

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

- - - - -X
In re: :
POLAROID CORPORATION, : Chapter 11
et al., :
Debtors. : Case No. 01-10864 (PJW)
: Jointly Administered
: Obj. Due: 2/14/02 @ 4:00 p.m.
- - - - -X

**NOTICE OF FILING OF FIRST MONTHLY FEE APPLICATION OF
DRESDNER KLEINWORT WASSERSTEIN, INC., FINANCIAL ADVISOR
AND INVESTMENT BANKER TO THE DEBTORS FOR THE PERIOD FROM
OCTOBER 12, 2001 THROUGH NOVEMBER 30, 2001**

PLEASE TAKE NOTICE that on January 25, 2002,
the above-captioned debtors and debtors-in-possession
(the "Debtors") filed the attached **First Monthly Fee
Application of Dresdner Kleinwort Wasserstein, Inc.,
Financial Advisor and Investment Banker to the Debtors
for the Period from October 12, 2001 through November
30, 2001** (the "Application").

PLEASE TAKE FURTHER NOTICE that objections, if
any, to the Application or the relief requested therein
must be made in writing, filed with the United States
Bankruptcy Court for the District of Delaware (the
"Bankruptcy Court"), 824 Market Street, Wilmington,
Delaware 19801, and served so as to be received by: (i)

the undersigned counsel to the Debtors; (ii) counsel for the Debtors' prepetition lenders, Davis, Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017 (Attn: John Fouhey, Esq.); (iii) counsel for the Debtors' postpetition lenders, Morgan, Lewis & Brockius, 101 Park Avenue, New York, NY 10178 (Attn: Robert Scheibe, Esq.); (iv) counsel to the Committee, Young Conaway Stargatt & Taylor LLP, The Brandywine Building, 17th Floor, 1000 West Street, P.O. Box 391, Wilmington, DE 19899 (Attn: Brendan Linehan Shannon, Esq.) and Akin, Gump, Strauss, Hauer & Feld, L.L.P., 590 Madison Avenue, New York, NY 10022 (Attn: David H. Botter, Esq.); (v) Henry Miller, Vice Chairman and Managing Director, Dresdner Kleinwort Wasserstein, Inc., 1301 Avenue of the Americas, New York, NY 10019; and (vi) the Office of the United States Trustee, J. Caleb Boggs Federal Office Building, 844 King Street, Suite 2313, Wilmington, DE 19801 (Attn: Mark S. Kenney, Esq.) (collectively, the "Notice Parties") no later than **4:00 p.m. Eastern time on February 14, 2002.**

PLEASE TAKE FURTHER NOTICE that if no objections to the Application are timely filed and served in accordance with the above procedures, an order may be entered granting the relief requested in the Application

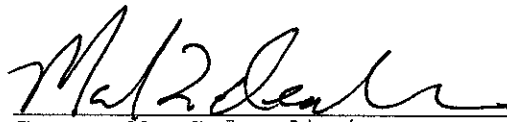
without further notice or a hearing. If an objection is properly filed and served in accordance with the above procedures, a hearing to consider the Application will be held before the Honorable Peter J. Walsh in the United States Bankruptcy Court, 824 Market Street, Wilmington, Delaware 19801 on a date and at a time to be determined. Only those objections made in writing and timely filed with the Bankruptcy Court and received by the Notice Parties will be considered by the Bankruptcy Court at such hearing.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS
NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE
APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: Wilmington, Delaware
January 25, 2002

David S. Kurtz
Eric W. Kaup
SKADDEN, ARPS, SLATE, MEAGHER
& FLOM (ILLINOIS)
333 West Wacker Drive
Chicago, Illinois 60606
(312) 407-0700

- and -



Gregg M. Galardi (No. 2991)
Mark L. Desgrosseilliers (No. 4083)
SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP
One Rodney Square
P.O. Box 636
Wilmington, Delaware 19899
(302) 651-3000

Attorneys for Debtors and
Debtors-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

- - - - -X
:
In re: : Chapter 11
:
POLAROID CORPORATION, : Case No. 01-10864 (PJW)
et al., :
:
Debtors. : Jointly Administered
:
: Obj. Due: 2/14/02 @ 4:00 p.m.
- - - - -X

FIRST MONTHLY FEE APPLICATION OF DRESDNER
KLEINWORT WASSERSTEIN, INC., FINANCIAL ADVISOR
AND INVESTMENT BANKER TO THE DEBTORS FOR THE PERIOD
FROM OCTOBER 12, 2001 THROUGH NOVEMBER 30, 2001

Name of Applicant: Dresdner Kleinwort Wasserstein, Inc.

Authorized to Provide
Professional Services to: Polaroid Corporation and its
subsidiaries and affiliate debtors.

Date of Retention Order: 10/12/01 (Retained as of the
Petition Date)

Period for which compensation
and reimbursement are sought: 10/12/01-11/30/01

Amount of Compensation sought
as actual, reasonable, and necessary: \$263,225.81
(80% of \$329,032.26¹)

Amount of Expense Reimbursement sought
as actual, reasonable, and necessary: \$78,687.35

This is a: X monthly ___ final application.

Prior Applications: None.

¹ This figure represents Monthly Advisory Fees for October, 2001 (prorated from the date of filing) and November 2001, pursuant to the Revised Engagement Letter dated October 2, 2001.

Dresdner Kleinwort Wasserstein, Inc., Financial Advisor and Investment Banker to the Debtors (the "Professional"), hereby submits this application (the "Application") seeking allowance of compensation and reimbursement of expenses under 11 U.S.C. §§ 330 and 331 for the period from October 12, 2001 through November 30, 2001 (the "Application Period") and represents as follows:

BACKGROUND

1. On October 12, 2001 (the "Petition Date"), the Debtors each filed a voluntary petition in this Court for reorganization relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"). The Debtors continue to manage and operate their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. No trustee or examiner has been appointed in the Debtors' chapter 11 cases. On October 23, 2001, an official committee of unsecured creditors was appointed (the "Committee").

RETENTION OF PROFESSIONAL

3. On or about December 11, 2001, this Court signed an order (the "Retention Order") authorizing the retention and employment of the Professional. A true and correct copy of the Retention Order is annexed hereto as Exhibit A.

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

RELIEF REQUESTED

5. In accordance with the Interim Compensation Order, the Professional seeks interim approval of eighty percent (80%) of the fees that accrued during the Application Period and one hundred percent (100%) of the expenses incurred. A detailed description of the time spent by the Professional during the Application Period is attached hereto as Exhibit B. A detailed description of the expenses incurred by the Professional during the Application Period is attached hereto as Exhibit C.

WHEREFORE, the Professional respectfully requests that the Court enter the order attached hereto as Exhibit D

and grant the Professional such other and further relief as
is just and appropriate.

Dated: Wilmington, Delaware
January 25, 2002

~~DRESDNER KLEINWORT WASSERSTEIN, INC.~~

BY: 

Henry Miller
Vice Chairman and Managing Director
1301 Avenue of the Americas
New York, NY 10019
(212) 969-7998

Financial Advisor and Investment
Banker to the Debtors

EXHIBIT A

THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

POLAROID CORPORATION, *et al.*,
Debtors.

Chapter 11

Case No. 01-10864 (PJW)

Jointly Administered

**ORDER PURSUANT TO SECTIONS 327(a) AND 328(a)
OF THE BANKRUPTCY CODE AUTHORIZING
THE RETENTION AND EMPLOYMENT OF
DRESDNER KLEINWORT WASSERSTEIN, INC.
AS FINANCIAL ADVISOR AND INVESTMENT BANKER
TO THE DEBTORS AND DEBTORS-IN-POSSESSION
NUNC PRO TUNC TO THE PETITION DATE AND
APPROVING PROPOSED TERMS OF EMPLOYMENT**

This matter having come before the Court on the Application, dated November 21, 2001 (the "Application") of Polaroid Corporation ("Polaroid") and certain of its subsidiaries and affiliates, debtors and debtors-in-possession (collectively, the "Debtors"), for an order under 11 U.S.C. §§ 327(a) and 328(a) and Fed. R. Bankr. P. 2014(a) authorizing the employment and retention of Dresdner Kleinwort Wasserstein, Inc. ("DrKW") as investment banker and financial advisor to the Debtors pursuant to two agreements between the Debtors and DrKW: (i) an engagement letter dated October 2, 2001 (the "October Engagement Letter," attached to the Application as Exhibit A); and (ii) an engagement letter dated May 12, 2000 (the "May Engagement Letter," attached to the Application as Exhibit B) (the October Engagement Letter and the May Engagement Letter collectively hereinafter the "Engagement Letter"); and the Court having reviewed

the Application and the Affidavit of Henry S. Miller, Vice Chairman and Managing Director of DrKW (the "Miller Affidavit" attached to the Application as Exhibit C), sworn to on November 20, 2001; and the Court having determined that the relief requested in the Application is in the best interests of the Debtors, their estates, their creditors and other parties-in-interest; and it appearing that notice of the Application was good and sufficient under the particular circumstances and that no other or further notice need be given; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

FOUND THAT:

- A. DrKW does not have or represent any interest materially adverse to the interests of the Debtors or their consolidated estates, creditors or equity interest holders.
- B. DrKW is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code.
- C. The retention and employment of DrKW is necessary and in the best interests of the Debtors and their consolidated estates, creditors, and interest holders.
- D. The terms of the Engagement Letter are reasonable terms of employment for purposes of section 328(a) of the Bankruptcy Code.

Therefore, it is hereby ORDERED, ADJUDGED AND DECREED

THAT:

1. The Application be, and it hereby is, GRANTED.
2. In accordance with sections 327(a) and 328(a) of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016, the Debtors are authorized to retain and employ DrKW as its financial advisor and investment banker for the purpose of providing financial advisory, investment banking and other related services in connection with the Debtors' chapter 11 case in accordance with the terms of the Engagement Letter as modified by paragraph 3 herein, nunc pro tunc to the Petition Date.

3. Paragraph 6 of the May Engagement Letter and Paragraph 8 of the October Engagement Letter are deleted and modified as follows:

(a) [New Paragraph 6] **Independence.** WP&Co. is not an employee or agent of the Company or any other party and is not authorized to bind the Company. The advice (oral or written) rendered by WP&Co. pursuant to this agreement is intended solely for the benefit and use of the Board of Directors and senior management of the Company in considering the matters to which this agreement relates, and the Company agrees that such advice may not be relied upon by any other person, used for any other purpose or reproduced, disseminated, quoted or referred to at any time, in any manner or for any purpose, (except as required by law) nor shall any public references to WP&Co. be made by the Company, without the prior written consent of WP&Co.

(b) [New Paragraph 8] **Independence.** DrKW is not an employee or agent of the Company or any other party and is not authorized to bind the Company. The advice (oral or written) rendered by DrKW pursuant to this agreement is intended solely for the benefit and use of the Board of Directors of the Company in considering the matters to which this agreement relates, and the Company agrees that such advice may not be relied upon by any other person or entity, used for any other purpose or reproduced, disseminated, quoted or referred to at any time, in any manner for any purpose, nor shall any public references to DrKW be made by the Company, without the prior written consent of DrKW.

4. Fees to be paid to DrKW pursuant to the terms of the Engagement Letter, and the indemnification provisions contained therein, are approved and shall be subject to the standard of review provided in section 328(a) of the Bankruptcy Code and not subject to any other standard of review under section 330 of the Bankruptcy Code.

5. Subject to the foregoing, awards of compensation and expenses shall be sought by DrKW pursuant to sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, and the rules and orders of this Court.

6. The indemnification provisions of the Engagement Letter are approved, subject to the following:

(a) subject to the provisions of subparagraph (c) infra, the Debtor is authorized to indemnify, and shall indemnify DrKW in accordance with the Engagement Letter for any claim arising from, related to or in connection with the services provided for in the Engagement Letter ("Investment Banking Services"), but not for any claim arising from, related to, or in connection with DrKW's post-petition performance of any other services unless such post-petition services and indemnification therefor are approved by the Court;

(b) notwithstanding any provisions of the Engagement Letter to the contrary, the Debtor shall have no obligation to indemnify DrKW or provide contribution or reimbursement to DrKW for any claim or expense that is either

(i) judicially determined (the determination having become final) to have arisen solely from DrKW's gross negligence or willful misconduct, or (ii) settled prior to a judicial determination as to DrKW's gross negligence or willful misconduct, but determined by the Court, after notice and a hearing pursuant to subparagraph (c) infra, to be a claim or expense for which DrKW should not receive indemnity, contribution or reimbursement under the terms of the Engagement Letter; and

(c) if, before the earlier of (i) the entry of an order confirming a chapter 11 plan in this case (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing this chapter 11 case, DrKW believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Engagement Letter (as modified by this Order), including without limitation the advancement of defense costs, DrKW must file an application therefor in this Court, and the Debtors may not pay any such amounts to DrKW before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time during which the Court shall have jurisdiction over any request for fees and expenses by DrKW for indemnification, contribution or reimbursement and is not intended to limit the duration of the Debtors' obligation to indemnify DrKW.

PW
7. The Court shall retain exclusive jurisdiction to construe and enforce the terms of the Application, the Engagement Letter and this Order.

Dated: Wilmington, Delaware
December, 2001
11

PJW
Honorable Peter J. Walsh
Chief United States Bankruptcy Judge

7. Notwithstanding any provision of the Engagement Letter or the October Engagement Letter, neither DrKW nor its affiliates shall engage in the unsolicited purchase or sale of any securities of the Company on behalf of any insider of the Company, DrKW or its affiliates.

EXHIBIT B

Summary of Time Records By Professional

October 12, 2001 through November 30, 2001

<u>Professional*</u>	<u>Title</u>	<u>Hours Worked</u>
Henry Miller	Vice Chairman	11.7
Kenneth Tuchman	Vice Chairman	93.9
Michael Gottschalk	Managing Director	12.0
Leigh Hopkins	Managing Director	3.0
Robert Kraybill	Director	167.1
Akikazu Ida	Vice President	51.0
Durc Savini	Vice President	84.8
Takeo Miyamoto	Associate	45.0
Noel Rimalovski	Associate	385.5
John Bosacco	Associate	49.6
Zena Zuaiter	Associate	348.5
Lisa Hata	Associate	3.0
Terese McCarthy	Analyst	272.5
Sandra Fabrizio	Analyst	15.0
Shyam Ayengar	Analyst	232.5
Okajima, Takuya	Analyst	6.0
James Lucania	Analyst	50.0
Total		<u><u>1,831.0</u></u>

* A summary schedule setting forth the number of hours expended by each of the professionals who rendered services to the Debtors is hereto attached in the following pages.