

**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)
	)	
	)	

**FINAL FEE AND EXPENSE  
INVOICE OF TRAXI LLC FOR THE PERIOD  
FROM FEBRUARY 13, 2003 THROUGH SEPTEMBER 30, 2003**

Name of Applicant: Perry M. Mandarino, Examiner, and  
Traxi LLC

Authorized to Provide  
Professional Services to: Examiner

Date of Retention: Orders signed February 13, 2003 and April  
15, 2003 *nunc pro tunc* to February 24, 2003

Period for which compensation  
and reimbursement is sought: February 13, 2003 through September 30,  
2003

Filing Date	Filing Period <sup>(A)</sup>	Total Fees Requested	Total Expenses Requested	Total Requested	Amount Paid to Date	Balance Due
—	2/13/03- 9/30/03	\$851,832.00	\$8,080.00	\$859,912.00	\$750,561.00	\$109,351.00

(A) This filing represents the Examiner's and Traxi LLC's final fee and expense invoice.

If this is not the first application filed, disclose the following for each prior application:

<b>Date Filed</b>	<b>Period Covered</b>	<b>Requested Fees</b>	<b>Requested Expenses</b>	<b>Approved Fees</b>	<b>Approved Expenses</b>	<b>20% Fee Holdback</b>
	9/01/03 - 9/30/03	\$5,220.00	\$1,866.00			\$1,044.00
	8/01/03 - 8/31/03	\$138,373.00	\$565.00			\$27,675.00
	7/01/03 - 7/31/03	\$105,413.00	\$0.00			\$29,295.00
	6/01/03 - 6/30/03	\$137,973.00	\$124.00			\$21,428.00
	5/01/03 - 5/31/03	\$158,050.00	\$152.00			\$31,610.00
	4/01/03 - 4/30/03	\$169,473.00	\$5,023.00	\$169,473.00	\$5,023.00	
4/30/03	2/13/03 - 3/31/03	\$137,330.00	\$350.00	\$137,330.00	\$350.00	

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

-----X		
In re:	x	
	x	(Chapter 11)
Polaroid Corporation, <u>et al.</u> ,	x	
	x	Case Nos. 01-108964 (PJW)
Debtors	x	Jointly Administered
-----X		

**FINAL APPLICATION OF PERRY M. MANDARINO, CPA, THE EXAMINER, AND  
TRAXI, LLC, AS FINANCIAL ADVISORS TO THE EXAMINER, FOR ALLOWANCE OF  
COMPENSATION FOR SERVICES RENDERED AND FOR  
REIMBURSEMENT OF EXPENSES**

TO THE HONORABLE PETER J. WALSH, UNITED STATES BANKRUPTCY JUDGE:

COMES NOW Perry M. Mandarino, the court appointed examiner (the "Examiner") of Polaroid Corporation and the other above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), and Traxi, LLC (the "Financial Advisors" and, together with the Examiner, the "Applicants"), the duly appointed financial advisors to the Examiner, and files their Seventh Monthly Fee Application thereof would respectfully show the following:

1. Applicants make this Final Application for allowance of compensation for professional services rendered and for reimbursement of actual and necessary costs and expenses incurred by Applicant for the period from February 13, 2003 to September 30, 2003 (the "Subject Period").
2. On October 12, 2001 (the "Filing Date"), the Debtors filed voluntary petitions for reorganization under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"). Since the Filing Date, the Debtors have continued to operate their businesses and manage their properties as debtors-in-possession pursuant to Bankruptcy Code §§ 1107(a) and 1108.
3. On February 10, 2003, this Court entered an Order authorizing and directing the appointment of an Examiner pursuant to Sections 1104(c), 1104(d) and 1106(b) of the Bankruptcy Code (the "Examiner Order") to, inter alia:
  - with respect to the period between one year before the filing of the Debtors' Chapter 11 petitions and one year after the date of such filings, investigate whether the accounting methods, accounting practices or accounting irregularities alleged in the Requests<sup>1</sup>

<sup>1</sup> Requests are defined in the February 10, 2003 Order as the October 30, 2002, November 17, 2002 and December 16, 2002 letters from Leonard Lockwood to the Bankruptcy Court (docket numbers 1564, 1642 and 1928) and the

materially undervalued the assets of the Debtors and/or resulted in an inappropriate liquidation of the Debtors' assets (the "Investigation");<sup>2</sup>

- meet and confer with the Debtors, the creditors committee and other parties in interest, and their respective advisors and attorneys regarding the Investigation;
- have reasonable access to the Debtors' facilities, offices, books and records, officers, management, employees, advisors, attorneys and accountants during regular business hours, in connection with the performance of the Investigation;
- conduct any necessary examinations pursuant to Federal Rule of Bankruptcy Procedure 2004; and
- electronically file a report with the Court which shall set forth the Examiner's findings, which report shall be available to all parties in interest through the Court's CM/ECF system (the "Examiner's Report").

4. On February 13, 2003, The United States Trustee appointed Perry M. Mandarino as the Examiner. This appointment was approved by this Court by Order dated February 24, 2003.

5. On March 12, 2003, the Examiner filed with this Court the Motion for an Order Authorizing the Retention of Traxi, LLC as his financial advisors<sup>3</sup>. On April 15, 2003, the Court entered its Order authorizing the retention of Traxi, LLC as financial advisors to the Examiner nunc pro tunc to February 24, 2003 (the "Traxi Retention Order"). A true and correct copy of the Traxi Retention Order is attached hereto and incorporated herein for all purposes as Exhibit A.

6. On April 4, 2003, the Examiner filed with this Court the Amended Motion for an Order Authorizing the Examiner to Submit Fee and Expense Request through Traxi, LLC. On April 15, 2003, the Court entered this Order (the "Examiner Fee and Expense Request Submission Order"). A true and correct copy of the Examiner Fee and Expense Submission Order is attached hereto and incorporated herein for all purposes as Exhibit B.

7. On August 22, 2003, the Examiner filed the Examiner's Report with this Court.

8. All services for which compensation is requested were performed by the Examiner or on behalf of the Examiner and not on behalf of any other entity or party in interest.

9. This Final Application seeks allowance and payment for all fees during the Subject Period (net of the amount paid to date).

10. This Final Fee Application seeks compensation for all services rendered and expenses incurred by the Applicants during the Subject Period. The Applicants seek allowance of compensation for professional services performed by the Applicants during the Subject Period.

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November 10, 2002 letter from George Maiorelli to the Bankruptcy Court (docket number 1598) requesting among other things the entry of an order pursuant to Section 1104(c) of the Bankruptcy Code directing the appointment of an examiner.

<sup>2</sup> The February 10, 2003 Order specifically states that the Examiner has the authority to take into consideration matters bearing on the Debtors' business and financial affairs which predate or postdate these time periods.

<sup>3</sup> Perry M. Mandarino is a Partner of Traxi, LLC.

11. During the Subject Period, the Applicants have performed services with respect to the examinations authorized and directed to be conducted pursuant to the terms of the Examiner Order. As this is a final fee application, the Applicants will not restate all of the information previously provided in their seven prior monthly fee applications that have been filed with this Court. Rather, the Applicants respectfully incorporate those prior applications herein.

12. Pursuant to the Examiner Orders, Traxi Retention Order and Examiner Fee and Expense Request Submission Order, the Applicants submit this Final Application for (a) compensation in the amount of \$851,832.00 for professional services rendered by the Applicants during the Subject Period, which amount is derived solely from the applicable hourly billing rates of the Examiner and of the Financial Advisors' personnel who rendered such services, and (b) reimbursement of actual and necessary out-of-pocket disbursements and charges in the amount of \$8,080.00, incurred by the Applicants in the rendition of required professional services with respect to the examinations authorized and directed to be conducted pursuant to the terms of the Examiner Orders.

13. During the period the Applicants have rendered and provided services in this proceeding, all of the time and effort of Applicants has been devoted to the affairs of the Examiner. The financial advisory services rendered have been beneficial to the Examiner.

14. There is no agreement or understanding of the existence between the Applicants and any other party for the sharing of the compensation, except that various members and professionals associated with the Financial Advisor may share in such compensation.

Respectfully submitted this 30<sup>th</sup> of January 2004

Traxi LLC

By 

Perry M. Mandarino  
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Examiner and Financial Advisors to the Court  
Appointed Examiner of Polaroid Corporation, et  
al.