

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: )  
POLAROID CORPORATION, et al., ) Chapter 11  
Debtors. ) Case No. 01-10864 (PJW)  
 ) Jointly Administered  
 )  
 ) **Hearing Date: March 25, 2004 at 2:00 p.m.**  
 ) **Objection Deadline: March 18, 2004 at 4:00 p.m.**

**NOTICE OF APPLICATION**

TO: The United States Trustee, counsel for the Pre-Petition Agent, counsel for the Purchaser and those parties which have filed a notice of appearance pursuant to Bankruptcy Rule 2002.

Wind Down Associates, LLC (“Wind Down”) has filed the attached **Final Application of Wind Down Associates, LLC for Allowance of Compensation and Reimbursement of Expenses for the Period from August 7, 2002 through December 16, 2003** (the “Application”).

You are required to file a response to the attached Application on or before March 18, 2004 at 4:00 p.m. with the Clerk of the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 Market Street, Wilmington, Delaware 19801.

At the same time, you must also serve a copy of the response on the Plan Administrator’s attorneys:


Brendan Linehan Shannon, Esq. Young Conaway Stargatt & Taylor The Brandywine Building 1000 West Street, 17 <sup>th</sup> Floor P.O. Box 391 Wilmington, DE 19899	Nava Hazan, Esq. Akin, Gump, Strauss, Hauer & Feld, L.L.P. 590 Madison Avenue New York, NY 10022
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HEARING ON THE APPLICATION will be held on March 25, 2004 at 2:00 p.m. before the Honorable Peter J. Walsh, United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801, only if an objection is timely filed.

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

Dated: Wilmington, Delaware  
January 29, 2004

YOUNG CONAWAY STARGATT & TAYLOR, LLP



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Brendan Linahan Shannon (No. 3136)  
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- and -

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New York, NY 10022  
Telephone - (212) 672-1000  
Fax - (212) 872-1002

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

IN RE: )  
POLAROID CORPORATION, et. al. ) Case No 01-10864 (PJW)  
 ) Chapter 11  
 ) (Jointly Administered)  
Debtors. )

**FINAL APPLICATION OF WIND DOWN ASSOCIATES, LLC FOR ALLOWANCE OF  
COMPENSATION AND REIMBURSEMENT OF EXPENSES  
FOR THE PERIOD FROM AUGUST 7, 2002 THROUGH DECEMBER 16, 2003**

Name of Applicant: Wind Down Associates, LLC (“Wind Down”)

Authorized to Provide Professional Services to: Primary PDC, Inc., formerly known as  
Polaroid Corporation, et. al.

Date of Retention: August 7, 2002

Period for which compensation and reimbursement is sought: August 7, 2002 through  
December 16, 2003.

Final Amount of Compensation sought as actual, reasonable and necessary: \$609,372.00.

Final Amount of Expense Reimbursement sought as actual, reasonable, and necessary:  
\$73,719.48

This is a: \_\_\_ interim x final application

Prior Applications Filed:

Time Period	Fees	Expenses	Fees Paid	Expenses Paid	Balance Due	Application Docket #	Application Date	CONO Docket #	CONO Date
08/07/02 - 09/30/02	\$31,922.00	\$3,558.43	\$31,922.00	\$3,558.43	\$0.00	1549	10/31/02	1628	11/22/02
10/01/02 - 10/31/02	\$56,215.00	\$7,515.38	\$56,215.00	\$7,515.38	\$0.00	1655	12/04/02	2066	01/10/03
11/01/02 - 11/30/02	\$49,245.00	\$5,319.05	\$49,245.00	\$5,319.05	\$0.00	1676	12/17/02	2068	01/10/03
12/01/02 - 12/31/02	\$27,075.00	\$3,248.27	\$27,075.00	\$3,248.27	\$0.00	2076	01/13/03	2259	02/05/03
01/01/03 - 01/31/03	\$28,825.00	\$3,508.62	\$28,825.00	\$3,508.62	\$0.00	2305	02/12/03	2416	03/07/03
02/01/03 - 02/28/03	\$29,500.00	\$3,519.90	\$29,500.00	\$3,519.90	\$0.00	2420	03/11/03	2471	04/01/03
03/01/03 - 03/31/03	\$37,355.00	\$6,404.45	\$37,355.00	\$6,404.45	\$0.00	2500	04/08/03	2551	05/01/03
04/01/03 - 04/30/03	\$37,985.00	\$4,820.96	\$37,985.00	\$4,820.96	\$0.00	2577	05/15/03	2677	06/06/03
05/01/03 - 05/31/03	\$42,590.00	\$5,753.98	\$34,072.00	\$5,753.98	\$8,518.00	2684	06/11/03	2749	07/02/03
06/01/03 - 06/30/03	\$37,310.00	\$3,127.26	\$29,848.00	\$3,127.26	\$7,462.00	2790	07/15/03	2892	08/07/03
07/01/03 - 07/31/03	\$48,180.00	\$6,508.00	\$38,544.00	\$6,508.00	\$9,636.00	2909	08/15/03	3014	09/08/03
08/01/03 - 08/31/03	\$37,585.00	\$4,059.13	\$30,068.00	\$4,059.13	\$7,517.00	3071	09/25/03	3264	10/20/03
09/01/03 - 09/30/03	\$36,510.00	\$3,601.96	\$29,208.00	\$3,601.96	\$7,302.00	3250	10/14/03	3368	11/10/03
10/01/03 - 10/31/03	\$43,810.00	\$5,106.46	\$35,048.00	\$5,106.46	\$8,762.00	3466	11/25/03	3615	12/18/03
11/01/03 - 11/30/03	\$40,375.00	\$5,035.94	\$32,300.00	\$5,035.94	\$8,075.00	3569	12/12/03	3678	01/05/04
12/01/03 - 12/16/03	\$24,890.00	\$2,631.69	\$0.00	\$0.00	\$27,521.69	3702	01/12/04	Pending	Pending
<b>Total</b>	<b>\$609,372.00</b>	<b>\$73,719.48</b>	<b>\$527,210.00</b>	<b>\$71,087.79</b>	<b>\$84,793.69</b>				

Name of Professional Individual	Position	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Mark S. Stickel	Managing Director – 7 years restructuring experience	\$300.00	448.0	\$ 134,400.00
Michael Newsom	Principal – 3 years restructuring experience	\$250.00	33.8	\$ 8,450.00
John Pidcock	Senior Associate – 7 years restructuring experience	\$250.00	1,864.0	\$ 466,000.00
Vicki Wilkins	Associate – Para-professional	\$ 90.00	5.8	\$ 522.00

Grand Total \$ 609,372.00  
 Total Hours 2,351.6  
 Blended Rate \$ 259.13

Time and fees by matter code is as follows:

<b>MATTER</b>	<b>HOURS</b>	<b>AMOUNT</b>
ADMINISTRATIVE	156.2	\$ 42,337.00
AVOIDANCE ANALYSIS	19.8	5,860.00
CLAIMS RECONCILIATION	2,120.8	544,735.00
COLLECTIONS WORK		
FEE APPLICATION	54.8	16,440.00
WORK WITH ATTORNEY		
REORGANIZATION PLAN		
REPORTING/MONITORING		
STRATEGIC PLANNING		
<b>Total</b>	<b>2,351.6</b>	<b>\$ 609,372.00</b>

Expenses by expense type are as follows:

<b>EXPENSE TYPE</b>	<b>AMOUNT</b>
Misc. Expenses (supplies, postage, legal fees, tips, etc.)	\$ 145.99
Mileage	
Telephone	27.60
Travel - Airfare (1)	37,100.75
Travel - Hotels (2)	18,400.32
Travel - Meals	3,427.86
Travel - Parking/Tolls/Taxis	4,485.04
Travel - Rental Car	10,131.92
<b>Total Expenses</b>	<b>\$ 73,719.48</b>
(1) This includes airfare from Delta, US Air and American	
(2) This includes hotel stays at Marriott, Dupont, Sheraton and other major hotel chains.	

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

IN RE: )  
POLAROID CORPORATION, et. al. )  
 ) Case No 01-10864 (PJW)  
 ) Chapter 11  
 ) (Jointly Administered)  
Debtors. )

**FINAL FEE APPLICATION OF WIND DOWN ASSOCIATES, LLC FOR  
ALLOWANCE OF COMPENSATION AND FOR REIMBURSEMENT OF  
EXPENSES FOR SERVICES RENDERED DURING THE PERIOD FROM  
AUGUST 7, 2002 THROUGH DECEMBER 16, 2003**

**TO THE HONORABLE PETER J. WALSH,  
CHIEF UNITED STATES BANKRUPTCY COURT JUDGE**

Wind Down Associates, LLC (“Wind Down” or “Applicant”), chapter 11 wind down agent of Primary PDC, Inc., formerly known as Polaroid Corporation, (“Primary”) and its affiliated debtors and debtors-in-possession (collectively, the “Debtors”), for its final application (the “Application”) pursuant to 11 U.S.C. sections 330 and 331 for an allowance of compensation for services rendered and for reimbursement of expenses incurred in connection therewith, respectfully represents:

Introduction

1. By this Application, Wind Down seeks (i) a final allowance and award of compensation for the professional services rendered by Wind Down as chapter 11 wind down agent for the Debtors for the period from August 7, 2002 through December 16, 2003 (the “Compensation Period”) in the amount of \$609,372.00, representing 2,351.6 hours in professional services ; and (ii) reimbursement of actual and necessary expenses incurred by Wind Down during the Compensation Period in connection with the rendition of such professional services in the amount of \$73,719.48.

Background

2. On October 12, 2001 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with this Court.

3. The Debtors have been operating their businesses and managing their properties as debtors in possession pursuant to Sections 1107 (a) and 1108 of the Bankruptcy Code.
4. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to U.S.C. §157(b)(2). The statutory predicates for relief herein are 11 U.S.C. §§ 330 and 331 and Federal Rules of Bankruptcy Procedure 2002(a) and 2016.
5. The Official Committee of Unsecured Creditors' (the "Committee") application to retain Wind Down as chapter 11 wind down agent and future plan administrator was approved, *nunc pro tunc* to August 7, 2002, by this Court's order entered on October 4, 2002 ("Retention Order"). The Retention Order authorized Wind Down to be (i) compensated in part on an hourly basis and in part with success fees to be based on specified criteria set forth in Wind Down's engagement letter, and (ii) reimbursed for actual and necessary out-of-pocket expenses. This Application seeks only compensation for Wind Down's hourly fees and reimbursement for actual and necessary out-of-pocket expenses for the Compensation Period. The success fees contemplated in the engagement letter were not attained in part due to administrative expenses of the estate exceeding the original \$37 million previously forecasted by the estate's professionals.
6. All services for which Wind Down requests compensation were performed for or on behalf of the Debtors.
7. Wind Down has received no payment and no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between Wind Down and any other person other than the managing directors of Wind Down for the sharing of compensation to be received for services rendered in these cases.
8. As stated in the Affirmation of Mark S. Stickel, annexed hereto as Exhibit A, all of the services for which final compensation is sought herein were rendered for or on behalf of the Debtors solely in connection with these cases.

### Fee Statements

9. The fee statements for the Compensation Period are summarized by matter code on Exhibit B. These statements, which were previously submitted contain daily time logs describing the time spent by each managing director, principals and associates during the Compensation Period. To the best of Wind Down's knowledge, this Application complies with sections 330 and 331 of the Bankruptcy Code. Wind Down's time reports are initially handwritten or electronically recorded by the professional performing the described services. The time reports are organized on a daily basis. Wind Down is particularly sensitive to issues of "lumping," and unless time was spent in one time frame on a variety of different matters for a particular client, separate time entries are set forth in the time reports. Wind Down's charges for its professional services are based upon the time, nature, extent and value of such services and the cost of comparable services other than in a case under the Bankruptcy Code.

### Actual and Necessary Expenses

10. A summary of actual and necessary expenses incurred by Wind Down for the Compensation Period is attached hereto as part of Exhibit C. Wind Down does not customarily charge for photocopying expenses or for out-going facsimile transmissions related to cases, such as this one, arising in Delaware.

### Summary of Services Rendered

11. The Managing Director of Wind Down who has rendered professional services in these cases and for which Wind Down seeks compensation is Mark S. Stickel. A Principal of Wind Down who has rendered services in these cases and for which Wind Down seeks compensation is Michael Newsom. A Senior Associate of Wind Down who has rendered professional services in these cases and for which Wind Down seeks compensation is John Pidcock and an Associate of Wind Down who has rendered professional services in these cases and Wind Down seeks compensation is Vicki Wilkins.



12. Wind Down initially assisted the Committee and the Debtors in developing a claims reconciliation process and managed the reconciliation process as well as the claims data base to ensure that all claims were properly and timely reviewed and objected to as appropriate. There were over 8,900 filed and unmatched scheduled claims in these cases.
13. Wind Down worked closely with Debtors' management and staff in the continuous review of all claims activity, such as the review and assistance with reconciliation of large dollar claims.
14. Wind Down worked closely with the claim's agent in preparation of omnibus objection exhibits in these cases.

#### Summary of Services by Project

15. The services rendered by Wind Down during the Compensation Period can be grouped into the categories set forth below. Wind Down attempted to place the services provided in the category that best relates to such services. However, because certain services may relate to one or more categories, services pertaining to one category may in fact be included in another category. These services performed, by categories, are generally described below, and summarized on the attached Exhibit B. Exhibit B identifies the professionals who rendered services relating to each category, along with the number of hours for each individual and the total compensation sought for each category.

#### Administrative Work and Strategic Planning

16. Time billed to this category relates to the following matters: overall case planning including reporting to the Official Committee of Unsecured Creditors regarding claim status and financial forecasting. During the Compensation Period Wind Down spent a considerable amount of time working with the Debtor to ensure that proper and cost effective staffing was in place to ensure the reconciliation of all claims. Wind Down attended many telephonic and in-person meetings with the Debtor, the Committee and other advisors of the Debtor. At the request of the Committee, Wind Down attended several Omnibus Objection hearings as well as the Confirmation hearing in these cases. Wind Down reviewed accounting needs for post confirmation operations

including preparing and signing documents to change check signing and other banking privileges. Also, Wind Down planned for and began the process of distributions on allowed administrative and priority claims.

Fees \$42,337.00; Total Hours: 156.2

#### Claims Reconciliation

17. Wind Down assisted the Debtors in processing, analyzing and monitoring claims against the estates. Wind Down participated in various in person meetings and telephonic meetings among the Debtors, and representatives from Akin Gump, co-counsel to the Committee. Wind Down continued to monitor and track the progress of the overall claims process to ensure that claims were being reconciled in an efficient manner. Additionally, Wind Down monitored the claims data base controlled by Donlin Recano (claims agent) and directed significant claim changes and periodic updates to the claim data base.
18. There were over 8,900 filed and unmatched scheduled claims in these cases totaling \$5.4 billion of various priorities. Wind Down spent a significant time analyzing, reconciling and objecting to these claims. As of the Effective Date, there have been 21 non-substantive omnibus motions and 15 substantive omnibus motions filed with the Court. Wind Down was instrumental in the omnibus objection process through the review of draft motions and the preparation of all supporting documentation. Over 6,725 claims were included in these motions. In addition over 2,100 claims were reviewed and eventually allowed without objection, leaving the estate with only 150 claims to be reconciled or resolved after the Effective Date. It is anticipated that general unsecured claims will be approximately \$1.2 billion at the completion of this process with a reduction of claim values totaling \$4.2 billion.

Fees \$544,735.00; Total Hours: 2,120.8

#### Avoidance Analysis

19. Wind Down spent time evaluating and collecting information regarding insider payments that may be voidable under the bankruptcy code and provided this information to Counsel for the Committee. In addition, Wind Down assisted the Committee in selection of contingency counsel to prosecute such claims. As a result

of this activity, 94 actions were brought against former insiders seeking to re-coup over \$12.3 million.

Fees: \$5,860.00; Total Hours: 19.8

Fee Application

20. Wind Down's time in preparing fee applications includes reviews of time and expense entries and the narratives of the services rendered and preparation and submission of the documents required by the court for approval. During the Compensation Period, Wind Down prepared sixteen interim fee applications.

Fees: \$16,440.00; Total Hours: 54.8

Valuation of Services

21. Members and associates of Wind Down expended a total of 2,351.6 hours in connection with these cases during the Compensation Period, as follows:

Name of Professional Individual	Position	Hourly Billing Rate (including Changes)	Total Hours Billed	Total Compensation
Mark S. Stickel	Managing Director	\$300.00	448.0	\$ 134,400.00
Michael Newsom	Principal	\$250.00	33.8	\$ 8,450.00
John Pidcock	Senior Associate	\$250.00	1,864.0	\$ 466,000.00
Vicki Wilkins	Associate	\$ 90.00	5.8	\$ 522.00

Grand Total \$609,372.00  
Total Hours 2,351.6  
Blended Rate \$ 259.16

22. The nature of work performed by these persons is summarized in Exhibit B attached hereto. The rates charged are Wind Down's normal hourly rates for work of this character. The reasonable value of the services rendered by Wind Down to the Debtors during the Compensation Period is \$609,372.00.
23. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by Wind Down is fair and

reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

**WHEREFORE**, Wind Down respectfully requests that the Court enter an order:

- a) granting this Application and allowing Wind Down final allowance of compensation in the amount of \$609,372.00 for professional services rendered to the Debtors during the period from August 7, 2002 through and including December 16, 2003 and reimbursement in the amount of \$73,719.48 for actual, reasonable and necessary expenses incurred during the period from August 7, 2002 through and including December 16, 2003; and
- b) authorizing and directing the Debtor to disburse to Wind Down the allowed unpaid interim compensation and expenses in the amount of \$84,793.69; and
- c) granting such other relief as this Court may deem just and proper.

Dated: January 26, 2004

Respectfully submitted,

By: Mark S. Stickel  
Mark S. Stickel  
Wind Down Associates, LLC  
2701 N. Rocky Point Dr. Suite 183  
Tampa, Florida 33607  
Telephone: (813) 286-2700  
Facsimile: (813) 286-2740

# EXHIBIT A

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


IN RE: )  
POLAROID CORPORATION, et. al. ) Case No 01-10864 (PJW)  
 ) Chapter 11  
 ) (Jointly Administered)  
Debtors. )

**Affirmation**

**Mark S. Stickel** respectfully states and affirms:

1. I am a Managing Director of Wind Down Associates, LLC (“Wind Down”), which maintains offices at 2701 N. Rocky Point Dr., Suite 183, Tampa, Florida 33607. Wind Down has acted as chapter 11 wind down agent to and has rendered professional services to Primary PDC, Inc., formerly known as Polaroid Corporation (“Polaroid”) and its affiliated debtors and debtors-in-possession (the “Debtors”).
2. This affirmation is submitted pursuant to Bankruptcy Rule 2016(a) in support of Wind Down’s application for final allowance of compensation and for the reimbursement of expenses for services rendered during the period from August 7, 2002 through and including December 16, 2003 in the aggregate amount of \$683,091.48.
3. All services for which compensation is requested by Wind Down were professional services performed for and on behalf of the Debtors and not on behalf of any other person.
4. In accordance with Title 18 U.S.C. Section 155, neither I nor any managing director or associate of my firm has entered into any agreement, express or implied, with any party-in-interest for the purpose of fixing the amount of any fees or other compensation to be allowed out of or paid from the Debtors’ estates.
5. In accordance with Section 504 of the Bankruptcy Code, no agreement or understanding exists between me, my firm, or any managing director or associate thereof, on the one hand, and any other person, on the other hand, for division of such compensation as my firm may receive for services rendered in connection with these cases, nor will any division of fees prohibited by Section 504 of the Bankruptcy Code be made me or any managing director or associate of my firm.

Dated: Tampa, Florida  
January 26, 2004

  
Mark S. Stickel

# EXHIBIT B

Time and fees by matter code is as follows:

MATTER	HOURS	AMOUNT
ADMINISTRATIVE	156.2	\$ 42,337.00
AVOIDANCE ANALYSIS	19.8	5,860.00
CLAIMS RECONCILIATION	2,120.8	544,735.00
COLLECTIONS WORK		
FEE APPLICATION	54.8	16,440.00
WORK WITH ATTORNEY		
REORGANIZATION PLAN		
REPORTING/MONITORING		
STRATEGIC PLANNING		
<b>Total</b>	<b>2,351.6</b>	<b>\$ 609,372.00</b>

Name of Professional	Position	Hourly Billing Rate	Matter				Total Hours	Total Compensation
			Administrative	Claims Reconciliation	Avoidance Analysis	Fee Application		
Mark Stichel	Managinig Director	\$300.00	84.3	290.7	18.2	54.8	448.0	\$ 134,400.00
John Pidcock	Senior Associate	\$250.00	66.1	1,796.3	1.6	-	1,864.0	466,000.00
Michael Newsom	Principal	\$250.00		33.8			33.8	8,450.00
Vicki Wilkins	Associate	\$ 90.00	5.8				5.8	522.00
			156.2	2,120.8	19.8	54.8	2,351.6	\$ 609,372.00

# EXHIBIT C

Expenses by expense type are as follows:

EXPENSE TYPE	AMOUNT
Misc. Expenses (supplies, postage, legal fees, tips, etc.)	\$ 145.99
Mileage	
Telephone	27.60
Travel - Airfare (1)	37,100.75
Travel - Hotels (2)	18,400.32
Travel - Meals	3,427.86
Travel - Parking/Tolls/Taxis	4,485.04
Travel - Rental Car	10,131.92
<b>Total Expenses</b>	<b>\$ 73,719.48</b>
(1) This includes airfare from Delta, US Air and American	
(2) This includes hotel stays at Marriott, Dupont, Sheraton and other major hotel chains.	