

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	
POLAROID CORPORATION, et al.,)	Chapter 11
)	Case No. 01 B 10864 (PJW)
Debtors.)	Jointly Administered
)	

APPLICATION FOR ORDERS AUTHORIZING (i) COMPENSATION AND REIMBURSEMENT OF EXPENSES TO CARDINALE ASSOCIATES (WILLIAM CARDINALE) AND TOTAL FINANCIAL MANAGEMENT (GEORGE MAIORELLI) PURSUANT TO SECTIONS 503(B)(3)(D) AND 503(B)(4) OF THE BANKRUPTCY CODE AND (ii) WAIVER OF CERTAIN REQUIREMENTS OF LBR 2016-2(d)

Cardinale Associates (“Cardinale”) and Total Financial Management (“Maiorelli”) (collectively “the Individual 503(b) Applicants”), holders of equity interests in Polaroid Corporation, et al., debtors (collectively, the “Debtors” or “Polaroid”) (Cardinale and Maiorelli, collectively, “C&M”), move this Court for orders, pursuant to sections 503(b)(3)(D) and 503(b)(4) of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (as amended, the “Bankruptcy Code”), authorizing payment of compensation for services rendered and reimbursement of expenses incurred in the above captioned cases, and for waiver of certain requirements under Rule 2016-2(d) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (collectively, the “Application”). In support of the Application, the 503(b) Applicants respectfully represents as follows:

PRELIMINARY STATEMENT

1. The Individual 503(b) Applicants served a unique, indispensable and highly beneficial role in these cases. Under the law in this district and the Third Circuit, they are entitled to compensation for their “substantial contribution.”

2. The 503(b) Applicants retained Salomon Green & Ostrow, P.C. (“SGO”), Corbally, Gartland and Rappleyea, LLP (“CGR”), Jaspan Schlesinger Hoffman, LLP, the Jacob D. Fuchsberg Law Firm, and Goodkind Labaton Rudoff & Sucharow LLP, on or about April 1, 2003, to represent their interests in these reorganization proceedings. Contemporaneously with the filing of this Application, SGO and CPR have filed their own application for compensation pursuant to section 503(b) of the Bankruptcy Code (the “Attorneys’ Application”). Annexed hereto as Exhibit A is a copy of the Attorneys’ Application (without exhibits).

3. SGO and CGR were C&M’s attorneys at all relevant times. SGO and CGR were subject to C&M’s instructions. C&M directed SGO and CGR within the appropriate scope of the attorney-client relationship, and SGO and CGR performed all services in these cases as agents for C&M. Therefore, to the extent that services performed by SGO and CGR are compensable pursuant to section 503(b) of the Bankruptcy Code, C&M respectfully submit they are entitled to compensation for the related services which they performed.

4. The 503(b) Applicants incorporate the Attorneys’ Application (Exhibit A) herein by reference.

5. C&M will not repeat the allegations contained in the Attorneys’ Application, which focuses exclusively on services rendered by SGO and CGR after their retention by C&M

on or about April 1, 2003. Instead, by this Application, C&M will summarize the distinct nature of the services they performed – distinct from the services rendered by their counsel – and will inform the court of the services each rendered individually.

6. The Individual 503(b) Applicants have made a substantial contribution to these cases and should be compensated for the work that they have performed which inured directly to the benefit of the estate, its creditors and equity interests generally.

SUMMARY OF COMPENSATION SOUGHT

7. Specifically, the Individual 503(b) Applicants seek fees and expenses in the following amounts:

A) Cardinale seeks total compensation of \$91,375.00, representing 182.75 hours of services rendered at \$500.00 per hour for services rendered after retaining counsel. Cardinale does not hereby seek fees for services rendered prior thereto, nor is he seeking reimbursement of expenses incurred.

B) Maiorelli seeks total compensation of \$44,375.00, representing \$43,685.00 in compensation for an estimated 230 hours of services rendered at hourly rates varying from \$10 to \$225; and reimbursement of expenses actually incurred.

JURISDICTION AND VENUE

8. This Court has jurisdiction over the Application pursuant to 28 U.S.C. §§ 157 and 1334.

9. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of the Debtors' chapter 11 cases and this Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

10. The statutory predicates for the relief sought in this Application are §§ 503(b)(3)(D) and (b)(4) of the Bankruptcy Code.

**THE ACTIONS TAKEN BY THE 503(b) APPLICANTS
SUBSTANTIALLY BENEFITED THE ESTATE**

11. The Individual 503(b) Applicants played an active and essential role in these cases. As set forth at length in the Attorneys' Application, which description applies to the Individual 503(b) Applicants as well, all of the actions taken by the Individual 503(b) Applicants for which compensation is sought substantially contributed to the preservation and maximization of value for the benefit of the Estate by preserving the rights of equity holders, promoting the efficiency and cogency of the Examiner's investigation, and ensuring the transparency of the judicial process.

12. The Individual 503(b) Applicants incorporate by reference the recitation contained in the Attorneys' Application of all services rendered and benefits conferred.

13. Briefly supplementing the recitation in the Attorneys' Application, and as set forth in detail in Cardinale's time records annexed hereto as Exhibit B, over the course of these reorganization proceedings, Cardinale made numerous court appearances in support of the motion for the appointment of an Examiner and corresponded with the Court concerning allegations of fraud perpetrated by third parties affecting the estate administration. Also, Cardinale attended meetings with attorneys, fellow shareholders, and former employees, met

with the Examiner, and obtained information from fellow shareholders and former employees as requested by counsel.

14. Moreover, over the course of these reorganization proceedings, Maiorelli made numerous court appearances, attended meetings with attorneys, fellow shareholders and former employees, met with the Examiner, and obtained information from fellow shareholders and former employees as requested by counsel. Maiorelli too was instrumental in the Court's decision to appoint an Examiner, having appeared and spoken at court hearings and written to the Court urging that an Examiner be appointed.

15. In addition, Maiorelli, a certified public accountant, provided financial expertise to counsel and other shareholders concerning Polaroid's operations. Particularly, Maiorelli analyzed and reported on Polaroid's SEC 10K, 10Q and SC-13G filings from 1993 through 2001, prepared reports of Polaroid's treasury account, and analyzed and charted Polaroid insider holdings (SC-13G) for use by the Court and the Examiner. Maiorelli communicated and met with the U.S. Attorney's office and the U.S. Trustee's office, providing them with his detailed financial analysis.

16. Moreover, recognizing the excessive, disorganized, and theretofore ineffective motion practice which individual shareholders had participated in since the bankruptcy's inception, Cardinale undertook a nationwide search for legal counsel to represent the shareholders as individuals or a class. After Cardinale contacted prospective legal counsel from California to New Jersey, Cardinale and Maiorelli ultimately secured retention agreements with five firms in Delaware and the New York metropolitan area. Cardinale and Maiorelli respectfully submit that such action fostered the estates' bankruptcy administration, reducing the

time expended by the Court on shareholder issues and presenting the shareholder concerns more cogently and effectively.

17. Finally, both Cardinale and Maiorelli recently authorized their counsel to withdraw their motion seeking relief from Polaroid's asset sale pursuant to Federal Rule of Civil Procedure 60(b), recognizing that the delay, expense, and burden to the administration of this estate was not warranted in view of the conclusions reached in the Examiner's Report and the shareholders' access to an alternative forum to prosecute their claims in class-action litigation.

**TIME RECORDS AND ITEMIZATION OF EXPENSES
AND WAIVER OF CERTAIN REQUIREMENTS UNDER LOCAL RULE 2016-2**

18. Attached hereto as Exhibits B are Cardinale's itemized time records for services rendered for which he seeks compensation. Cardinale does not hereby seek reimbursement for out-of-pocket expenses.

19. Attached hereto as composite Exhibit C are Maiorelli's summary of time spent and services rendered, and miscellaneous notes reflecting communications with the Office of the United States Trustee and the United States Attorney. Maiorelli did not maintain hourly time records contemporaneously with the rendition of services. The attached summary is a conservative estimate of time spent.

20. Attached hereto as composite Exhibit D is documentation of the expenses for which Maiorelli seeks reimbursement.

21. The time records and itemized expenses submitted by Cardinale and Maiorelli comply with their own general policies for recording time and listing expenses.

22. Local Rule 2016-2 (d) requires that (i) time records include certain activity descriptions, (ii) time allotments be recorded in tenths of an hour, and (iii) activity descriptions not be lumped. Local Rule 2016(h) also provides, however, that a party within the scope of Local Rule 2016-2 may request a waiver of one or more requirements of the rule. Because Cardinale and Maiorelli were not required to seek court authorization for rendering services in these cases, Cardinale and Maiorelli kept records of their services and disbursements as they would for any private non-fiduciary matter. Maiorelli generally does not keep detailed time records of services rendered. And although Cardinale does generally keep time records of services rendered as an Investment Advisor for his clients, with entries made contemporaneously with the rendition of services on a time-keeping computer program, he does not maintain records in 6-minute increments.

23. Accordingly, the 503(b) Applicants respectfully request that this Court grant a waiver of the requirements of Local Rule 2016-2(d) to the extent specified above, since compliance would cause a substantial administrative burden and cost on Cardinale and Maiorelli.

NO PRIOR REQUEST; NO IMPERMISSIBLE FEE SHARING

24. No previous application for the relief sought herein has been made to this or any other Court.

25. No agreement exists in violation of the prohibitions of Section 504 of the Code for the division or sharing of any fees which are allowed pursuant to this or any future application made by the Individual 503(b) Applicants herein.

26. Although the Individual 503(b) Applicants have filed one pleading, these are two distinct fee applications seeking two distinct fee awards based on the distinct nature of Cardinale's and Maiorelli's services and the distinct documentation submitted in support thereof.

WAIVER OF MEMORANDUM OF LAW

27. Because the Application presents no novel issues of law and the authorities relied upon by the Individual 503(b) Applicants are set forth herein, the Individual 503(b) Applicants hereby requests that this Court waive the requirement of filing of a memorandum of law in support of this Application pursuant to D. Del. L.R. 7.1.2, except that the Individual 503(b) Applicants reserve their right to file a brief in reply to any objections to this Application.

NOTICE

28. Article 12.3(b) of Polaroid's Third Amended Plan fixes the notice to be given of this Application. Pursuant to the terms of Article 12.3(b), notice of this Application has been given to Reorganized Polaroid, counsel for Reorganized Polaroid, and counsel to the Creditors' Committee. Additionally, although not specified in the Plan, notice has been given to the United States Trustee for the District of Delaware. Based upon the express terms of the Plan, the 503(b) Applicants submit that no further notice need be given.

CONCLUSION

WHEREFORE, the Individual 503(b) Applicants respectfully request entry of an order in the form annexed hereto as Exhibit E authorizing the 503(b) Applicants to be granted compensation and reimbursement of its legal fees and expenses incurred, and such other and further relief as the Court may deem just and proper.

Dated: Holmdel Village, New Jersey
November 21, 2003

CARDINALE ASSOCIATES

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Dated: Great Neck, New York
November 21, 2003

TOTAL FINANCIAL MANAGEMENT

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