

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

In re	:	Chapter 11
	:	
POLAROID CORPORATION, et al.,	:	Case No. 01-10864 (PJW)
	:	
Debtors	:	(Jointly Administered)
	:	
	:	Objection Deadline: November 14, 2002 @ 4:00 p.m.
	:	Hearing: November 19, 2002 @ 9:30 a.m.

**FINAL APPLICATION OF GREENBERG TRAUIG, LLP
FOR ALLOWANCE OF COMPENSATION AND FOR REIMBURSEMENT
OF DISBURSEMENTS AS COUNSEL TO THE OFFICIAL COMMITTEE OR
RETIRES OF POLAROID CORPORATION**

Pursuant to sections 330 and 331 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure, and Rule 2016-2 of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), Greenberg Traurig, LLP (“**Greenberg Traurig**”) hereby applies (the “**Application**”) for an award of reasonable compensation in the above captioned chapter 11 cases of Polaroid Corporation, et al. (the “**Debtors**” or “**Polaroid**”), for professional legal services rendered as counsel to the Official Committee of Retirees of Polaroid Corporation (the “**Retiree Committee**”) in the amount of \$1,060,633.50 together with reimbursement for actual and necessary expenses incurred in the amount of \$59,469.96 for the period of December 20, 2001 through and including October 24, 2002 (the “**Application Period**”). In support of the Application, Greenberg Traurig respectfully represents as follows:

Background

1. On October 12, 2001 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors’ chapter 11 cases have been procedurally consolidated and are being jointly administered. 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. On June 28, 2002, this Court approved the sale of substantially all of the Debtors’ assets to One Equity Partners.

2. On or about December 2, 2001, the Ad Hoc Committee of Retirees of Polaroid Corporation was established and on December 20, 2001, the Ad Hoc Committee filed a motion pursuant to section 1114 of the Bankruptcy Code for the appointment of an Official Committee of Retirees (the “**Retiree Committee**”). By order dated January 15, 2002, this Court appointed the Retiree Committee. Under this order, the fees for professionals retained by the Retiree Committee were initially capped at \$80,000 (the “**Initial Cap**”). Subsequently, the Retiree Committee selected Greenberg Traurig to serve as its counsel, and on March 1, 2002, this Court approved Greenberg Traurig’s retention, *nunc pro tunc*, to December 20, 2001.

3. On March 15, 2002, the Retiree Committee filed a motion to (A) Reinstate The Polaroid Retiree Health Plan and (B) Authorize the Retiree Committee to Serve As the Authorized Representative; or in the Alternative, (X) Increase the Initial Cap on Fees and Expenses of Professionals and (Y) Expand the Scope of the Investigation (the “**1114 Motion**”). Pursuant to the 1114 Motion, the Retiree Committee requested that the Court reinstate the Polaroid Retiree Health Plan due to Polaroid's failure to effectively terminate this plan before

filing for bankruptcy. In addition, the Retiree Committee asked for permission to serve as the "authorized representative" of affected retirees under section 1114 of the Bankruptcy Code.

4. On June 12, 2002, the Debtors, Official Committee of Unsecured Creditors, Agent for the Postpetition Lenders, Agent for the Prepetition Lenders, and the Retiree Committee announced and outlined the proposed settlement of the 1114 Motion for the Court.

5. On July 17, 2002, the Debtors filed a motion pursuant to section 9019 of the Bankruptcy Code for Approval of Stipulation and Order Settling Claims and Controversies Between Debtors, Official Committee of Unsecured Creditors, Agent for the Postpetition Lenders, Agent for the Prepetition Lenders and Official Committee of Retirees and Providing for Release (the "**Settlement Motion**").

6. Under the Settlement Motion, Debtors have agreed to transfer potential breach of fiduciary claims with respect to the termination of retiree welfare benefits to a trust (the "**Retiree Trust**") established by the Retiree Committee. Debtors further agreed to grant the Retiree Trust and its members relief from the automatic stay to pursue their fiduciary claims and to seek recovery from the proceeds of the Debtor's insurance policy, which has a face value of \$25 million. In return, the Retiree Trust agreed not to seek recovery from the plan fiduciaries personally and the Retiree Committee agreed not to participate further in the bankruptcy process. The settlement also includes payment of \$650,000 (the "**Settlement Amount**") in professional fees for the services rendered by the Retiree Committee's professionals during the Application Period. The difference, if any, between the Settlement Amount and any amount ultimately approved by this Court as compensation for the professionals employed by the Retiree Committee shall be paid to the Retiree Trust and distributed to affected retirees *pro rata*. The

Settlement also sets aside \$100,000, which will be used to pay the deductible and/or self-insured retention for the Debtors' insurance policy from which the Retiree Trust will seek recovery.

7. On November 8, 2001, the Court entered an Administrative Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the "**Administrative Order**").

8. Pursuant to the Administrative Order, if no objection is filed to a Monthly Application within twenty (20) days of the date of filing of that application, then professionals may be paid eighty percent (80%) of the fees and one hundred percent (100%) of the expenses set forth in the applicable monthly Application.

9. Every three (3) months beginning with the three-month period ending in December 2001, this Court will then make a determination, after hearing, if the remaining twenty percent (20%) of fees sought in the preceding three (3) months will be paid.

10. Due to the limitation of fees under the Initial Cap available to the professionals retained by the Retiree Committee, Greenberg Traurig did not file monthly or interim fee applications pursuant to the Administrative Order.¹ The approved Settlement Motion now provides a Settlement Amount from which the Retiree Committee's professionals' fees will be paid, subject further to the Court's approval of such fees.

¹ On May 30, 2002, Greenberg Traurig filed a First Interim Application for the Allowance of Compensation and Reimbursement of Disbursements as Counsel to the Retiree Committee, and, although no objections to this application were filed, the application was never presented to the Court and Greenberg Traurig has not received any compensation or relief requested therein. The Application which is the subject of this Motion includes the compensation and relief requested in Greenberg Traurig's First Interim Application.

11. Accordingly, Greenberg Traurig is filing this Application for compensation for professional services rendered and reimbursement of disbursements made in these cases during the Application Period.

Relief Requested

12. This Application is the final fee application to be filed by Greenberg Traurig in these cases. In connection with the professional services described below, by this Application, Greenberg Traurig seeks compensation in the amount of \$1,060,633.50 and expense reimbursement of \$59,469.96. A description of (i) the professional or paraprofessional performing the services; (ii) the date the services were performed; (iii) a brief description of the nature of the services and the time expended; and (iv) summary of the fees and hours of each professional and other timekeeper by Project Category, is set forth in Exhibit A.² Attached hereto as Exhibit B is a description of the Project Categories that professionals and other timekeepers at Greenberg Traurig used when recording time on matters in these cases.

Summary of Services Rendered

13. Greenberg Traurig rendered the following services during the Application Period as counsel to the Retiree Committee:

(a) Case Administration (804) – Greenberg Traurig performed numerous tasks with regard to the administration of these cases including, but not limited to, coordinating weekly updating of docket sheets and maintaining case and pleadings files and critical dates calendar, reviewing all pleadings, papers and retiree letters filed in these cases, coordinating responsibility

² Exhibit A was prepared from daily diary entries prepared by each professional or paraprofessional, with the time being recorded in segments of tenths of an hour. Information contained in invoices sent to the Debtors in connection with services during the Application Period may differ slightly from Exhibit A, reflecting mostly editing changes.

for filing and service of all pleadings of the Retiree Committee relative to these cases, constructing and maintaining a website (www.retireeinfo.com) in order to facilitate the flow of information about the cases, provide updates and recent developments, and to address the many questions and concerns raised by retirees across the country.

(b) Employee Benefits/Pensions (806) – Greenberg Traurig analyzed the termination of the Debtors’ retiree health insurance, life insurance, and its severance pay programs and analyzed issues for retirees with respect to pension benefits, long term disability, continued medical coverage and other employee benefits. Greenberg Traurig, among other things, performed research, participated in conference calls and communicated with members of Congress with respect to employee benefit issues.

(c) Investigation/Litigation/Adversary Proceedings (810) – Greenberg Traurig, among other things, prepared and filed the Retiree Committee’s motion pursuant to section 1114 of the Bankruptcy Code to be appointed as an official committee, conducted discovery, and strategized regarding its investigation into the Debtors’ termination of retiree benefits. In addition, Greenberg Traurig performed research, drafted memos and pleadings to protect retiree interests, drafted and filed a proof of claim, negotiated the settlement agreement outlined in the Settlement Motion, and performed tasks related to the preparation of the Retiree Trust to be established pursuant to the settlement.

(d) Fee/Employment Applications (813) - Greenberg Traurig prepared and filed its retention application and fee applications in this case. Greenberg Traurig also prepared and finalized a retention application for special Effective Organizations as communications consultant to the Retiree Committee, and attended to issues related to Greenberg Traurig and Effective Organizations retention and fee applications that arose in these cases.

(e) Legislative Issues (824) – Greenberg Traurig attended various meetings with Congressional members, per the request of Senator Edward Kennedy and Representative William Delahunt, to discuss their concerns regarding Polaroid’s attempts to terminate retiree benefits and the acts of Polaroid’s management. Subsequent to these meetings, Senator Kennedy asked Betty Moss, a former Polaroid employee, and Karl V. Farmer, the Retiree Committee Chairman, to testify in front of the United States Senate Committee of Health, Education, Labor and Pensions on February 7, 2002 at a Senate hearing on the protection of pension benefits and related issues. Greenberg Traurig helped to prepare Mr. Farmer and other Polaroid retirees for their oral testimony and written submissions to Congress. In addition, Greenberg Traurig drafted and submitted to Congress proposed legislative solutions to address retiree benefit and pension issues, per the request of the Senate Committee, and engaged in continuing communications with the Massachusetts Congressional Delegation throughout these cases.

(f) Retiree Committee Meetings (831) – Greenberg Traurig attended various meetings, in person and telephonic, regarding cases status, litigation strategy, and information gathering with the Retiree Committee. Greenberg Traurig also communicated with individual members of the Retiree Committee and the Retiree Committee as a whole in person, via email, and telephonically, with respect to all related issues in these cases.

(g) Retiree Constituency Communications (832) – Greenberg Traurig prepared questionnaires and other information for the solicitation of information from the retiree constituency as a whole. In addition, Greenberg Traurig responded to individual retiree questions and concerns surrounding the Debtors’ termination of retiree benefits, continued benefit coverage, pension and other issues related to employee benefits.

(h) Court Hearings (833) – Greenberg Traurig prepared for and attended all

hearings on behalf of the Retiree Committee.

(i) Use, Sale and Lease of Property (838) – Greenberg Traurig, among other things, analyzed documentation relating to the proposed asset sale agreement between the Debtors and One Equity Partners and the possible effects on retirees, drafted a limited objection to the proposed sale, had internal and external communications with respect to the proposed sale, and attended the sale auction.

(j) Travel (922) - Greenberg Traurig traveled to and from Wilmington, DE to Boston, MA to attend various meetings with the Retiree Committee and the retiree constituency, and court hearings. In addition, Greenberg Traurig also traveled to and from Boston, MA to Washington, D.C. to attend a Congressional hearing in front of the United States Senate Committee of Health, Education, Labor and Pensions and to meet with members of Congress.³

14. For the Application Period, Greenberg Traurig seeks allowance of compensation in the amount of \$1,060,633.50 in connection with the professional services described above.

15. During the Application Period, Greenberg Traurig incurred or disbursed the actual and necessary costs and expenses related to these cases in the amount of \$59,469.96 as described below.

Conference Calls	\$2,023.17
Copies	\$18,089.03
Depositions/Court Reports	\$4,546.85
Exhibits	\$1000.00
Facsimile Charges	\$549.00
Federal Express	\$671.32
GT Imaging	\$99.00
Local Travel	\$1,012.25
Messenger Services	\$656.57
Other Charges	\$1,326.58
Postage	\$3,207.33
Off-Site Printing Charges	\$483.99
Service Company Charges	\$733.83
Special Clerical Services	\$462.50

³ Pursuant to Delaware Local Rule 2016-2, all non-working travel time was billed at no more than 50% of regularly hourly rates.

Subpoenas	\$128.35
Telephone Expenses	\$685.69
Transcript Charges	\$3,957.23
Business Meals	\$1,013.21
Information & Research	\$7,657.78
Travel and Lodging Out of Town	\$14,541.89

Total: \$59,469.96

16. Pursuant to Rule 2016-2 of the Local Rules, Greenberg Traurig represents as follows with regard to its charges for actual and necessary costs and expenses during the Application Period:

(a) Copy Charges are \$.15 per page, which charge is reasonable and customary in the legal industry representing costs of copy materials, acquisition, maintenance, storage and operation of copy machines, together with a margin for recovery of lost expenditures. In addition, the Firm often utilizes outside copier services for high volume projects, and this Application seeks the recovery of those costs, if applicable.

(b) Incoming facsimiles are not billed.

(c) Out-going facsimiles are billed at the rate of \$1.00 per page. The costs represents operator time, maintaining several dedicated facsimile telephone lines, supplies and equipment, and includes a margin for recovery of lost expenditures.

(d) Toll telephone charges are not billed.

17. In accordance with the factors enumerated in 11 U.S.C. § 330, the amount requested for compensation and expense reimbursement is fair and reasonable given (a) the complexity of the cases, (b) the time expended, (c) the nature and extend of the services, rendered, (d) the value of such services and (e) the costs of comparable services other than in a case under this title.


18. Greenberg Traurig has reviewed the requirements of Rule 2016-2 of the Local Rules, and this Application complies with Rule 2016-2.

19. Greenberg Traurig reserves the right to supplement this Application prior to a hearing. Further, Greenberg Traurig specifically reserves the right to file subsequent applications for, and to seek final approval of the fees and expenses requested herein.

19. Greenberg Traurig has sent a copy of this Application to the Debtors, Official Committee of Unsecured Creditors, Agent for the Pre-Petition Lenders and the Retiree Committee Chairperson.

WHEREFORE, Greenberg Traurig respectfully requests that the Court enter an order allowing compensation in the sum of \$1,060,633.50 as compensation for professional services rendered, and the sum of \$59,469.96 for reimbursement of actual and necessary costs and expenses incurred by it in these cases from December 20, 2002 through and including October 24, 2002, and that the Debtors be authorized and directed to pay Greenberg Traurig all outstanding amounts due hereunder.

Dated: October 25, 2002 GREENBERG TRAUIG, LLP

By: 
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