Company (7150); Creo Manufacturing America LLC (4412); Eastman Kodak International Capital Company, Inc. (2341); Far East Development Ltd. (2300); FPC Inc. (9183); Kodak (Near East), Inc. (7936); Kodak Americas, Ltd. (6256); Kodak Aviation Leasing LLC (5224); Kodak Imaging Network, Inc. (4107); Kodak Philippines, Ltd. (7862); Kodak Portuguesa Limited (9171); Kodak Realty, Inc. (2045); Laser-Pacific Media Corporation (4617); NPEC Inc. (5677); Pakon, Inc. (3462); and Qualex Inc. (6019). The location of the Debtors’ corporate headquarters is: 343 State Street, Rochester, NY 14650.

² All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Motion.

is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest; and it appearing that proper and adequate notice of the Motion has been given and that, except as otherwise ordered herein, no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The Final Hearing shall be held on February [•], 2012 at _____:_____ a.m./p.m. prevailing Eastern Time. Any objections or responses to the Motion shall be filed on or before February [•], 2012 at 4:00 p.m. and served on parties in interest as required by the Local Rules. This Order, and all acts taken in furtherance of or reliance upon this Order, shall be effective notwithstanding the filing of an objection.
3. The Debtors are authorized to continue using their integrated cash management system as described in the Motion (the “**U.S. Banking System**”).
4. The Debtors are authorized to: (a) continue to use, with the same account numbers, all of the bank accounts in existence as of the Petition Date, including, without limitation, those accounts identified on Exhibit C to the Motion (collectively, the “**Bank Accounts**”); (b) use, in its present form, all correspondence and business forms (including, but not limited to, letterhead, purchase orders and invoices), as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date, without reference to their status as debtors in possession; *provided, however*, that upon depletion of the Debtors’ correspondence and business forms, the Debtors will obtain new business forms reflecting their status as debtors in possession; and *provided, further, however*, that as soon as practicable after

the Petition Date, the Debtors will note their status as “debtors in possession” on checks that are electronically printed; and (c) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession.

5. Except as otherwise expressly provided in this Order, all banks at which the Bank Accounts are maintained (collectively, and together with any of the Debtors’ proposed secured lenders or any of their respective affiliates at which new accounts are opened, the “**Banks**”) are authorized, but not directed, to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course, and to receive, process, honor and pay any and all checks, drafts, wires and ACH transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be; *provided, however*, the Banks shall not be liable to any party on account of (a) following the Debtors’ instructions or representations as to any order of this Court (without any duty of inquiry), (b) the honoring of any prepetition checks, drafts, wires or ACH transfers in a good faith belief that this Court has authorized such prepetition check, draft, wire or ACH transfer or (c) an innocent mistake made despite implementation of reasonable handling procedures.

6. The Banks are authorized to charge and the Debtors are authorized to pay or honor, both prepetition and postpetition service and other fees, costs, charges and expenses to which the Banks may be entitled under the terms of and in accordance with their contractual arrangements with Debtors. The Debtors shall reimburse the Banks for any claim arising prior to or after the Petition Date in connection with any returned items to the Bank Accounts in the normal course of business.

7. The Debtors are authorized to open any new bank accounts or close any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; *provided, however*, that the Debtors may only open a new bank account with a banking institution designated as an authorized depository under the U.S. Trustee Guidelines (an “**Authorized Depository**”), unless first obtaining the consent of the U.S. Trustee, and *provided further* that the Debtors shall obtain the consent of the DIP Agent (as defined below) to all requests to close any Bank Account or open any new Bank Accounts.

8. Notwithstanding section 345 of the Bankruptcy Code, until the Final Hearing, the Debtors are authorized, but not required, to invest excess cash in (a) money market accounts that (i) only invest in obligations issued or guaranteed by U.S. government agencies, authorities, instrumentalities or sponsored enterprises and (ii) carry the highest possible ratings under Standard & Poor’s Rating Group and Moody’s Investor Service, Inc. or (b) in an Authorized Depository.

9. Pursuant to sections 105(a) and 363(c) of the Bankruptcy Code, the Debtors are authorized, but not required, in their business judgment, to continue performing under and honoring the Intercompany Transactions and Intercompany Claims (as described and defined in the Motion, including certain prepetition Intercompany Claims settled through ordinary course netting arrangements) subject to the limitations of the Debtor-in-Possession Credit Agreement among Kodak as a borrower, the other borrower party thereto, the guarantors party thereto, and Citicorp North America, Inc., as agent (in such capacity, the “**DIP Agent**”) and as collateral agent (the “**DIP Facility**”). The Debtors shall (a) keep records of any postpetition intercompany transfers and services that occur during these chapter 11 cases, (b) put in place accounting procedures to identify and distinguish between prepetition and postpetition

intercompany transactions and to track postpetition intercompany transactions, and (c) provide reasonable access to such records and procedures to the DIP Agent.

10. All Intercompany Claims arising after the Petition Date shall be accorded administrative expense priority in accordance with sections 364(a), 364(b), 503(b) and 507(a)(2) of the Bankruptcy Code.

11. Each Debtor that operates a Foreign Branch (as defined in the Motion) is authorized to continue to (a) maintain the applicable Foreign Branch Bank Accounts (as defined in the Motion) for purposes of conducting business in such jurisdiction, and (b) participate in the cash management system with Kodak International Finance Ltd.

12. The Debtors are authorized to direct the Banks, and the Banks are authorized, but not directed, to pay obligations in accordance with this Order or any separate order of this Court.

13. Any payment from a Bank Account at the request of the Debtors made by any of the Banks prior to the Petition Date (including any ACH Transfer such Bank is or becomes obligated to settle), or any instruments issued by any of the Banks on behalf of any Debtor pursuant to a “midnight deadline” or otherwise, shall be deemed to be paid prepetition, whether or not actually debited from such Bank Account prepetition.

14. All obligations of the Debtors and any of their non-Debtor affiliates incurred to any of the Banks before or after the Petition Date that result from ordinary course transactions under the U.S. Banking System shall continue to be secured by any cash collateral as and to the extent provided for in any account agreements between them and the Banks.

15. All accounts opened by the Debtors following the Petition Date at any Bank shall be subject to the rights and obligations of this Order and treated as Bank Accounts hereunder.

16. Nothing contained herein shall impair the Banks from modifying or terminating any Bank Accounts or related services in accordance with the agreements governing such accounts or services.

17. To the extent that any inconsistency exists between this Order and the terms of the DIP Facility or any Order of this Court approving such DIP Facility, the DIP Facility and the Order approving the same shall control.

18. Except as otherwise provided in this Order or any separate order of this Court, all Banks provided with notice of this Order maintaining any of the Bank Accounts shall not honor or pay any bank payments drawn on the listed Bank Accounts or otherwise issued prior to the Petition Date. As soon as practicable after the entry of this Order, the Debtors shall serve a copy of this Order on those Banks that make disbursements pursuant to the U.S. Banking System and the DIP Agent's counsel.

19. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

20. Nothing in the Motion or this Order, nor as a result of any payment made pursuant to this Order, shall be deemed or construed as an admission as to the validity or priority of any claim against the Debtors, an approval or assumption of any agreement, contract or lease pursuant to section 365 of the Bankruptcy Code or a waiver of the right of the Debtors, or shall impair the ability of the Debtors, to contest the validity and amount of any payment made pursuant to this Order.

21. The requirements set forth in Local Rule 9013-1(b) are satisfied.
22. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.
23. The requirements set forth in Bankruptcy Rule 6004(a) are satisfied.
24. This Order is immediately effective and enforceable, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or otherwise.

25. This Court retains jurisdiction with respect to all matters arising from or related to the enforcement of this Order.

Dated: January [•], 2012
New York, New York

United States Bankruptcy Judge

EXHIBIT B

Proposed Final Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹)	Case No. 12-_____ (_____)
)	
Debtors.)	(Jointly Administered)
)	

FINAL ORDER (A) AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS TO (I) CONTINUE USING THEIR EXISTING CASH MANAGEMENT SYSTEM, BANK ACCOUNTS AND BUSINESS FORMS, (II) MAINTAIN INVESTMENT PRACTICES AND (III) CONTINUE INTERCOMPANY TRANSACTIONS, (B) PROVIDING POSTPETITION INTERCOMPANY CLAIMS ADMINISTRATIVE EXPENSE PRIORITY AND (C) AUTHORIZING, BUT NOT DIRECTING, ALL FINANCIAL INSTITUTIONS TO HONOR ALL RELATED PAYMENT REQUESTS

Upon the motion (the “**Motion**”)² of Eastman Kodak Company, on behalf of itself and its affiliated debtors and debtors in possession in these chapter 11 cases (collectively, the “**Debtors**”), for entry of interim and final orders (a) authorizing the Debtors to (i) continue using their existing cash management system, bank accounts and business forms, (ii) maintain investment practices and (iii) continue intercompany transactions and (b) providing postpetition intercompany claims administrative expense priority; and upon consideration of the First Day Declaration; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of these chapter 11 cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Eastman Kodak Company (7150); Creo Manufacturing America LLC (4412); Eastman Kodak International Capital Company, Inc. (2341); Far East Development Ltd. (2300); FPC Inc. (9183); Kodak (Near East), Inc. (7936); Kodak Americas, Ltd. (6256); Kodak Aviation Leasing LLC (5224); Kodak Imaging Network, Inc. (4107); Kodak Philippines, Ltd. (7862); Kodak Portuguesa Limited (9171); Kodak Realty, Inc. (2045); Laser-Pacific Media Corporation (4617); NPEC Inc. (5677); Pakon, Inc. (3462); and Qualex Inc. (6019). The location of the Debtors’ corporate headquarters is: 343 State Street, Rochester, NY 14650.

² All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Motion.

is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The Debtors are authorized to continue using their integrated cash management system as described in the Motion (the “**U.S. Banking System**”).
3. The Debtors are authorized to: (a) continue to use, with the same account numbers, all of the bank accounts in existence as of the Petition Date, including, without limitation, those accounts identified on Exhibit C to the Motion (collectively, the “**Bank Accounts**”); (b) use, in its present form, all correspondence and business forms (including, but not limited to, letterhead, purchase orders and invoices), as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date, without reference to their status as debtors in possession; *provided, however*, that upon depletion of the Debtors’ correspondence and business forms, the Debtors will obtain new business forms reflecting their status as debtors in possession; and *provided, further, however*, that as soon as practicable after the Petition Date, the Debtors will note their status as “debtors in possession” on checks that are electronically printed; and (c) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession.
4. Except as otherwise expressly provided in this Order, all banks at which the Bank Accounts are maintained (collectively, and together with any of the Debtors’ proposed

secured lenders or any of their respective affiliates at which new accounts are opened, the “**Banks**”) are authorized, but not directed, to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course, and to receive, process, honor and pay any and all checks, drafts, wires and ACH transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be; *provided, however*, the Banks shall not be liable to any party on account of (a) following the Debtors’ instructions or representations as to any order of this Court (without any duty of inquiry), (b) the honoring of any prepetition checks, drafts, wires or ACH transfers in a good faith belief that this Court has authorized such prepetition check, draft, wire or ACH transfer or (c) an innocent mistake made despite implementation of reasonable handling procedures.

5. The Banks are authorized to charge and the Debtors are authorized to pay or honor, both prepetition and postpetition service and other fees, costs, charges and expenses to which the Banks may be entitled under the terms of and in accordance with their contractual arrangements with Debtors. The Debtors shall reimburse the Banks for any claim arising prior to or after the Petition Date in connection with any returned items to the Bank Accounts in the normal course of business.

6. The Debtors are authorized to open any new bank accounts or close any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; *provided, however*, that the Debtors may only open a new bank account with a banking institution designated as an authorized depository under the U.S. Trustee Guidelines (an “**Authorized Depository**”), unless first obtaining the consent of the U.S. Trustee, and *provided*

further that the Debtors shall obtain the consent of the DIP Agent (as defined below) to all requests to close any Bank Account or open any new Bank Accounts.

7. Notwithstanding section 345 of the Bankruptcy Code, the Debtors are authorized, but not required, to invest excess cash in (a) money market accounts that (i) only invest in obligations issued or guaranteed by U.S. government agencies, authorities, instrumentalities or sponsored enterprises and (ii) carry the highest possible ratings under Standard & Poor's Rating Group and Moody's Investor Service, Inc. or (b) in an Authorized Depository.

8. Pursuant to sections 105(a) and 363(c) of the Bankruptcy Code, the Debtors are authorized, but not required, in their business judgment, to continue performing under and honoring the Intercompany Transactions and Intercompany Claims (as described and defined in the Motion, including certain prepetition Intercompany Claims settled through ordinary course netting arrangements), subject to the limitations of the Debtor-in-Possession Credit Agreement among Kodak as a borrower, the other borrower party thereto, the guarantors party thereto, and Citicorp North America, Inc., as agent (in such capacity, the "**DIP Agent**") and as collateral agent (the "**DIP Facility**"). The Debtors shall (a) keep records of any postpetition intercompany transfers and services that occur during these chapter 11 cases, (b) put in place accounting procedures to identify and distinguish between prepetition and postpetition intercompany transactions and to track postpetition intercompany transactions, and (c) provide reasonable access to such records and procedures to the DIP Agent.

9. All Intercompany Claims arising after the Petition Date shall be accorded administrative expense priority in accordance with sections 364(a), 364(b), 503(b) and 507(a)(2) of the Bankruptcy Code.

10. Each Debtor that operates a Foreign Branch (as defined in the Motion) is authorized to continue to (a) maintain the applicable Foreign Branch Bank Accounts (as defined in the Motion) for purposes of conducting business in such jurisdiction, and (b) participate in the cash management system with Kodak International Finance Ltd.

11. The Debtors are authorized to direct the Banks, and the Banks are authorized, but not directed, to pay obligations in accordance with this Order or any separate order of this Court.

12. Any payment from a Bank Account at the request of the Debtors made by any of the Banks prior to the Petition Date (including any ACH Transfer such Bank is or becomes obligated to settle), or any instruments issued by any of the Banks on behalf of any Debtor pursuant to a “midnight deadline” or otherwise, shall be deemed to be paid prepetition, whether or not actually debited from such Bank Account prepetition.

13. All obligations of the Debtors and any of their non-Debtor affiliates incurred to any of the Banks before or after the Petition Date that result from ordinary course transactions under the U.S. Banking System shall continue to be secured by any cash collateral as and to the extent provided for in any account agreements between them and the Banks.

14. All accounts opened by the Debtors following the Petition Date at any Bank shall be subject to the rights and obligations of this Order and treated as Bank Accounts hereunder.

15. Nothing contained herein shall impair the Banks from modifying or terminating any Bank Accounts or related services in accordance with the agreements governing such accounts or services.

16. To the extent that any inconsistency exists between this Order and the terms of the DIP Facility or any Order of this Court approving such DIP Facility, the DIP Facility and the Order approving the same shall control.

17. Except as otherwise provided in this Order or any separate order of this Court, all Banks provided with notice of this Order maintaining any of the Bank Accounts shall not honor or pay any bank payments drawn on the listed Bank Accounts or otherwise issued prior to the Petition Date. As soon as practicable after the entry of this Order, the Debtors shall serve a copy of this Order on those Banks that make disbursements pursuant to the U.S. Banking System and the DIP Agent's counsel.

18. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

19. Nothing in the Motion or this Order, nor as a result of any payment made pursuant to this Order, shall be deemed or construed as an admission as to the validity or priority of any claim against the Debtors, an approval or assumption of any agreement, contract or lease pursuant to section 365 of the Bankruptcy Code or a waiver of the right of the Debtors, or shall impair the ability of the Debtors, to contest the validity and amount of any payment made pursuant to this Order.

20. The requirements set forth in Local Rule 9013-1(b) are satisfied.

21. The requirements set forth in Bankruptcy Rule 6004(a) are satisfied.

22. This Order is immediately effective and enforceable, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or otherwise.

23. This Court retains jurisdiction with respect to all matters arising from or related to the enforcement of this Order.

Dated: February [•], 2012
New York, New York

United States Bankruptcy Judge

EXHIBIT C

Bank Accounts

Bank	Address	Contact	Account in the Name Of	Account Type	Last 4 Digits of Account Number
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	FPC, Inc.	Receipt	2888
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Eastman Kodak Company	Receipt	6550
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Qualex, Inc.	Receipt	8010
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Eastman Kodak Company	Receipt	2887
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	FPC, Inc.	Disbursement	2900
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Eastman Kodak Company	Concentration	2890
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Eastman Kodak Company	Disbursement	1931
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Qualex, Inc.	Receipt	2531
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Qualex, Inc.	Receipt	0694
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Qualex, Inc.	Receipt	0791
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Qualex, Inc.	Receipt	1062
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Qualex, Inc.	Receipt	8537

Bank	Address	Contact	Account in the Name Of	Account Type	Last 4 Digits of Account Number
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Qualex, Inc.	Receipt	8540
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Laser Pacific Media	Receipt	4408
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Qualex, Inc.	Receipt	9859
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Qualex, Inc.	Receipt	3851
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Qualex, Inc.	Receipt	3858
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Qualex, Inc.	Receipt	3874
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Qualex, Inc.	Receipt	3887
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Adreanne Belljustice 703-761-8256 adreanne.belljustice@bankofamerica.com	Qualex, Inc.	Receipt	3890
Bank of America, N.A.	602 Peachtree St NE 10th Floor Atlanta, GA 30308	Sean Coleman 877-333-9183 bammarkets@baml.com	Eastman Kodak Company	Investment	9093
Bank of Colorado	1041 Main Street PO Box 939 Windsor, CO 80550	Cindy Sampson 970-686-7631 cindy.sampson@bankofcolorado.com	Eastman Kodak Company	Receipt	1232
Bank of New York Mellon Corporation	500 Ross Street Suite 154-1320 Pittsburgh, PA 15262-0001	Susan Maxon 973-357-7501 susan.maxon@bnymellon.com	Eastman Kodak Company	Concentration	2763
Bank of New York Mellon Corporation	500 Ross Street Suite 154-1320 Pittsburgh, PA 15262-0001	Susan Maxon 973-357-7501 susan.maxon@bnymellon.com	Qualex, Inc.	Disbursement	4332

Bank	Address	Contact	Account in the Name Of	Account Type	Last 4 Digits of Account Number
Bank of New York Mellon Corporation	500 Ross Street Suite 154-1320 Pittsburgh, PA 15262-0001	Susan Maxon 973-357-7501 susan.maxon@bnymellon.com	Qualex, Inc.	Disbursement	4421
Bank of New York Mellon Corporation	500 Ross Street Suite 154-1320 Pittsburgh, PA 15262-0001	Susan Maxon 973-357-7501 susan.maxon@bnymellon.com	FPC Inc.	Disbursement	5127
Bank of New York Mellon Corporation	500 Ross Street Suite 154-1320 Pittsburgh, PA 15262-0001	Susan Maxon 973-357-7501 susan.maxon@bnymellon.com	Kodak Imaging Network	Disbursement	1033
Bank of New York Mellon Corporation	500 Ross Street Suite 154-1320 Pittsburgh, PA 15262-0001	Susan Maxon 973-357-7501 susan.maxon@bnymellon.com	NPEC, Inc.	Disbursement	9069
Bank of New York Mellon Corporation	500 Ross Street Suite 154-1320 Pittsburgh, PA 15262-0001	Susan Maxon 973-357-7501 susan.maxon@bnymellon.com	Eastman Kodak Company	Disbursement	9220
Bank of New York Mellon Corporation	500 Ross Street Suite 154-1320 Pittsburgh, PA 15262-0001	Susan Maxon 973-357-7501 susan.maxon@bnymellon.com	Pacific Video Inc.	Disbursement	4409
Bank of New York Mellon Corporation	One Wall Street 14th Floor New York, NY 10286	Rebecca Montes de Oca 212-635-7339 rebecca.montesdeoca@bnymellon.com Kevin Ronan 212-635-7339 kevin.roman@bnymellon.com	Eastman Kodak Company	Investment	3563
Bank of the West	1977 Saturn St Monterey Park, CA 91755	Connie Leon 888-727-2692 connie.leon@bankofthewest.com	Eastman Kodak Company	Disbursement	1392
Citibank, N.A.	388 Greenwich Street 23rd Floor New York, NY 10013	Irina Volvshin Brian Reed 312-876-3286 irina.volvshin@citi.com	Eastman Kodak Company	Concentration	9217
Citibank, N.A.	388 Greenwich Street 23rd Floor New York, NY 10013	Irina Volvshin Brian Reed 312-876-3286 irina.volvshin@citi.com	Eastman Kodak International Capital Co. Inc.	Receipt	5123
Citibank, N.A.	388 Greenwich Street 23rd Floor New York, NY 10013	Irina Volvshin Brian Reed 312-876-3286 irina.volvshin@citi.com	Eastman Kodak Company	Disbursement	1373
Citibank, N.A.	388 Greenwich Street 23rd Floor New York, NY 10013	Irina Volvshin Brian Reed 312-876-3286 irina.volvshin@citi.com	Eastman Kodak Company	Receipt	5619

Bank	Address	Contact	Account in the Name Of	Account Type	Last 4 Digits of Account Number
Citibank, N.A.	388 Greenwich Street 23rd Floor New York, NY 10013	Irina Volvshin Brian Reed 312-876-3286 irina.volvshin@citi.com	Eastman Kodak Company	Receipt	8982
Citibank, N.A.	227 West Monroe Street GBK-25 Chicago, IL 60606	Irina Volvshin Brian Reed 312-876-3286 irina.volvshin@citi.com	Eastman Kodak Company	Investment	6598
Citizens Alliance Bank, Clara City	55 NW First Street PO Box 430 Clara City, MN 56222	Julie Lessard 763-569-5992 jlessard@solutran.com	Eastman Kodak Company	Promotions	7377
Citizens Alliance Bank, Clara City	55 NW First Street PO Box 430 Clara City, MN 56222	Julie Lessard 763-569-5992 jlessard@solutran.com	Eastman Kodak Company	Promotions	7390
Citizens Alliance Bank, Clara City	55 NW First Street PO Box 430 Clara City, MN 56222	Julie Lessard 763-569-5992 jlessard@solutran.com	Eastman Kodak Company	Concentration	0004
Citizens Alliance Bank, Lake Lillian	431 Lakeview Street PO Box 12 Lake Lillian, MN 56253	Julie Lessard 763-569-5992 jlessard@solutran.com	Eastman Kodak Company	Promotions	5473
Citizens Alliance Bank, Lake Lillian	431 Lakeview Street PO Box 12 Lake Lillian, MN 56253	Julie Lessard 763-569-5992 jlessard@solutran.com	Eastman Kodak Company	Promotions	5481
Citizens Alliance Bank, Lake Lillian	431 Lakeview Street PO Box 12 Lake Lillian, MN 56253	Julie Lessard 763-569-5992 jlessard@solutran.com	Eastman Kodak Company	Promotions	5502
Citizens Alliance Bank, Lake Lillian	431 Lakeview Street PO Box 12 Lake Lillian, MN 56253	Julie Lessard 763-569-5992 jlessard@solutran.com	Eastman Kodak Company	Promotions	5510
Citizens Alliance Bank, Lake Lillian	431 Lakeview Street PO Box 12 Lake Lillian, MN 56253	Julie Lessard 763-569-5992 jlessard@solutran.com	Eastman Kodak Company	Promotions	5529
Citizens Alliance Bank, Lake Lillian	431 Lakeview Street PO Box 12 Lake Lillian, MN 56253	Julie Lessard 763-569-5992 jlessard@solutran.com	Eastman Kodak Company	Promotions	5537
Citizens Alliance Bank, Lake Lillian	431 Lakeview Street PO Box 12 Lake Lillian, MN 56253	Julie Lessard 763-569-5992 jlessard@solutran.com	Eastman Kodak Company	Promotions	5545

Bank	Address	Contact	Account in the Name Of	Account Type	Last 4 Digits of Account Number
Citizens Alliance Bank, Lake Lillian	431 Lakeview Street PO Box 12 Lake Lillian, MN 56253	Julie Lessard 763-569-5992 jlessard@solutran.com	Eastman Kodak Company	Concentration	0454
ESL Federal Credit Union	225 Chestnut Street Rochester, NY 14604-2424	Bernadette Rizzo 585-336-5716 brizzo@esl.org Jolene Mingoea 585-339-4410 jmingoea@esl.org	Eastman Kodak Company	Disbursement	0512
KeyBank, N.A.	303 Broadway 16th Floor Cincinnati, OH 45202	Alisa Renck 513-830-1039 alisa_r_renck@keybank.com	Eastman Kodak Company	Disbursement	2200
KeyBank, N.A.	303 Broadway 16th Floor Cincinnati, OH 45202	Alisa Renck 513-830-1039 alisa_r_renck@keybank.com	Eastman Kodak Company	Concentration	7435
Ozark Mountain Bank	1115 James F. Epps Road Branson, MO 65616	Sandy Capps 417-334-4355 sandy_capps@ozkmtbank.com	Qualex, Inc.	Receipt	5480
Ozark Mountain Bank	1115 James F. Epps Road Branson, MO 65616	Sandy Capps 417-334-4355 sandy_capps@ozkmtbank.com	Qualex, Inc.	Receipt	5491
Ozark Mountain Bank	1115 James F. Epps Road Branson, MO 65616	Sandy Capps 417-334-4355 sandy_capps@ozkmtbank.com	Qualex, Inc.	Receipt	5568
Ozark Mountain Bank	1115 James F. Epps Road Branson, MO 65616	Sandy Capps 417-334-4355 sandy_capps@ozkmtbank.com	Qualex, Inc.	Receipt	5579
Ozark Mountain Bank	1115 James F. Epps Road Branson, MO 65616	Sandy Capps 417-334-4355 sandy_capps@ozkmtbank.com	Qualex, Inc.	Receipt	5656
PNC Bank, N.A.	Two Tower Center Boulevard 23rd Floor East Brunswick, NJ 08816	James Oppenheim 732-220-3226 james.oppenheim@pnc.com	Eastman Kodak Company	Receipt	3104
PNC Bank, N.A.	Two Tower Center Boulevard 23rd Floor East Brunswick, NJ 08816	James Oppenheim 732-220-3226 james.oppenheim@pnc.com	Eastman Kodak Company	Concentration	7407
PNC Bank, N.A.	Two Tower Center Boulevard 23rd Floor East Brunswick, NJ 08816	James Oppenheim 732-220-3226 james.oppenheim@pnc.com	Eastman Kodak Company	Receipt	6372

Bank	Address	Contact	Account in the Name Of	Account Type	Last 4 Digits of Account Number
PNC Bank, N.A.	Two Tower Center Boulevard 23rd Floor East Brunswick, NJ 08816	James Oppenheim 732-220-3226 james.oppenheim@pnc.com	Qualex, Inc.	Receipt	7371
PNC Bank, N.A.	Two Tower Center Boulevard 23rd Floor East Brunswick, NJ 08816	James Oppenheim 732-220-3226 james.oppenheim@pnc.com	Eastman Kodak Company	Receipt	1396
PNC Bank, N.A.	Two Tower Center Boulevard 23rd Floor East Brunswick, NJ 08816	James Oppenheim 732-220-3226 james.oppenheim@pnc.com	Qualex Inc.	Receipt	2114
SunTrust Bank	3325 Parkway Pigeon Forge, TN 37863	Brenda K Carr 865-429-6406 865-429-5140	Qualex, Inc.	Receipt	2657
SunTrust Bank	3325 Parkway Pigeon Forge, TN 37863	Brenda K Carr 865-429-6406 865-429-5140	Qualex, Inc.	Receipt	2665
U.S. Bank N.A.	Towne Square Branch 5000 Frederica Street, Suite 47 Owensboro, KY 42301	Scott Durbin 270-926-5270 scott.durbin@usbank.com Jennifer Terhune 270-926-5270 jennifer.terhune1@usbank.com	Qualex, Inc.	Receipt	4838

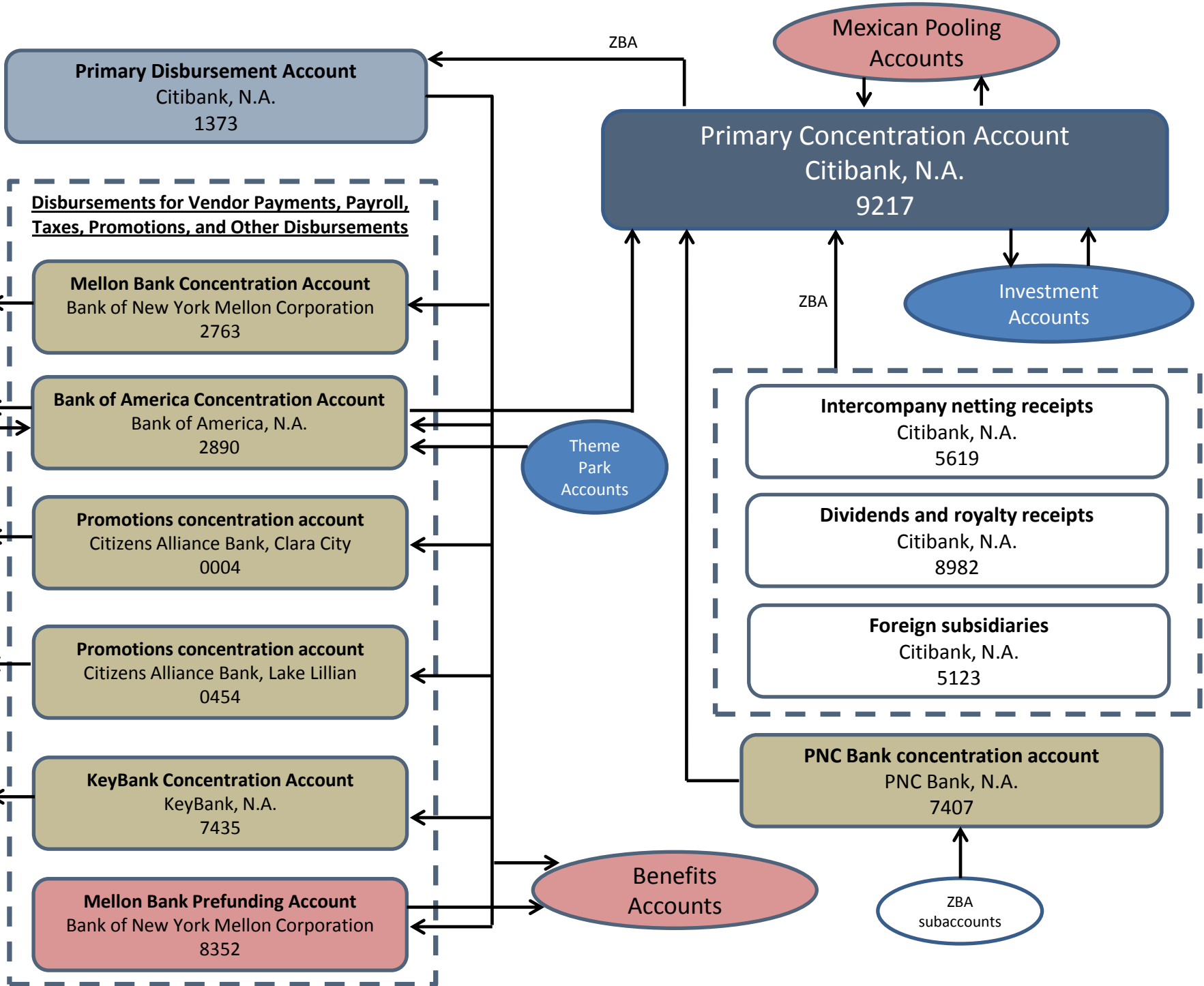
EXHIBIT D

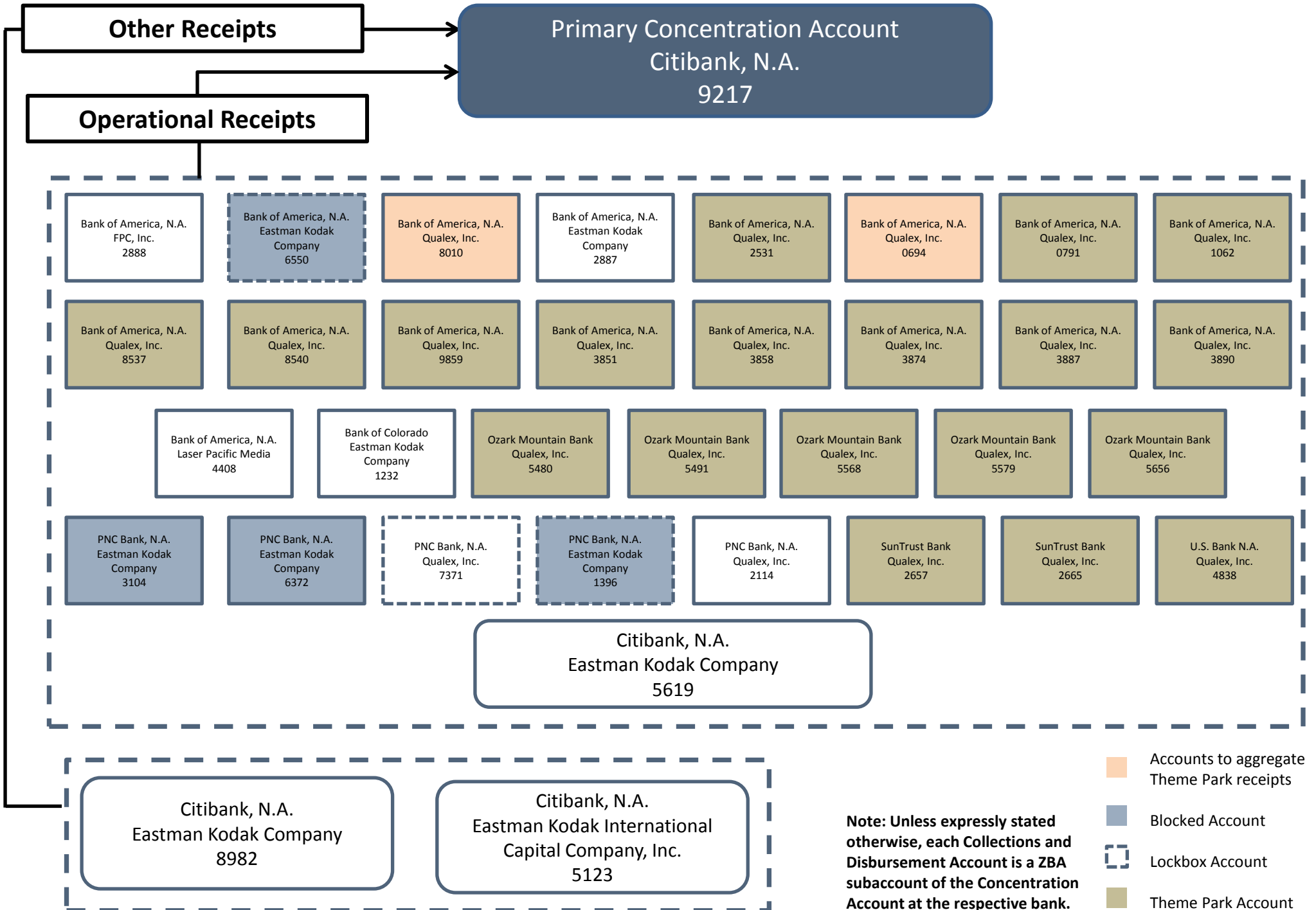
Schematic of U.S. Banking System

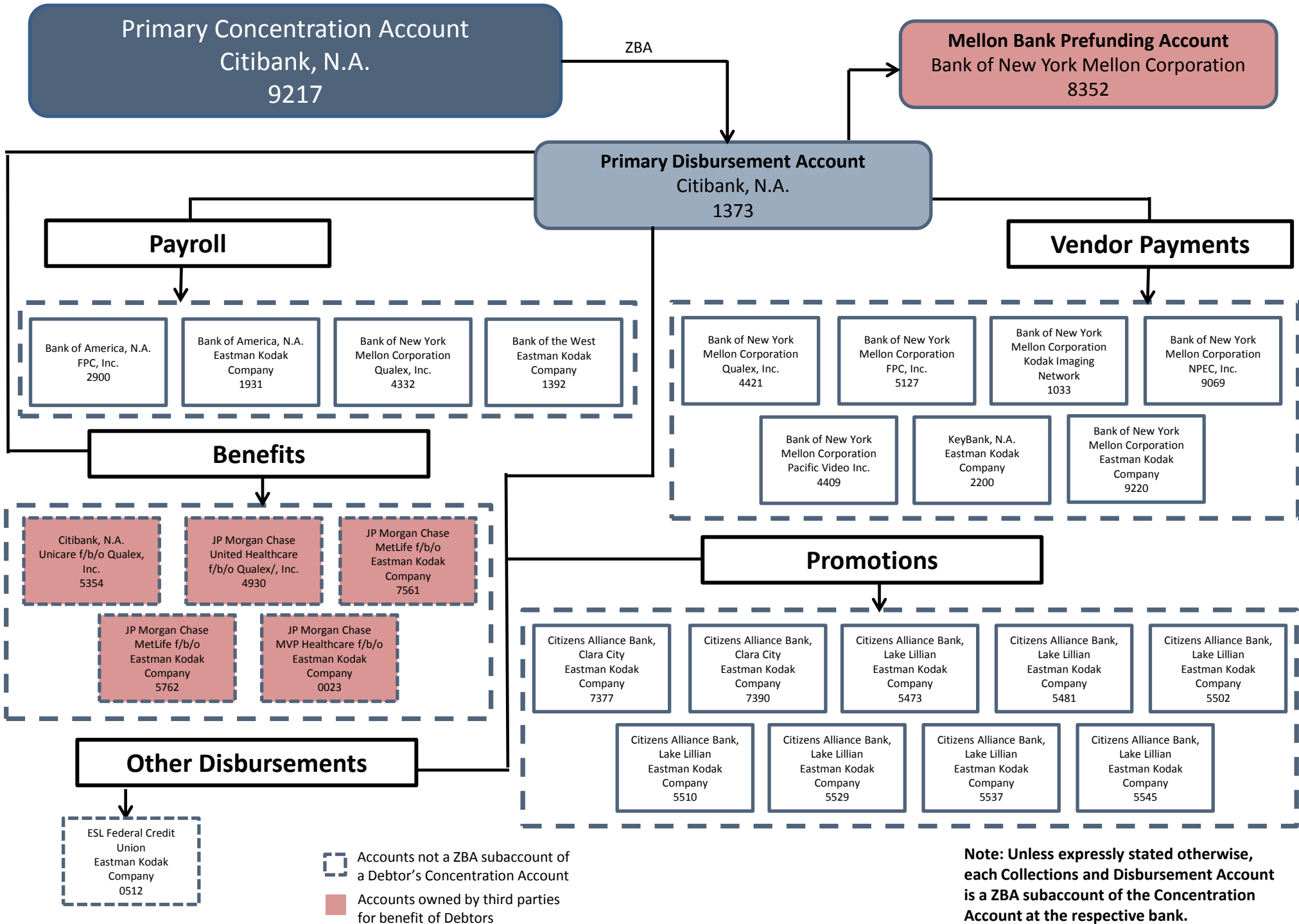
Flow of Funds Summary

*Account in the name and control of a non-Debtor, non-Affiliate third party

Secondary Concentration Account







Note: Unless expressly stated otherwise, each Collections and Disbursement Account is a ZBA subaccount of the Concentration Account at the respective bank.

EXHIBIT E

Foreign Bank Accounts

EXHIBIT E

<u>Customer Name</u>	<u>Account Name</u>	<u>Last 4 Digits of Account Number</u>	<u>Branch Name</u>	<u>Branch Number</u>	<u>Currency</u>
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8001	CITIBANK DUBAI	836	AED
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8605	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8613	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8010	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8018	CITIBANK DUBAI	836	AED
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8026	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8034	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8042	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8069	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8077	CITIBANK DUBAI	836	AED
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8093	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8115	CITIBANK DUBAI	836	AED
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8123	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8131	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8158	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8166	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8328	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8654	CITIBANK DUBAI	836	USD
KODAK (NEAR EAST) INC.	KODAK (NEAR EAST) INC.	8801	CITIBANK DUBAI	836	USD

KODAK NEAR EAST , INC	KODAK NEAR EAST , INC	0073	CITIBANK INTL PLC, GREECE BRANCH	650	EUR
KODAK NEAR EAST	KODAK NEAR EAST	6018	CAIRO CB 801	801	USD
KODAK AMERICAS, LTD.	KODAK AMERICAS, LTD.	4009	PERU CITIBANK	604	PEN
KODAK AMERICAS, LTD.	KODAK AMERICAS, LTD.	4017	PERU CITIBANK	604	PEN
KODAK AMERICAS, LTD.	KODAK AMERICAS, LTD.	4041	PERU CITIBANK	604	PEN
KODAK AMERICAS, LTD.	KODAK AMERICAS, LTD.	4106	PERU CITIBANK	604	USD
KODAK AMERICAS, LTD.	KODAK AMERICAS, LTD.	4114	PERU CITIBANK	604	USD
KODAK	KODAK PORTUGUESA LTD	5091	??	152	PTE
KODAK	KODAK PORTUGUESA LTD	1000	??	152	PTE