

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
)	Objections Due: February 25, 2004
)	Hearing Date: March 25, 2004 at 2:00 p.m.

**FINAL FEE APPLICATION OF GROOM LAW GROUP, CHARTERED,
SPECIAL COUNSEL TO THE DEBTORS-IN-POSSESSION, SEEKING
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
UNDER 11 U.S.C. §§ 330 AND 331 FOR THE PERIOD
NOVEMBER 19, 2001 THROUGH DECEMBER 17, 2003**

Name of Applicant:	Groom Law Group, Chartered
Authorized to Provide Professional Services to:	Polaroid Corporation and its subsidiaries and affiliate debtors
Date of Retention Order:	March 1, 2002
Period for which compensation and reimbursement are sought:	November 19, 2001 through December 17, 2003
Amount of Compensation sought as actual, reasonable, and necessary:	\$562,304.50 plus \$6,520.00 incurred in connection with the preparation of the Final Fee Application
Amount of Expense Reimbursement: sought as actual, reasonable, and necessary:	\$15,365.33
This is an:	___ monthly ___ interim <u>__X__</u> final application
Prior Applications:	Twenty-three monthly applications Seven interim fee applications

**TIME SUMMARY TO FINAL FEE APPLICATION OF
GROOM LAW GROUP, CHARTERED
November 19, 2001 – December 17, 2003**

<u>NAME</u>	<u>YEAR OF ADMISSION</u>	<u>RATE</u>	<u>HOURS</u>	<u>AMOUNT</u>
<u>PARTNERS</u>				
Gary M. Ford	1978	\$485-2001	16.30	7,905.50
Gary M. Ford	1978	\$495-2002	212.00	104,940.00
Gary M. Ford	1978	\$530- Jan-Mar 2003	1.60	848.00
Gary M. Ford	1978	\$590- Apr-Dec 2003	5.50	3,245.00
Louis T. Mazawey	1975	\$495-2002	.70	346.50
Louis T. Mazawey	1975	\$530-2003	.30	159.00
Robert P. Gallagher	1972	\$485-2001	10.00	4,850.00
Robert P. Gallagher	1972	\$495-2002	131.10	64,894.50
Robert P. Gallagher	1972	\$530-2003	16.00	8,480.00
Charles W. Sherman	1983	\$405-2001	2.20	891.00
Charles W. Sherman	1983	\$415-2002	16.30	6,764.50
Charles W. Sherman	1983	\$480-2003	2.00	960.00
Lonie A. Hassel	1981	\$390-2001	20.70	8,073.00
Lonie A. Hassel	1981	\$405-2002	484.00	196,020.00
Lonie A. Hassel	1981	\$450-2003	115.80	52,110.00
Thomas S. Gigot	1984	\$390-2001	1.30	507.00
Thomas S. Gigot	1984	\$405-2002	16.70	6,763.50
Thomas S. Gigot	1984	\$450-2003	.80	360.00
Jon W. Breyfogle	1995	\$445-2002	0.50	222.50
Brigen L. Winters	1994	\$345-2002	1.80	621.00
Brigen L. Winters	1994	\$400-2003	.30	120.00
Michael J. Prame	1994	\$390-2003	24.40	9,516.00
TOTAL PARTNERS			1,080.30	\$478,597.00
<u>OF COUNSEL</u>				
Michael A. Thrasher	1970	\$400-2002	5.30	2,120.00
Kendall W. Daines	1987	\$355-2002	63.10	22,400.50
Kendall W. Daines	1987	\$390-2003	34.70	13,533.00
William F. Hanrahan	1973	\$435-2002	.20	87.00
John F. McGuiness	1993	\$345-2002	2.00	690.00
TOTAL OF COUNSEL			105.30	\$38,830.50

<u>ASSOCIATES</u>				
Daniel L. Hogans	1993	\$280-2001	2.90	812.00
Michael J. Prame	1994	\$295-2001	.60	177.00
Michael J. Prame	1994	\$295-2002	90.50	28,510.00
Christy A. Tinnes	1998	\$260-2002	7.70	2,002.00
Christine L. Keller	1996	\$310-2002	10.70	3,317.00
David N. Levine	1997	\$300-2002	4.70	1,410.00
Robert A. Imes	2003	\$200-2002	1.30	260.00
Jason E. Ehrenberg	2000	\$260-2002	1.30	338.00
Stephanie L. Napier	1997	\$300-2002	.50	150.00
Ellen M. Goodwin	1999	\$260-2002	.30	78.00
Ellen M. Goodwin	1999	\$350-2003	.80	280.00
Elena C. Barone	1999	\$225-2002	1.00	225.00
Jason O. Keene	2000	\$350-2003	2.10	735.00
	TOTAL ASSOCIATES		124.40	\$38,294.00
<u>PARALEGALS</u>				
Stefanie J. Lehmann	N/A	\$145-2002	4.60	667.00
Stefanie J. Lehmann	N/A	\$150-2003	.50	75.00
Jacqueline J. Sharkey	N/A	\$110-2002	6.30	693.00
Jacqueline J. Sharkey	N/A	\$110-2003	18.20	2,002.00
Eileen B. Foster	N/A	\$110-2002	16.00	1,760.00
Eileen B. Foster	N/A	\$110-2003	.50	55.00
Christian T. Blemly	N/A	\$100-2002	8.80	880.00
Suzanne E. Pfouts	N/A	\$110-2003	4.10	451.00
	TOTAL PARALEGAL		59.00	\$6,583.00
	TOTAL		1,369.00	\$562,304.50
	Average Hourly Billing Rate		\$411	

COMPENSATION BY PROJECT CATEGORY
November 19, 2001 – December 17, 2003

<u>PROJECT CATEGORY</u>	<u>HOURS</u>	<u>AMOUNT</u>
Employee Benefit Matters	1,240.60	\$ 530,533.00
Fee Application	128.40	\$31,771.50
TOTAL	1,369.00	\$562,304.50

EXPENSE SUMMARY
November 19, 2001 – December 17, 2003

<u>EXPENSE</u>	<u>AMOUNT</u>
Outside Duplication Services	126.81
Research Services	3,056.69
In-House Reproduction (\$0.15 per page)	7,642.80
Postage	750.54
Long Distance Telephone	104.21
Sprint Telecom	113.02
Shipping	335.62
Messenger/Courier	30.62
Temporary Paralegal Support (at cost)	45.00
Filing Fees	225.00
Travel	<u>2,935.02</u>
TOTAL	\$15,365.33

Groom Law Group, Chartered (“Groom Law Group”), counsel for Polaroid Corporation (“Polaroid”) and its subsidiaries and affiliates (the “Affiliate Debtors”) in the above-captioned cases (collectively, the “Debtors”), submits this application seeking final allowance of compensation and reimbursement of expenses under 11 U.S.C §§ 330 and 331 for the period from November 19, 2001 through December 17, 2003 (the “Application”), and represents as follows:

BACKGROUND

1. On October 12, 2001 (the “Petition Date”), the Debtors each filed in this Court a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330 (as amended, the “Bankruptcy Code”).
2. The Debtors’ cases have been consolidated for procedural purposes and are being jointly administered by the Court.
3. On or about October 24, 2001, the United States Trustee appointed an Official Committee of Unsecured Creditors (the “Creditors Committee”). On January 15, 2002, an Official Retiree Committee (“Retiree Committee”) was appointed by the Court.
4. On November 13, 2003, Debtors filed the Third Amended Joint Plan of Reorganization of Primary PDC, Inc. (f/k/a Polaroid Corporation) and its Debtor Subsidiaries and the Official Committee of Unsecured Creditors (the “Plan of Reorganization”) (Docket No. 3388).
5. On November 18, 2003, the Court entered its Findings of Fact, Conclusions of Law and Order Confirming the Third Amended Joint Plan of Reorganization of Primary PDC, Inc. (f/k/a Polaroid Corporation) and its Debtor Subsidiaries and the

Official Committee of Unsecured Creditors (the “Confirmation Order”) (Docket No. 3432). The effective date of the Plan of Reorganization was December 17, 2003.

6. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory predicates for the relief requested herein are sections 330 and 331 of the Bankruptcy Code.

RETENTION OF GROOM LAW GROUP

7. On or about January 18, 2002, the Debtors applied to the Court for an order authorizing them to retain Groom Law Group as special counsel under section 327(e) of the Bankruptcy Code to provide legal services in connection with the Debtors’ employee benefit plans (the “Retention Application”).

8. On March 1, 2002, the Court signed an order (the “Retention Order”) authorizing the Debtors to employ Groom Law Group as their special counsel *nunc pro tunc* as of November 19, 2001. A copy of the Retention Order is attached hereto as Exhibit A.

RELIEF REQUESTED

9. In this Application, Groom Law Group seeks final allowance of compensation for professional services rendered and expenses incurred from November 19, 2001 through December 17, 2003 (the “Final Application Period”).

10. Specifically, Groom Law Group submits this Application for an order under sections 330 and 331 of the Bankruptcy Code granting final allowance of (a) compensation in the amount of \$562,304.50 for professional services rendered by it

during the Final Application Period as counsel to the Debtors in these chapter 11 cases, which amount is derived solely from the applicable hourly billing rates of the firm's personnel who rendered such services, (b) compensation in the amount of \$6,520.00 for professional services rendered by it in connection with the preparation of this Application, which amount is derived solely from the applicable hourly billing rates of the firm's personnel who rendered such services; and (c) reimbursement of actual and necessary out-of-pocket disbursements and charges in the amount of \$15,365.33 incurred in the rendition of required professional services on behalf of the Debtors during the Final Application Period.

11. Groom Law Group has received no promise of payment for professional services rendered or to be rendered in these cases other than in accordance with the provisions of the Bankruptcy Code.

12. Groom Law Group attorneys and paraprofessionals devoted a total of 1,369 hours to the representation of the Debtors during the Final Application Period. Of the aggregate time expended, 1080.30 hours were spent by partners, 124.40 hours were spent by associate, 105.30 hours were spent by of counsel, and 59.00 hours were spent by paraprofessionals. The average blended rate during the Final Application Period was \$411 per hour. At the front of this Application is a schedule summarizing for the Final Application Period the name and position of each partner, associate, of counsel, and paraprofessional, together with that person's date of admission to the bar (if applicable), hours worked, and hourly billing rate. Attached as Exhibit B are the schedules summarizing for each month during the Final Application Period the name and position

each partner, associate, of counsel, and paraprofessional, together with that person's date of admission to the bar (if applicable), hours worked, and hourly billing rate.

13. Groom Law Group attorneys and paraprofessionals devoted a total of 21.80 hours to preparation of this Application. Of the time expended, 12.80 hours were spent by partners and 9.0 hours were spent by paraprofessionals. The average blended rate for preparation of the Application was \$299 per hour. Exhibit C hereto sets forth the daily time charges incurred in connection with the preparation of this Application.

DESCRIPTION OF SERVICES RENDERED

14. Groom Law Group attorneys and paraprofessionals billed their services during the Final Application Period to two separate matters. The first matter concerns activities relating to issues arising in connection with Debtors' employee benefit plans. The second matter concerns preparation of Groom Law Group's fee applications. The schedules attached hereto as Exhibit B summarize by month and matter the charges incurred during the Final Application Period.

15. It is not possible to describe every service provided, meeting attended, telephone conference held, or document generated by Groom Law Group during the Final Application Period. Rather, this Application highlights the most significant services performed by Groom Law Group for Debtors. Groom Law Group submits that the legal services and advice that it rendered to the Debtors during these Chapter 11 cases was necessary and beneficial to the Debtors, its creditors and the estate.

16. The Debtors sponsor a number of employee benefit plans for their employees including, but not limited to, a pension plan, a savings plan, a long-term

disability plan and medical plans. Representation of the Debtors has involved extensive analysis of ERISA, the Internal Revenue Code, the Bankruptcy Code, and certain tax and investment issues.

17. Groom Law Group's activities during the Final Application Period included the following: Groom Law Group conferred with the Debtors and their bankruptcy counsel, engaged in necessary factual and legal analysis, prepared internal and external memoranda and conferred extensively with representatives of the Department of Labor ("DOL"), the Internal Revenue Service ("IRS") and the Pension Benefit Guaranty Corporation ("PBGC"). More specifically, Groom Law Group represented the Debtors in connection with DOL investigations concerning various employee benefit plans; information and document requests by the PBGC concerning the pension plan; and requests for information by the Massachusetts' Attorney General. Other matters on which Groom Law Group worked included depositions and other discovery undertaken by the Retiree Committee; a motion by the Retiree Committee to reinstate retiree health benefits and the settlement of that motion; issues related to the sale of Debtors' stock by the ESOP trustee; the payment of lump sums from the pension plan; issues related to distributions from the pension plan and the savings plan; issues related to 401(k) plan deferral elections; anti-alienation issues; plan termination issues; partial plan termination issues; plan freeze issues; the requirements of ERISA § 204(h); information requests by retirees and their representatives; the application of Title IV of ERISA to Debtors' employee benefit plans and PBGC's authority under Title IV; issues related to the PBGC's claims; COBRA coverage issues; issues related the allocation of the cost of long

term disability insurance; a lawsuit related to long term disability plan benefits; fiduciary insurance issues; issues related to the employer stock fund in the savings plan and board resolutions regarding the employer stock fund; plan interest rate issues; plan contribution issues; plan expense issues; plan document and related claim regulation issues; plan amendments and restatements; plan determination letter applications and GUST issues; trust amendments; plan trustee issues; a transition agreement relating to the continued administration of the pension plan and saving plan; employee communication issues; a request for information by the Unsecured Creditors Committee; meetings with the Creditors Committee and the Retiree Committee regarding benefit issues; board meetings regarding benefit issues, including preparation of draft board resolutions; disclosure statement issues; and the Plan of Reorganization as it relates to employee benefit issues and PBGC's claim. In addition, during the Final Application Period, Groom Law Group prepared twenty-three monthly fee applications and seven interim fee applications.

ALLOWANCE OF COMPENSATION

18. Standing at the Bar and Experience. The principal in charge of Groom Law Group's engagement is Gary M. Ford. Mr. Ford has more than 20 years of private and public sector experience in the employee benefits area. He is a former General Counsel of the Pension Benefit Guaranty Corporation. His experience includes representation of debtor-employers, benefit plan creditors, and creditor committees in a number of major Chapter 11 reorganization cases, as detailed in the Debtors' Retention Application.

19. Mr. Ford has been assisted by certain other Groom Law Group attorneys, each of whom have substantial and, in some cases, extensive experience directly relevant

to their work here for the Debtors. Their prior relevant experience includes work at Groom Law Group in other Chapter 11 cases and prior employment at the PBGC and the DOL. Groom Law Group has achieved cost efficiencies by using attorneys in the firm only to the extent that their knowledge and prior experience made their participation in this engagement cost-effective for the Debtors.

20. Compensation Sought. Because of the significance of the employee benefit issues to the Debtors, the expertise of the attorneys who rendered services, the amount of work done, the time consumed, the skill required, and the contingent nature of the compensation, Groom Law Group requests that it be allowed at this time compensation for professional services rendered during the Final Application Period in the sum of \$562,304.50. Groom Law Group further requests that it be allowed at this time compensation in the amount of \$6,520.00 for professional services rendered by it in connection with the preparation of this Application. Groom Law Group reserves the right to seek such amounts for work performed but not yet reflected in the firm's time records because of customary delays (principally, vendor billing for expenses) or to amend the amounts listed herein to correct any inadvertent bookkeeping errors. In the event that a subsequent review reveals that additional professional services have been rendered or expenses have been incurred on behalf of the Debtors, which were not processed by the firm's computer system in advance of this Application, Groom Law Group further reserves the right to seek such additional fees and expenses by subsequent application to the Court.

21. Reimbursement of Expenses. Groom Law Group has disbursed, and requests reimbursement for, the following sums for actual and necessary expenses in the rendition of professional services in these cases:

DISBURSEMENTS

<u>EXPENSE</u>	<u>AMOUNT</u>
Outside Duplication Services	126.81
Research Services	3,056.69
In-House Reproduction (\$0.15 per page)	7,642.80
Postage	750.54
Long Distance Telephone	104.21
Sprint Telecom	113.02
Shipping	335.62
Messenger/Courier	30.62
Temporary Paralegal Support (at cost)	45.00
Filing Fees	225.00
Travel	<u>2,935.02</u>
TOTAL	\$15,365.33

22. The Court previously approved interim allowances of fees and reimbursement of expenses for the period November 19, 2001 through March 31, 2003. See Docket Nos. 1481 and 2802.

23. Groom's Sixth Interim Fee Application for the period April 1, 2003 through June 30, 2003 was filed on August 15, 2003 (Docket No. 2906) and Groom's Seventh Interim Fee Application for the period July 1, 2003 through September 30, 2003 was filed on November 13, 2003 (Docket No. 3391). Groom has received no objections to these applications and the applications are pending Court approval.

24. Monthly fee applications have been filed by Groom Law Group for the months of October 2003 and November 2003 and also for the period December 1, 2003

through December 17, 2003 (Docket Nos. 3477, 3640 and 3742). Certificates of No Objection have been filed with respect to the October 2003 and November 2003 applications (Docket Nos. 3627 and 3746). The objection deadline for the application for the period December 1, 2003 through December 17, 2003 is February 12.

25. As of the date of this Application, Debtors have paid Groom Law Group a total of \$535,309.22. Amounts invoiced, but for which Groom Law Group has not received payment total \$42,360.61. The outstanding amounts relate to the holdback for which approval of payment has been requested in the pending sixth and seventh interim fee applications and in the monthly fee applications for June 2003, October 2003, November 2003, and the period December 1, 2003 through December 17, 2003.

26. Pursuant to Sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, the Confirmation Order and the Plan of Reorganization, Groom Law Group seeks final approval of the amount of the fees and expenses incurred by Groom Law Group during the Final Application Period and authorization for the Debtors to pay any outstanding amounts in full.

CERTIFICATE OF COMPLIANCE AND WAIVER

27. Finally, the undersigned representative of Groom Law Group certifies that he has reviewed the requirements of Del. Bankr. LR 2016-2 and that the Application substantially complies with that Local Rule. To the extent that the Application does not comply in all respects with the requirements of Local Order Del. Bankr. LR 2016-2, Groom Law Group believes such deviations are not material and respectfully requests that any such requirement be waived.

WHEREFORE, Groom Law Group respectfully requests that the Court grant final allowance of (a) compensation for professional services rendered as attorneys for the Debtors during the Final Application Period in the amount of \$562,304.50; (b) compensation in the amount of \$6,520.00 for professional services rendered by it in connection with the preparation of this Application; and (c) reimbursement of actual and necessary out-of-pocket disbursements and charges incurred by Groom Law Group in the amount of \$15,365.33; and grant Groom Law Group such other and further relief as is just and proper.

Dated: Washington, DC
February 2, 2004

Gary M. Ford
Michael J. Prame
Groom Law Group, Chartered
1701 Pennsylvania Avenue, N.W.
Washington, DC 20006

 /s/ Michael J. Prame
Attorneys for
Polaroid Corporation, et al.
Debtors-in-Possession