

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., :   
: Jointly Administered  
Debtors. :   
: Obj. Due: 10/1/03 @ 4:00 p.m.  
: Hrg. Date: 10/8/03 @ 10:00 a.m.  
- - - - - x

**NOTICE OF FILING OF FIFTH MONTHLY AND FINAL FEE APPLICATION OF MILLER BUCKFIRE LEWIS YING & CO., LLC, FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTORS FOR THE PERIOD FROM OCTOBER 12, 2001 THROUGH JULY 31, 2002**

PLEASE TAKE NOTICE that on September 11, 2003, the above-captioned debtors and debtors-in-possession (the "Debtors") filed the attached Fifth Monthly and Final Fee Application of Miller Buckfire Lewis Ying & Co., LLC, Financial Advisor and Investment Banker to the Debtors for the Period from October 12, 2001 through July 31, 2002 (the "Application").

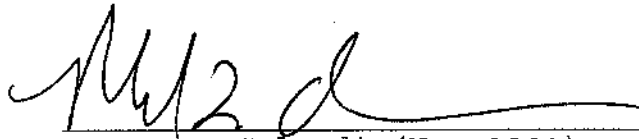
PLEASE TAKE FURTHER NOTICE that objections, if any, to the Application or the relief requested therein must be made in writing, filed with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), 824 Market Street, Wilmington,

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: Marshall Huebner, Esq.); (iii) counsel to the Committee, Young Conaway Stargatt & Taylor LLP, The Brandywine Building, 17<sup>th</sup> 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: Fred Hodara, Esq.); (iv) Henry Miller, Vice Chairman and Managing Director, Dresdner Kleinwort Wasserstein, Inc., 1301 Avenue of the Americas, New York, NY 10019; and (v) 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.) no later than **4:00 p.m. Eastern time on October 1, 2003.**

PLEASE TAKE FURTHER NOTICE that a hearing with respect to the Application will be held on October 8, 2003 at 10:00 a.m. (Eastern) before the Honorable Peter J. Walsh in the United States Bankruptcy Court (the "Bankruptcy Court"), 824 Market Street, Wilmington, Delaware 19801. 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.

Dated: Wilmington, Delaware  
September 11, 2003



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

- and -

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

Attorneys for Debtors and  
Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re  
POLAROID CORPORATION, et al.,

Chapter 11  
Case No. 01-10864 (PJW)

Debtors

Jointly Administered

**APPLICATION OF MILLER BUCKFIRE LEWIS YING & CO., LLC,<sup>(1)</sup>  
FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTORS,  
FOR (A) ALLOWANCE OF FEES AND REIMBURSEMENT OF EXPENSES FOR  
THE PERIOD FROM MAY 1, 2002, THROUGH JULY 31, 2002, AND (B) FINAL  
ALLOWANCE AND PAYMENT OF FEES AND REIMBURSEMENT OF  
EXPENSES FOR THE PERIOD FROM OCTOBER 12, 2001, THROUGH JULY 31, 2002**

Name of Applicant: Miller Buckfire Lewis Ying & Co., LLC

Authorized to Provide  
Professional Services to: The above-captioned debtors and debtors-in-possession

Date of Retention: Nunc Pro Tunc to October 12, 2001

Period for which Compensation  
and Reimbursement Are Sought: Final: (10/12/01 – 7/31/02)  
Fifth Monthly: (5/1/02 – 7/31/02)

Amount of Compensation Sought  
As Actual, Reasonable and Necessary: Final: \$7,649,644.04  
Fifth Monthly: \$5,473,066.69

Amount of Expense Reimbursement  
Sought As Actual, Reasonable and Necessary: Final: \$272,207.91  
Fifth Monthly: \$103,413.52

Total Compensation and Expense  
Reimbursement Sought in this Application: Final: \$7,921,851.95  
Fifth Monthly: \$5,576,480.21

This is the **Fifth** and **Final** Fee Application.

<sup>(1)</sup> On May 22, 2003, Miller Buckfire Lewis & Co., LLC changed its name to Miller Buckfire Lewis Ying & Co., LLC ("MBLY"). On July 16<sup>th</sup>, 2002, the financial restructuring group of Dresdner Kleinwort Wasserstein, Inc. ("DrKW") completed its spin-off from DrKW and became Miller Buckfire Lewis & Co., LLC. Pursuant to the terms of the spin-off, DrKW assigned substantially all of its restructuring engagements, including the Debtors', to MBLY. Since DrKW filed four prior applications, this application is referred to as the "fifth and final" application of MBLY.

The following table contains information regarding prior applications:

<u>Date Filed</u>	<u>Period Covered</u>	<u>Requested Compensation (100%)</u>	<u>Requested Expenses (100%)</u>	<u>Approved Compensation (80%)</u>	<u>Approved Expenses (100%)</u>	<u>Hold-Back (20%)</u>	<u>Hold-Back (20%) Paid</u>
02/07/2002	10/12/01 - 11/30/01	\$296,774.19	\$78,687.35	\$237,419.35	\$78,687.35	\$59,354.84	\$59,354.84
02/15/2002	12/1/01 - 12/31/01	1,079,803.16 <sup>(1)</sup>	15,795.88	863,842.53 <sup>(1)</sup>	15,795.88	215,960.63 <sup>(1)</sup>	195,960.63 <sup>(1)</sup>
03/05/2002	1/1/02 - 1/31/02	200,000.00	26,060.63	160,000.00	22,560.63 <sup>(2)</sup>	40,000.00	40,000.00
06/06/2002	2/1/02 - 4/30/02	600,000.00	48,250.53	480,000.00	48,250.53	120,000.00	120,000.00
<b>Total</b>		<b>\$2,176,577.35</b>	<b>\$168,794.39</b>	<b>\$1,741,261.88</b>	<b>\$165,294.39</b>	<b>\$435,315.47</b>	<b>\$415,315.47</b>

<sup>(1)</sup> Requested Compensation (100%), or \$1,079,803.16, represents the gross sale success fee of \$879,803.16 earned by DrKW for the sale of the Debtors' LGP ID Business plus the December Monthly Fee of \$200,000.00. Approved Compensation (80%) represents eighty-percent of the gross sale success fee for the LGP ID Business. Pursuant to the terms of its engagement letter with the Debtors, DrKW was required to credit a \$100,000.00 retainer against the gross LGP ID sale success fee, resulting in a net LGP ID sale success fee of \$779,803.16. Fees actually billed to the Debtors amounted to \$783,842.53, which represented eighty-percent of the net LGP ID sale success fee, or \$623,842.53, plus eighty-percent of the December Monthly Fee, or \$160,000.00. Consequently, Hold-Back (20%) Paid equals \$195,960.63.

<sup>(2)</sup> Represents the expense reimbursement of \$26,060.63 sought in the Third Monthly Fee Application less a credit of \$3,500.00 agreed between DrKW and Robert Troisio, the appointed fee examiner in these cases, on March 21, 2002. However, the CNO applied a credit of \$2,800.00 to eighty percent of the Monthly Advisory Fee (80% of \$200,000.00 less the \$2,800.00 expense credit resulting in \$157,200.00 in fees). Per the agreement with the fee examiner, DrKW applied the \$3,500.00 credit to its expenses and billed the Debtors \$160,000.00 in fees and \$22,560.63 in expenses.

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re  
POLAROID CORPORATION, et al.,

Debtors

Chapter 11  
Case No. 01-10864 (PJW)

Jointly Administered

**APPLICATION OF MILLER BUCKFIRE LEWIS YING & CO., LLC,<sup>(1)</sup>  
FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTORS,  
FOR (A) ALLOWANCE OF FEES AND REIMBURSEMENT OF EXPENSES FOR  
THE PERIOD FROM MAY 1, 2002, THROUGH JULY 31, 2002, AND (B) FINAL  
ALLOWANCE AND PAYMENT OF FEES AND REIMBURSEMENT OF  
EXPENSES FOR THE PERIOD FROM OCTOBER 12, 2001, THROUGH JULY 31, 2002**

Miller Buckfire Lewis Ying & Co., LLC (“MBLY”), financial advisor and investment banker to the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), hereby makes its fifth monthly and final application (the “Application”) for final allowance and payment of compensation for services rendered by MBLY and reimbursement for actual and necessary expenses incurred during the period commencing October 12, 2001, through and including July 31, 2002 (the “Final Period”), including the period May 1, 2002, through and including July 31, 2002 (the “Fifth Monthly Period”), pursuant to sections 328(a) and 331 of title 11 of the United States Code (the “Bankruptcy Code”), rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated

<sup>(1)</sup> On May 22, 2003, Miller Buckfire Lewis & Co., LLC changed its name to Miller Buckfire Lewis Ying & Co., LLC (“MBLY”). On July 16<sup>th</sup>, 2002, the financial restructuring group of Dresdner Kleinwort Wasserstein, Inc. (“DrKW”) completed its spin-off from DrKW and became Miller Buckfire Lewis & Co., LLC. Pursuant to the terms of the spin-off, DrKW assigned substantially all of its restructuring engagements, including the Debtors’, to MBLY. Since DrKW filed four prior applications, this application is referred to as the “fifth and final” application of MBLY.

November 5, 2001 (the "Administrative Order") and this Court's General Order 32. In support of the Application, MBL Y respectfully represents as follows:

### **BACKGROUND**

1. On October 12, 2001 (the "Petition Date"), the Debtors commenced their respective reorganization cases by filing voluntary petitions for relief under Chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"). The Debtors remained in possession of their respective properties and continued to operate and manage their businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code. The Debtors' Chapter 11 cases were consolidated for procedural purposes only and are being administered jointly.

2. On October 23, 2001, the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed a statutory committee of unsecured creditors in these cases (the "Creditors' Committee").

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

4. The statutory and other legal predicates for the relief requested herein are the following: (a) Sections 328(a), 330 and 331 of the Bankruptcy Code; (b) Rule 2016 of the Bankruptcy Rules; (c) the Administrative Order; and (d) Local Rule No. 2016-1 of the United States Bankruptcy Court for the District of Delaware ("Local Rule 2016-1").

## **RETENTION OF DrKW AND ASSIGNMENT OF ENGAGEMENT TO MBL Y**

5. On November 21, 2001, the Debtors filed their application to retain and employ DrKW as their financial advisor and investment banker. On December 11, 2001, the Court entered an Order (the "Retention Order") Pursuant to Section 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, thus approving the terms of the two engagement letters included as exhibits to the retention application. A copy of the Retention Order is attached hereto as Exhibit A. The Retention Order authorized DrKW to be compensated on a monthly basis in the amount of \$200,000 per month and to be reimbursed for actual and necessary out-of-pocket expenses incurred on behalf of the estate. In addition, the Retention Order authorized DrKW to be compensated on a transaction fee basis, generally upon the completion of such transaction.

6. MBL Y completed its spin-off from DrKW on July 16, 2002, thus becoming a distinct and independent entity from DrKW. Pursuant to the terms of the spin-off, DrKW assigned the rights and responsibilities under substantially all of its outstanding engagements to MBL Y, including the rights and responsibilities under the engagement letters between the Debtors and DrKW covered by the Retention Order. A copy of the Assignment and Assumption Agreement governing this assignment is attached hereto as Exhibit B.



## SERVICES RENDERED BY MBLY AND DrKW

7. MBLY and DrKW do not maintain detailed written time records in the normal course of providing financial advisory services, and do not bill their clients based on the number of hours expended by their professionals. However, MBLY and DrKW have maintained written records of the time expended by MBLY and DrKW professionals in the performance of their professional services to the Debtors after the Petition Date. A summary schedule setting forth the number of hours expended by each of the professionals who performed services during the Fifth Monthly Period to the Debtors is annexed hereto as Exhibit C. A detailed compilation showing the name of the professional, the date on which the services were performed, a description of the services performed and the amount of time spent in performing the services during the Fifth Monthly Period is annexed hereto as Exhibit D. A detailed description of the hours spent and the services provided in previous periods has been described in fee applications previously filed with the Bankruptcy Court, and are not described herein.

8. The following summary is a general description of the services performed by MBLY and DrKW to the Debtors during the Fifth Monthly Period.

- Sale Process: This category includes time spent by MBLY/DrKW in conducting simultaneous sale processes for various discrete businesses as well as conducting an overall process to seek buyers of all of the stock of reorganized Polaroid or all or substantially all of its business assets. The principal sale process activities covered by this category included, but were not limited to: (i) conducting business, operational and legal due diligence on each of the Debtors' individual business units; (ii) drafting marketing and solicitation materials and related management

presentations for each business unit and for the Debtors' business in its entirety; (iii) identifying, contacting and soliciting more than 150 potential foreign and domestic strategic and financial buyers; (iv) negotiating confidentiality agreements with potential buyers and their legal counsel; (v) responding to and processing buyers' follow-on due diligence requests; (vi) conducting and participating in management presentations with buyers; (vii) structuring, negotiating and disseminating detailed bid instructions to potential buyers involved in the final bidding solicitation process; (viii) conducting and participating in purchase proposal negotiations on behalf of the Debtors; (ix) structuring and negotiating Court approved bid procedure terms and conditions with the Debtors' key creditor constituencies; and (x) evaluating and negotiating final purchase proposals in connection with the auction process. Total Hours: 847.35

- Creditor Contacts: This category reflects time spent by MBLY/DrKW in discussions with the Debtors' two statutory committees and their legal and financial advisors. Among other things, MBLY's/DrKW's activities within this category included: (i) preparing for and participating in regular process update meetings and/or calls with the legal and financial advisors for the Official Committee of Unsecured Creditors; (ii) preparing for and participating in regular process update meetings and/or calls with the legal and financial advisors for the prepetition secured lenders; and (iii) preparing for and participating in meetings and/or calls to discuss the Debtors' operating performance, operating plan revisions and numerous other issues relating to, among other things, claims analysis, sale transaction related tax

issues, financing due diligence and standalone plan alternatives. In addition, MBL Y briefed the statutory committees and their advisors on numerous business developments, including the marketing and sale of certain non-core real estate properties, the potential assumption or rejection of certain key unexpired leases and executory contracts, the various operational restructuring initiatives undertaken by the Debtors during the pendency of its cases and certain aspects of the Debtors' business plan and related valuation issues. Total Hours: 131.65

- Bankruptcy Planning & Strategy: This category includes the time spent by MBL Y/DrKW working with and advising the Debtors regarding the development and evaluation of a series of alternative courses of action, to be pursued in parallel, in order to determine the best and most efficacious means of reorganizing the Debtors' estates. Total Hours: 73.00
- Officer and Director Issues: This category includes time spent by MBL Y/DrKW in attending board meetings and advising the board and senior management with respect to certain issues. MBL Y/DrKW met frequently with the board and senior management to review and analyze the Debtors' long-term business plan, annual operating plan revisions as well as to review the status of the various sales processes being conducted. Specifically, MBL Y made several presentations to the board and senior management regarding, among other things: (i) the LGPID sale process; (ii) the Debtors' various revised operating budgets; (iii) the Debtors' decision to pursue a sale of the company in whole or in parts versus a standalone plan of reorganization; and (iv) the outcome of the various sale processes. In addition,

MBLY/DrKW assisted the board in identifying and evaluating other possible restructuring alternatives and in negotiating and effectuating the final purchase contracts with the buyers of the LGPID and core imaging businesses. Total Hours: 87.10

- Case Administration/General: This category includes time spent by MBL Y/DrKW on telephone conversations and in meetings with the Debtors, the Debtors' attorneys, and other professionals and parties-in-interest regarding the status of the case, as well as time spent preparing and reviewing court documents filed by the Debtors and other parties in interest. Total Hours: 158.60
- Administration/Retention: This category includes the time spent by MBL Y/DrKW on telephone conversations and in meetings with the Debtors, the Debtors' attorneys, and other professionals and parties-in-interest regarding the status of MBL Y/DrKW's retention papers. Total Hours: 12.10
- Travel to, from, and on behalf of the Debtors: This category includes time spent traveling to and from the Debtors' offices or to other destinations on the Debtors' behalf, including related meetings. Total Hours: 108.50

**PRIOR PAYMENTS TO MBL Y AND DRKW**

9. MBL Y (while still DrKW) previously has requested interim allowance of fees and expense reimbursement totaling \$2,345,371.74, comprised of fees in the amount of \$2,176,577.35 and expense reimbursements in the amount of \$168,794.39. This Court has approved the payment of 80% of the requested fees (or \$1,741,261.88) and \$165,294.39 of the requested expenses. Since the Petition Date, the Debtors have paid MBL Y fees in the amount of \$2,065,609.61, representing 80% of the requested fees plus the 20% Holdback, net of certain credits, and expenses in the amount of \$165,294.39, net of certain credits. The Debtors currently have a credit with MBL Y in the amount of \$201,063.07. No other payments have been made to MBL Y or DrKW for services rendered and expenses incurred in connection with these Chapter 11 cases. A detailed schedule of the payment history and the credits is annexed hereto as Exhibit E.

**COMPENSATION AND EXPENSE  
REIMBURSEMENT REQUEST FOR THE FIFTH MONTHLY PERIOD**

10. By this Application, MBL Y seeks allowance of compensation for professional services performed to the Debtors during the Fifth Monthly Period and the reimbursement of actual and reasonable expenses in the aggregate amount of \$5,576,480.21 consisting of a Sale Transaction Fee in the amount of \$4,873,066.69 (net of credits for postpetition Monthly Advisory Fees) earned in respect of the sale of substantially all of the Debtors' assets to One Equity Partners, Monthly Advisory Fees in the amount of \$600,000.00 (i.e., \$200,000.00 for each of the three months comprising the Fifth Monthly Period), and reimbursement of actual and necessary out-of-pocket expenses incurred in connection with the performance of services during

the Fifth Monthly Period in the aggregate amount of \$103,413.52.<sup>(1)</sup> A schedule setting forth a detailed calculation of the Sale Transaction Fee is attached hereto as Exhibit E, and a summary schedule, with descriptions of the expenses for which MBLY is seeking reimbursement and the total amount for each such expense category, is attached hereto as Exhibit G.

**FINAL COMPENSATION AND EXPENSE  
REIMBURSEMENT REQUEST FOR THE FINAL PERIOD**

11. By this Application, MBLY also requests final allowance of \$7,921,851.95 for the Final Period, representing \$7,649,644.04 for compensation for professional services rendered during the Final Period and \$272,207.91 for the reimbursement for actual and necessary expenses MBLY incurred during the Final Period. A summary schedule of the final allowance request (including all credits) is annexed hereto as Exhibit H.

**SCOPE OF SERVICES AND CONTRIBUTION PROVIDED**

12. During the Final Period, the ten months spanning the Petition Date through and including July 30, 2002, MBLY/DrKW assisted the Debtors in stabilizing their businesses, considering and testing management's assumptions for each business plan revision made during the cases, developing and evaluating numerous strategic alternatives for reorganizing each business individually as well as on a whole company basis, and managing a series of comprehensive sale processes designed to maximize the assets' market exposure while balancing and minimizing the risk of a "busted auction" due to substantial delay. As a result of the aforementioned efforts, the sale processes executed by MBLY and DrKW generated substantial sale proceeds for the estates of the Debtors and were cited by this Court as [                      ]. In respect to the sale processes in particular, MBLY/DrKW managed what was, by most accounts,

---

<sup>(1)</sup> Includes \$67,475.54 in legal fees and expenses for services rendered by Debevoise & Plimpton.

an exceptionally fragile, prolonged and diligence-intensive sale effort, due in large part to the Debtors' ongoing operational deterioration during the process and the resultant mounting uncertainties regarding its ability to achieve the significant operational turnaround suggested in its projected operating plans. Leaving virtually no stone unturned, MBLY/DrKW contacted more than 150 potential acquirors worldwide, including over 50 recommended by the Creditors' Committee. Despite these adverse environmental factors and the lack of overwhelming interest, MBLY/DrKW delivered a sale transaction for substantially all of the estates' assets for a cash purchase price of approximately \$276 million, subject to adjustment, plus 35% of the common stock of reorganized ("New") Polaroid. The cash portion of the total consideration was sufficient to provide a near-par recovery for the prepetition secured lenders, while the 35% common stock grant in New Polaroid, earmarked for the estate's general unsecured creditors, should allow unsecured creditors to obtain a significantly better recovery than that implied by One Equity Partners' buy-in valuation. Creditor recovery was further enhanced by the sale transaction for the Debtors' LGPID business. MBLY/DrKW conducted a competitive auction process that increased the aggregate consideration paid for the business to over \$58 million from approximately \$30 million. The sale LGP ID was consummated on December 21, 2001 and the sale transaction for substantially all of the remaining assets of the Debtors' estates was consummated on July 30, 2002.

**THE REQUESTED FEES ARE REASONABLE**

13. MBLY respectfully submits that the services for which it seeks compensation in the Application were necessary for, and beneficial to, the Debtors and that MBLY has satisfied the requirements of Sections 328(a) and 330 of the Bankruptcy Code as set forth in the Retention

Order. MBLY's requested compensation is appropriate based on the complexity, importance and nature of the services provided, and is consistent with the customary compensation charged by comparable professionals both in and out of the bankruptcy context. MBLY therefore respectfully requests that the Court grant the relief requested in this Application.

**NO SHARING OF COMPENSATION**

14. No agreement or understanding prohibited by Section 504 of the Bankruptcy Code exists between MBLY and/or DrKW, on the one hand, and any other person for the sharing of compensation received or to be received for services performed during or in connection with these Chapter 11 cases, nor shall MBLY and/or DrKW share or agree to share the compensation paid or allowed for the Debtors' estate for such services with any other person in contravention of Section 504 of the Bankruptcy Code. No agreement or understanding prohibited by 18 U.S.C § 155 has been made by MBLY or DrKW.

15. Pursuant to Bankruptcy Rule 2016(a), no payments have heretofore been made (except as noted in paragraph 9 of the Application) or promised to MBLY for services rendered or to be rendered in any capacity in connection with these Chapter 11 cases.

16. In accordance with the Local Rules, the Certification of Henry S. Miller is attached as Exhibit I and incorporated herein by reference.



### NOTICE

17. In accordance with the Administrative Order, notice of this Application has been given to: (a) Polaroid Corporation; (b) counsel for the Debtors, Skadden, Arps, Slate, Meagher & Flom; (c) counsel to the Debtors' prepetition lenders, Davis Polk & Wardwell; (d) counsel for the Debtors' postpetition lenders, Morgan, Lewis & Bockius; (e) counsel to the Committee(s); (f) Mark S. Kenney, Office of the United States Trustee; and (g) the fee examiner, Robert F. Troisio, McShane Group. In light of the nature of the relief requested herein, MBLY submits that no other or further notice is required.

### CONCLUSION

WHEREFORE, MBLY respectfully requests that the Court enter an order, substantially in the form attached hereto as Exhibit J: (i) granting allowance of compensation of \$5,473,066.69 for fees and \$103,413.52 for reimbursement of expenses in respect of services rendered by MBLY during the Fifth Monthly Period; (ii) granting final allowance of compensation of \$7,649,644.04 for fees and \$272,207.91 for reimbursement of expenses, for a total of \$7,921,851.95, in respect of services rendered by MBLY during the Final Period; (iii) authorizing and directing the Debtors to pay to MBLY the amount of \$5,375,417.14 for professional services rendered and expenses incurred during the Final Period that have not yet been paid to MBLY, which represents \$5,576,480.21 in fees and expenses minus a credit of \$201,063.07; and (iv) granting such other and further relief as this Court deems just and proper.

Dated: August \_\_, 2003

MILLER BUCKFIRE LEWIS YING & CO., LLC

BY: 

Henry S. Miller  
Chairman and Managing Director  
250 Park Avenue, 19<sup>th</sup> Floor  
New York, NY 10177  
(212) 895-1801

Financial Advisor and Investment Banker

# 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 Administrated

**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.

*APW*  
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

*Peter J. Walsh*  
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**



Assignment and Assumption Agreement

**ASSIGNMENT AND ASSUMPTION AGREEMENT** (this "Agreement"), dated as of July 14, 2002, between Dresdner Kleinwort Wasserstein, Inc. (the "Transferor") and Miller Buckfire Lewis & Co., LLC (the "Transferee").

The Transferor is a party to that certain engagement letter dated March 21, 2001 (as amended on October 2, 2001) between the Transferor and Polaroid Corporation (the "Company"), pursuant to which the Transferor has agreed to perform certain financial advisory and related services (the "Engagement Letter");

The Transferor wishes to assign its rights in and obligations under the Engagement Letter to the Transferee, and the Transferee wishes to assume such obligations.

Accordingly, the parties hereto agree as follows:

Section 1. Assignment. The Transferor hereby assigns to the Transferee its rights in, and obligations under, the Engagement Letter.

Section 2. Assumption. The Transferee hereby accepts such assignment and assumes and undertakes to perform all of the obligations of the Transferor under the Engagement Letter.

Section 3. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 4. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York.

Section 5. Miscellaneous. Nothing herein shall prohibit the Transferor from exercising its rights to indemnification as set forth in the indemnification provisions attached to the Engagement Letter.

Section 6. Effective Date. This Agreement will become effective on <sup>as</sup> the later of (i) the date of this Agreement and (ii) if the transactions contemplated by this Agreement require the approval of a bankruptcy court, the date on which the order of such court approving such transactions become final and non-appealable.

Section 7. Certain Acknowledgments of the Company. Upon the effective date of this Agreement, the Company agrees that the Transferee may, in the absence of a conflict, continue to utilize the Transferor's mergers and acquisitions and other professionals if appropriate in connection with performing services under the

**Engagement Letter.** If the Transferee so utilizes the Transferor's mergers and acquisitions and other professionals, the Company:

(i) agrees to continue to provide the Transferor with reasonable access to the Company's officers, directors, employees, independent accountants and other advisors and agents as the Transferor deems appropriate;

(ii) represents that all information furnished by the Company or on its behalf to the Transferor will be accurate and complete in all material respects;

(iii) agrees that the Transferor and its directors, officers and employees will continue to have the same indemnification rights as the Transferee and its directors, officers and employees will have under the Engagement Letter, and to be included in the exculpation clause contained in the Engagement Letter to the same extent as the Transferee and its directors, officers and employees will be included in such exculpation clause;


(iv) acknowledges that the Transferee's actual and necessary out-of-pocket costs and expenses incurred in connection with performing services under the Engagement Letter will include any such costs incurred by the Transferor, and agrees to reimburse the Transferor for such costs to the same extent as the Company will reimburse such costs incurred by the Transferee under the Engagement Letter; and

(v) acknowledges that any advice (written or oral) rendered by the Transferor to the Transferee in connection with performing the Transferee's services under the Engagement Letter is intended solely for the benefit and use of the Board of Directors of the Company in considering the matters to which the Engagement Letter relates, and 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, and that no public references to the Transferor will be made by the Company without the prior written consent of the Transferor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**THE TRANSFEROR:**

DRESDNER KLEINWORT WASSERSTEIN, INC.

By:   
Name:  
Title:

**THE TRANSFEREE:**

MILLER BUCKFIRE LEWIS & CO., LLC

By: \_\_\_\_\_  
Name:  
Title:

**ACKNOWLEDGEMENT:**

The Company hereby consents to the above assignment and assumption and agrees to look solely to the Transferee, and not the Transferor, for the performance of the Transferor's obligations under the Engagement Letter.

POLAROID CORPORATION  
(on behalf of itself and its subsidiaries)

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**THE TRANSFEROR:**

DRESDNER KLEINWORT WASSERSTEIN, INC.

By: \_\_\_\_\_

Name:

Title:

**THE TRANSFEREE:**

MILLER BUCKFIRE LEWIS & CO., LLC

By: *[Signature]*

Name: *Harold S. Miller*

Title: *Chairman*

**ACKNOWLEDGEMENT:**

The Company hereby consents to the above assignment and assumption and agrees to look solely to the Transferee, and not the Transferor, for the performance of the Transferor's obligations under the Engagement Letter.

**POLAROID CORPORATION**  
(on behalf of itself and its subsidiaries)

By: \_\_\_\_\_

Name:

Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**THE TRANSFEROR:**

DRESDNER KLEINWORT WASSERSTEIN, INC.

By: \_\_\_\_\_  
Name:  
Title:

**THE TRANSFEREE:**

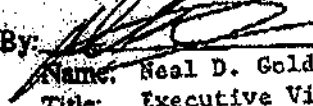
MILLER BUCKFIRE LEWIS & CO., LLC

By: \_\_\_\_\_  
Name:  
Title:

**ACKNOWLEDGEMENT:**

The Company hereby consents to the above assignment and assumption and agrees to look solely to the Transferee, and not the Transferor, for the performance of the Transferor's obligations under the Engagement Letter.

**POLAROID CORPORATION**  
(on behalf of itself and its subsidiaries)

By:  \_\_\_\_\_  
Name: Neal D. Goldman  
Title: Executive Vice President

# **EXHIBIT C**

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

In re	)	
	)	
POLAROID CORPORATION, <u>et al.</u> ,	)	Chapter 11
	)	Case No. 01-10864 (PJW)
Debtors.	)	
	)	Jointly Administered
	)	

**SUPPLEMENTAL DECLARATION AND STATEMENT OF HENRY S. MILLER  
PURSUANT TO FED. R. BANKR. P. 2014 AND 2016**

Henry S. Miller, under penalty of perjury, hereby declares as follows:

1. I am the Chairman and a Managing Director of Miller Buckfire Lewis & Co., LLC ("MBL"), a financial advisory firm with its principal offices located at 1301 Avenue of the Americas, New York, New York 10019. I make this supplemental declaration to update the information contained in my affidavits previously submitted in my capacity as a Managing Director of Dresdner Kleinwort Wasserstein, Inc. ("DrKW") in support of the Application for Order, Under 11 U.S.C. § 327(a), § 328(a) and Bankruptcy Rule 2014(a), Authorizing Employment and Retention of Dresdner Kleinwort Wasserstein, Inc. as Financial Advisor and Investment Banker to the Debtors.

2. On April 25, 2002, DrKW filed a supplemental affidavit in these cases to announce the planned formation of MBL and the anticipated assignment of rights and obligations under the engagement letter between DrKW and the Debtors (the "Engagement Letter") from DrKW to MBL. Since that time, MBL has been formed, and MBL is now conducting business.

3. On July 16, 2002, DrKW and MBL entered into an assignment and assumption agreement, pursuant to which MBL will benefit from all of the rights, and assume and undertake to perform all of the obligations, of DrKW under the Engagement Letter.

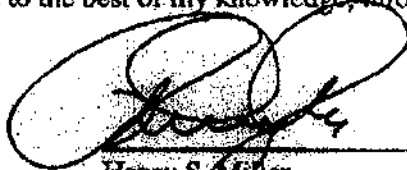
Attached to as Annex I to this declaration is a copy of such agreement. The debtors have consented to such assignment.

4. MBL is an independent firm providing strategic and financial advisory services in large-scale corporate restructuring transactions. MBL is owned and controlled by myself, Kenneth A. Buckfire and Martin F. Lewis and by the employees of MBL. MBL has approximately 40 employees (including myself and Messrs. Buckfire and Lewis), substantially all of whom were formerly employees of the Financial Restructuring Group of DrKW.

5. MBL is a Delaware limited liability company with a single member, MBL Advisory Group, LLC. DrKW has a non-voting minority profit interest in MBL Advisory Group, LLC, and does not participate in or otherwise control or influence the management of MBL or MBL Advisory Group, LLC.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: July 16, 2002



Henry S. Miller  
Chairman and Managing Director  
Miller Buckfire Lewis & Co., LLC



**ANNEX I**

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

Assignment and Assumption Agreement

ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement"), dated as of July 14, 2002, between Dresdner Kleinwort Wasserstein, Inc. (the "Transferor") and Miller Buckfire Lewis & Co., LLC (the "Transferee").

The Transferor is a party to that certain engagement letter dated March 21, 2001 (as amended on October 2, 2001) between the Transferor and Polaroid Corporation (the "Company"), pursuant to which the Transferor has agreed to perform certain financial advisory and related services (the "Engagement Letter");

The Transferor wishes to assign its rights in and obligations under the Engagement Letter to the Transferee, and the Transferee wishes to assume such obligations.

Accordingly, the parties hereto agree as follows:

Section 1. Assignment. The Transferor hereby assigns to the Transferee its rights in, and obligations under, the Engagement Letter.

Section 2. Assumption. The Transferee hereby accepts such assignment and assumes and undertakes to perform all of the obligations of the Transferor under the Engagement Letter.

Section 3. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 4. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York.

Section 5. Miscellaneous. Nothing herein shall prohibit the Transferor from exercising its rights to indemnification as set forth in the indemnification provisions attached to the Engagement Letter.

Section 6. Effective Date. This Agreement will become effective on <sup>as</sup> the later of (i) the date of this Agreement and (ii) if the transactions contemplated by this Agreement require the approval of a bankruptcy court, the date on which the order of such court approving such transactions become final and non-appealable.

Section 7. Certain Acknowledgments of the Company. Upon the effective date of this Agreement, the Company agrees that the Transferee may, in the absence of a conflict, continue to utilize the Transferor's mergers and acquisitions and other professionals if appropriate in connection with performing services under the

Engagement Letter. If the Transferee so utilizes the Transferor's mergers and acquisitions and other professionals, the Company:

(i) agrees to continue to provide the Transferor with reasonable access to the Company's officers, directors, employees, independent accountants and other advisors and agents as the Transferor deems appropriate;

(ii) represents that all information furnished by the Company or on its behalf to the Transferor will be accurate and complete in all material respects;

(iii) agrees that the Transferor and its directors, officers and employees will continue to have the same indemnification rights as the Transferee and its directors, officers and employees will have under the Engagement Letter, and to be included in the exculpation clause contained in the Engagement Letter to the same extent as the Transferee and its directors, officers and employees will be included in such exculpation clause;


(iv) acknowledges that the Transferee's actual and necessary out-of-pocket costs and expenses incurred in connection with performing services under the Engagement Letter will include any such costs incurred by the Transferor, and agrees to reimburse the Transferor for such costs to the same extent as the Company will reimburse such costs incurred by the Transferee under the Engagement Letter; and

(v) acknowledges that any advice (written or oral) rendered by the Transferor to the Transferee in connection with performing the Transferee's services under the Engagement Letter is intended solely for the benefit and use of the Board of Directors of the Company in considering the matters to which the Engagement Letter relates, and 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, and that no public references to the Transferor will be made by the Company without the prior written consent of the Transferor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**THE TRANSFEROR:**

DRESDNER KLEINWORT WASSERSTEIN, INC.

By:   
Name:  
Title:

**THE TRANSFEREE:**

MILLER BUCKFIRE LEWIS & CO., LLC

By: \_\_\_\_\_  
Name:  
Title:

**ACKNOWLEDGEMENT:**

The Company hereby consents to the above assignment and assumption and agrees to look solely to the Transferee, and not the Transferor, for the performance of the Transferor's obligations under the Engagement Letter.

POLAROID CORPORATION  
(on behalf of itself and its subsidiaries)

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**THE TRANSFEROR:**

DRESDNER KLEINWORT WASSERSTEIN, INC.

By: \_\_\_\_\_

Name:  
Title:

**THE TRANSFEREE:**

MILLER BUCKFIRE LEWIS & CO., LLC

By:  \_\_\_\_\_

Name: *Holly S. Miller*  
Title: *CHAIRMAN*

**ACKNOWLEDGEMENT:**

The Company hereby consents to the above assignment and assumption and agrees to look solely to the Transferee, and not the Transferor, for the performance of the Transferor's obligations under the Engagement Letter.

**POLAROID CORPORATION**  
(on behalf of itself and its subsidiaries)

By: \_\_\_\_\_

Name:  
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE TRANSFEROR:

DRESDNER KLEINWORT WASSERSTEIN, INC.

By: \_\_\_\_\_  
Name:  
Title:

THE TRANSFEREE:

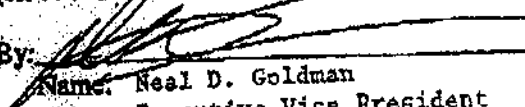
MILLER BUCKFIRE LEWIS & CO., LLC

By: \_\_\_\_\_  
Name:  
Title:

ACKNOWLEDGEMENT:

The Company hereby consents to the above assignment and assumption and agrees to look solely to the Transferee, and not the Transferor, for the performance of the Transferor's obligations under the Engagement Letter.

POLAROID CORPORATION  
(on behalf of itself and its subsidiaries)

By:   
Name: Neal D. Goldman  
Title: Executive Vice President

# EXHIBIT D

**SUMMARY OF TIME RECORDS BY PROJECT**

**May 1, 2002 through July 31, 2002**

<b><u>Project Code</u></b>	<b><u>Description</u></b>	<b><u>Hours Worked</u></b>
1	Case Administration / General	158.60
2	Administration / Retention	12.10
3	Travel	108.50
4	Sale Process	847.35
5	Creditor Contacts	131.65
6	Bankruptcy Planning & Strategy	73.00
7	Officer and Director Issues	87.10
<b>Total</b>		<b>1,418.30</b>