

Hearing Date: February 15, 2012 at 11:00 a.m. (Eastern Time)

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

)	Chapter 11
In re:)	
)	Case No. 12-10202 (ALG)
EASTMAN KODAK COMPANY, <i>et al.</i> , ²)	
)	(Jointly Administered)
Debtors.)	
)	Ref. No. 29
)	

**NOTICE OF REVISED PROPOSED ORDER GRANTING DEBTORS' MOTION
DEBTORS' MOTION FOR AN ORDER ESTABLISHING PROCEDURES FOR
INTERIM COMPENSATION AND REIMBURSEMENT OF
EXPENSES FOR PROFESSIONALS**

PLEASE TAKE NOTICE that on January 19, 2012 the Debtors filed the
Debtors' Motion for an Order for an Order Establishing Procedures for Interim Compensation

¹ All parties in interest with inquiries regarding the Motion should direct such inquires to Young Conaway Stargatt & Taylor, LLP.

² 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.



and Reimbursement of Expenses for Professionals (the “**Motion**”). Attached as Exhibit A to the Motion was the proposed order (the “**Proposed Order**”).

PLEASE TAKE FURTHER NOTICE that the Debtors have received and incorporated informal comments to the Proposed Order (the “**Revised Proposed Order**”). Attached hereto as Exhibit A is a blackline reflecting the revisions to the Proposed Order. The undersigned counsel will present the Revised Proposed Order to the Honorable Allan L. Gropper, in Room 617 of the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”), One Bowling Green, New York, New York 10004, at a hearing to be held on **February 15, 2012 at 11:00 a.m. (Eastern Time)**.

Dated: February 13, 2012
New York, New York

/s/ Pauline K. Morgan

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EXHIBIT A

Blackline of Proposed Order

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

			Chapter 11
In re:)		
)		
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹)	Case No. 12-10202	—
)	(ALG)	
)		
Debtors.)	<u>(Jointly Administered)</u>	
)		

**ORDER ESTABLISHING PROCEDURES FOR INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR PROFESSIONALS**

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 an order establishing procedures for interim compensation and reimbursement of expenses for Professionals; 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 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;

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.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.

2. Except as may otherwise be provided in orders of this Court authorizing the retention of specific Professionals, all Professionals retained by the Debtors in these chapter 11 cases pursuant to order of this Court may seek compensation for professional services rendered and reimbursement of expenses incurred in accordance with the procedures established as follows (collectively, the “**Compensation Procedures**”):

a) On or before the 20th day of each month following the month for which compensation is sought, or as soon as practicable thereafter, each Professional seeking compensation will serve a monthly statement (the “**Monthly Statement**”), by hand or overnight delivery, on (i) Kodak, 343 State Street, Rochester, New York, 14650, Attn: Dorothy Cusker; (ii) counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, 1000 West Street, 17th Floor, Wilmington, Delaware, 19801-0391, Attn: Morgan L. Seward, Esq. and Sullivan & Cromwell LLP, 125 Broad Street, New York, New York, 10004-2498, Attn: Judith R. Fiorini, Esq.; (iii) the U.S. Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004; ~~and (iv) counsel to any official~~ (iv) proposed counsel to the Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”), Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, Attn: Dennis F. Dunne, Esq. and Tyson M. Lomazow, Esq.; (v) counsel to the agent for the Debtors’ postpetition secured debtor-in-possession credit facility (the “**DIP Financing**”), Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Marshall S. Huebner, Esq.; (vi) counsel to the Ad Hoc Committee of Second Lien Noteholders (the “**Second Lien Noteholder Committee**”), Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attn: Michael S. Stamer, Esq. and David H. Botter, Esq.; and (vii) any other committee appointed in these chapter 11 cases (collectively, the “**Notice Parties**”);

b) The Monthly Statement need not be filed with this Court and a courtesy copy need not be delivered to chambers since this Motion is not intended to alter the fee application requirements outlined in sections 330 and 331 of the Bankruptcy Code and since Professionals are still required to serve and file interim and final applications for approval of fees and expenses in accordance with

the relevant provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules;

- c) Each Monthly Statement must contain a list of the individuals and their respective titles (*e.g.*, attorney, accountant or paralegal) who provided services during the statement period, their respective billing rates, the aggregate hours spent by each individual, a reasonably detailed breakdown of the expenses incurred (no professional should seek reimbursement of an expense which would otherwise not be allowed pursuant to this Court's Administrative Orders dated June 24, 1991 and April 21, 1995 or the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 dated January 30, 1996), and contemporaneously maintained time entries for each individual in increments of tenths (1/10) of an hour, unless deviations from such timekeeping requirements have been approved in connection with the retention of such Professional. All professionals not retained as of the Petition Date shall file their first Monthly Statement for the period from the effective date of their retention through the end of the first full month following the effective date of their retention, and otherwise in accordance with the procedures set forth in this Order;
- d) Each ~~person~~ Notice Party receiving a Monthly Statement will have at least 15 days after its receipt to review such statement and, in the event that he or she has an objection to the compensation or reimbursement sought in a particular statement, he or she shall, by no later than the 35th day following the month for which compensation is sought, (the "Objection Deadline"), serve upon the Professional whose statement is objected to, and the other Notice Parties, a written "Notice of Objection to Fee Statement," setting forth the nature of the objection and the amount of fees or expenses at issue;
- e) At the expiration of the ~~35-day period~~ Objection Deadline, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified in each Monthly Statement to which no objection has been served in accordance with paragraph (d); above; provided that any payment of fees or expenses to a Professional shall first be paid in the form of a reduction to any retainer held by such Professional in connection with its engagement by the Debtors;
- f) If the Debtors receive an objection to a particular fee statement, they shall withhold payment of that portion of the fee statement to which the objection is directed and promptly pay the remainder of

the fees and expenses in the percentages and in the form set forth in paragraph (e); above;

- g) Similarly, if the parties to an objection are able to resolve their dispute following the service of a Notice of Objection to Fee Statement and if the party whose statement was objected to serves on all of the parties listed in paragraph (a) above a statement indicating that the objection is withdrawn and describing in detail the terms of the resolution, then the Debtors shall promptly pay, in accordance with paragraph (e); above, that portion of the fee statement which is no longer subject to an objection;
- h) All objections that are not resolved by the parties shall be preserved and presented to this Court at the next interim or final fee application hearing to be heard by this Court, as described in paragraph (j) below;
- i) The service of an objection in accordance with paragraph (d) shall not prejudice the objecting party's right to object to any fee application made to this Court in accordance with the Bankruptcy Code on any ground, whether raised in the objection or not. Furthermore, the decision by any party not to object to a fee statement shall not be a waiver of any kind or prejudice that party's right to object to any fee application subsequently made to this Court in accordance with the Bankruptcy Code;
- j) Approximately every 120 days, but no more than every 150 days, each of the Professionals shall serve and file with this Court an application for interim or final Court approval and allowance, pursuant to sections 330 and 331 of the Bankruptcy Code (as the case may be), of the compensation and reimbursement of expenses requested. No notice of hearing should be filed by Professionals in connection therewith, as the Debtors will schedule a hearing at which all fee applications will be heard;
- k) Any Professional who fails to file an application seeking approval of compensation and expenses previously paid under this ~~Motion~~Order when due shall (i) be ineligible to receive further monthly payments of fees or expenses as provided herein until further order of this Court and (ii) may be required to disgorge any fees paid since such Professional's retention or the filing of such Professional's last fee application, whichever is later;
- l) The pendency of an application or a Court order that payment of compensation or reimbursement of expenses was improper as to a particular Monthly Statement shall not disqualify a Professional from the future payment of compensation or reimbursement of

expenses as set forth above, unless otherwise ordered by this Court;

- m) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein shall have any effect on this Court's interim or final allowance of compensation and reimbursement of expenses of any Professionals;
- n) Counsel for an official committee may, in accordance with the foregoing procedures^s for monthly compensation and reimbursement of Professionals, collect and submit statements of expenses, with supporting vouchers, from members of the committee he or she represents; *provided, however*, that such committee counsel ensures that these reimbursement requests comply with this Court's Administrative Orders dated June 24, 1991 and April 21, 1995.

3. All fees and expenses paid to Professionals under the Compensation Procedures are subject to full disgorgement until final allowance by this Court.

4. Service of interim fee applications and final fee applications (collectively, the "**Applications**") may be limited to the Notice Parties. All other parties that have filed a notice of appearance with the Clerk of this Court and requested notice of pleadings in these chapter 11 cases shall be entitled to receive only notices of hearings on the Applications, with a right to receive copies of the Applications upon request.

5. Any party may object to requests for payments and actual payments made pursuant to this Order on the grounds that the Debtors have not timely filed monthly operating reports, remained current with their administrative expenses and 28 U.S.C. § 1930 fees, or a manifest exigency exists^s, by seeking a further order of this Court. Otherwise, this Order shall continue and shall remain in effect during the pendency of these chapter 11 cases unless otherwise ordered by this Court.

6. Upon motion or application, and after due notice to all Notice Parties, additional professionals employed by the Debtors or any statutory committee appointed in these

chapter 11 cases may be authorized to participate in the Compensation Procedures as set forth in this Order.

7. All Professionals subject to this Order shall be required to monitor their own compliance with the terms of this Order and shall include the following certification on each monthly invoice:

I hereby certify that I am in compliance with the terms of the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals.

8. 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, [the Second Lien Noteholder Committee, the Creditors' Committee or the agent for the DIP Financing](#), or shall impair the ability of the Debtors, [or any other party in interest, to the extent applicable](#), to contest the validity and amount of any payment made pursuant to this Order.

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

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

11. 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

Allan L. Gropper
United States Bankruptcy Judge