

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

**JOINTLY ADMINISTERED UNDER
CASE NO. 08-46617**

POLAROID CORPORATION, ET AL.,

Court File No. 08-46617

Debtors.

Court File Nos.:

(includes:

Polaroid Holding Company;	08-46621 (GFK)
Polaroid Consumer Electronics, LLC;	08-46620 (GFK)
Polaroid Capital, LLC;	08-46623 (GFK)
Polaroid Latin America I Corporation;	08-46624 (GFK)
Polaroid Asia Pacific LLC;	08-46625 (GFK)
Polaroid International Holding LLC;	08-46626 (GFK)
Polaroid New Bedford Real Estate, LLC;	08-46627 (GFK)
Polaroid Norwood Real Estate, LLC;	08-46628 (GFK)
Polaroid Waltham Real Estate, LLC)	08-46629 (GFK)

Chapter 11 Cases
Judge Gregory F. Kishel

**NOTICE OF HEARING ON UNITED STATES TRUSTEE'S
MOTION TO CONVERT CHAPTER 11 CASE**

TO: The debtors, all creditors and other parties in interest:

The United States Trustee has filed a motion to convert the above named Chapter 11 case pursuant to 11 U.S.C. § 1112(b).

The hearing will be held on June 23, 2009, at 3:00 p.m., before the United States Bankruptcy Court, Courtroom No. 2A, Warren E. Burger Federal Building and United States Courthouse, 316 North Robert Street, St. Paul, Minnesota.

Any response to this motion must be filed and delivered not later than June 18, 2009, which is three days before the time of the hearing (not including Saturdays, Sundays and

Holidays), or filed and served by mail not later than June 12, 2009, which is seven days before the time set for the hearing (not including Saturdays, Sundays and Holidays). **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.**

Dated: _____

CLERK OF BANKRUPTCY COURT

By:

Deputy Clerk

**UNITED STATES BANKRUPTCY COURT
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Chapter 11 Cases
Judge Gregory F. Kishel

**NOTICE OF HEARING AND MOTION OF
UNITED STATES TRUSTEE TO CONVERT CHAPTER 11 CASE**

COMES NOW the United States Trustee and moves the Court to convert this Chapter 11 case. In support of his motion, he states the following:

1. The hearing will be held on June 23, 2009, at 3:00 p.m. before the United States Bankruptcy Court, Courtroom No. 2A, Warren E. Burger Federal Building and United States Courthouse, 316 North Robert Street, St. Paul, Minnesota.

2. Any response to this motion must be filed and delivered not later than June 18, 2009, which is three days before the time of the hearing (not including Saturdays, Sundays or

Holidays), or filed and served by mail not later than June 12, 2009, which is seven days before the time set for the hearing (not including Saturdays, Sundays or Holidays). **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.**

3. The United States Trustee has standing to bring this motion pursuant to 11 U.S.C. § 307 and 28 U.S.C. § 586. This matter is a core-proceeding arising under 28 U.S.C. § 157(b)(2)(A). The bankruptcy court has jurisdiction pursuant to 28 U.S.C. § 1334. This motion is brought pursuant to 11 U.S.C. § 1112(b) and Fed. R. Bankr. P. 1017 and 2002. This motion is filed under Fed. R. Bankr. P. 9014 and Local Rules 1017-2(a), 2002-1, 2002-4 & 9013-1 through 9013-3. Movant requests this case be converted to a case under chapter 7.

4. The above captioned debtors filed voluntary petitions under chapter 11 on December 18, 2008. The cases were approved for joint administration on December 23, 2008 [hereinafter singular “Polaroid” collectively refers to the debtors]. No bankruptcy trustee or examiner has been appointed in these cases. An official creditors’ committee was appointed on January 8, 2009.

5. At the time of the bankruptcy filing in December, Polaroid was engaged in the design, development, manufacture and marketing of instant and digital imaging products. On January 28, 2009, Polaroid filed a motion to approve auction procedures for the liquidation of its assets, including its business operations [Docket # 71].

6. On April 17, 2009, the Court subsequently approved the sale of substantially all of Polaroid’s assets to PLR Acquisition, LLC, a joint venture composed of Hilco Consumer

Capital, L.P. and Gordon Brothers Brands, LLC. [Docket # 332]. The sale officially closed on May 7, 2009 [Docket # 420].

7. The sale of Polaroid's assets included all of the business operations and the assets necessary to continue those operations. [Docket # 333, Section 1.1]. The few remaining assets -- including artwork, cash, avoidance actions, limited causes of action, certain contract rights, tax refunds, limited receivables, certain records and a limited number hard assets, such as some computers, furniture, etc. -- do not include sufficient assets for Polaroid to rehabilitate itself in chapter 11. [Docket # 333, Section 1.2].

8. Upon information and belief, Mary L. Jeffries, the President and Chief Executive Officer of Polaroid, will gradually end her association with Polaroid. The majority of its employees have been terminated as of May 2009.

9. Prior to this bankruptcy case, in April of 2005, Polaroid was acquired by Petters Group Worldwide, LLC (PGW), an entity owned and controlled by an individual named Thomas Petters. On October 6, 2008, based on allegations of fraud and other wrongdoing by Mr. Petters and his various affiliates and by his associates, U.S. District Judge Ann Montgomery designated Douglas Kelley as the exclusive receiver of PGW and several other entities owned or controlled by Thomas Petters. PGW and several related companies (the "Petters cases") filed for relief under chapter 11 in October of 2008. Mr. Kelley was subsequently appointed as a common chapter 11 trustee in the Petters cases.¹

10. This Court has previously entered its order 1) approving auction and bidding procedures; 2) approving break-up fee, expense reimbursement and other buyer protection; 3)

¹ The Ritchie Group of creditors appealed the Court's order approving the appointment of Kelley. The appeal is pending before the District Court, Civ. No. 09-680.

approving notice; and 4) granting related relief. Docket Entry #118. This Court has now approved the sale of substantially all of the assets of Polaroid to PLR Acquisition, LLC, and counsel for Polaroid is faced with the determination of the legal status of encumbrances against funds received from such sale. In that regard, it should be noted that Polaroid Corporation, in its Schedule D, lists the “secured claim” of Petters Company, Inc. as “disputed.” Similarly, Polaroid Consumer Electronics, LLC, in its Schedule F, lists the claim of Petters Company, Inc., in the amount of \$11,207,845.00, as “disputed.”

11. Polaroid asserted in this case that its ability to continue operating was severely hampered by the imposition of “burdensome contractual commitments” resulting in the pledge of assets of Polaroid by Thomas Petters to Acorn Capital Group, LLC and Ritchie Capital Management, LLC to secure substantial debts and investments for which Polaroid received no or inadequate consideration [Docket # 13 ¶18]. The avoidance of the liens of Acorn and Ritchie, the standing of their creditor claims in the other Petters cases, and how the respective estates will trace and distribute recovered funds, remains at dispute in this case and in the related cases.

12. Cause exists to convert or dismiss this case under Section 1112(b)(4)(A).

13. Polaroid has liquidated its primary business operations and a majority of its assets. There is no business to rehabilitate in chapter 11.

14. The value of the estate will continue to diminish as administrative costs continue to accrue in this case. In fact, according to the Debtor’s calculations, the unencumbered funds available for funding the administration of the estate was due to be depleted by the end of June. The cash “burn rate” was predicted to be in excess of \$3,000,000 per month. *See generally*, Sale Hearing, Debtors’ Exhibit Q [Cash Flow Forecast] and Affidavit of Stephen Spencer, Director,

Houlihan Lokey Howard & Zukin Capital, Inc. [*Debtors' Objection to Emergency Motion of Lithograph Legends, LLC ("Patriarch") for a Stay Pending Appeal*, Docket # 366, p. 2.]

15. As the remaining "loose ends" of winding down its business affairs concludes, there will be less and less a need for any remaining management personnel of the debtor-in-possession to pursue the ongoing administration of a chapter 11 estate.

16. Any chapter 11 plan to be proposed in this case would likely result in a liquidating trustee selected by a plan proponent. The administrative costs associated with proposing an adequate disclosure statement and plan of reorganization (or in this case distribution) would be considerable, and the process itself time-consuming.² Liquidating trustees and the funds they collect are not subject to the jurisdiction or supervision of the Court after a plan is confirmed. Therefore, the bonding and depository requirements applicable to court -appointed trustees would not apply. Under the circumstances of this case — such as the allegations of fraud against Thomas Petters, the supervision of the U.S. District Court over the receiverships, and the various cross-claims and lien claims — accountability and scrutiny is heightened. The United States Trustee believes that it would be in the best interest of these estates for them to be administered by an independent chapter 7 trustee — 1) who would be suitably equipped to monetize the debtor's remaining assets; 2) he could prosecute the adversary proceedings; 3) who could monitor and protect the creditors' 25% equity interest in the new company; and 4) who would remain subject to the full supervision and jurisdiction of the bankruptcy court.

² The Polaroid Committee has recently filed its application to retain a financial advisor in connection with its intent to propose a plan of liquidation. [Docket # 444].

17. Section 1112(b) of the Bankruptcy Code, as revised by the BAPCPA,³ states that on request of a party in interest, and after notice and a hearing, “the court *shall* convert a case to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interests of creditors and the estate, if the movant establishes cause.” *11 U.S.C. § 1112(b)(1)* (emphasis added).

18. Cause exists to convert or dismiss this case based on Polaroid’s inability to reorganize under chapter 11. It is abundantly clear that Polaroid is no longer operating as an ongoing business enterprise. Therefore, there is an absence of any likelihood of rehabilitation under chapter 11. Also, if allowed to remain under chapter 11, Polaroid will continue to unnecessarily incur additional administrative expenses such as U.S. Trustee fees and professional fees. As a result, there is a continuing loss to and diminution of the estate and an absence of reasonable likelihood of rehabilitation, which is cause to convert under 11 U.S.C. §1112(b)(4)(A).

19. The U.S. Trustee believes that conversion of this case to a case under chapter 7 is in the best interests of all creditors.

CONCLUSION

20. Polaroid is not a person described in 11 U.S.C. § 1112(c); therefore, it is qualified to be a debtor under chapter 7 if the court deems conversion to be a better alternative than dismissal.

WHEREFORE, the United States Trustee respectfully requests that the Court convert the above -captioned debtors to chapter 7.

³ The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, Pub. L. No. 109-8, 119 Stat. 23 (2005).

Dated: June 1, 2009

HABBO G. FOKKENA

United States Trustee
Region 12

By: /e/Michael E. Ridgway
Michael E. Ridgway
Trial Attorney, SD Atty # 1456
Robert B. Raschke
Assistant U.S. Trustee, MN # 161081
Department of Justice
Office of the U.S. Trustee
1015 United States Courthouse
300 South Fourth Street
Minneapolis, MN 55415
(612) 664-5500

VERIFICATION

I, Michael Ridgway, Trial Attorney for the United States Trustee for the District of Minnesota, declare under penalty of perjury that the foregoing is true and correct according to the best of my knowledge, information and belief.

Executed: June 1, 2009

By: /e/ Michael Ridgway
Trial Attorney
Office of the U.S. Trustee

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Chapter 11 Cases
Judge Gregory F. Kishel

MEMORANDUM OF LAW

Section 1112(b)(1) provides that the Bankruptcy Court shall dismiss or convert a case for cause absent unusual circumstances specifically identified by the Court that establish that conversion or dismissal is not in the best interest of the estate. 11 U.S.C. § 1112(b)(1). A non-exhaustive list of cause is provided under § 1112(b)(4), which includes the following relevant provisions:

(A) substantial or continuing loss to or diminution of the estate and the absence of a reasonable likelihood of rehabilitation;

11 U.S.C. § 1112(b)(4)(A).

Prior to the passage of the Bankruptcy Abuse Prevention and Consumer Protection Act of

2005, Pub. L. No. 109-8, 119 Stat. 23 (2005) (“BAPCPA”), Section 1112(b)(4)(A) was codified as Section 1112(b)(1). In *Loop Corp. v. U.S. Trustee*, the District Court of Minnesota (Montgomery, J.) summarized the factors courts consider to make a finding of a continuing loss and of the absence of a reasonable likelihood of rehabilitation:

A finding that the debtor suffered continuing losses or maintained a negative cash flow "after the entry of the order for relief" suffices to demonstrate continuing loss to the estate. *Fort Knox*, 2002 WL 1842452, at *2. Absence of likelihood of rehabilitation is satisfied by a showing that the debtor is unable to get the business up and running again on a firm base. *In re Minnesota Alpha Found.*, 122 B.R. 89, 93 (Bankr.D.Minn.1990); *Economy Cab*, 44 B.R. at 725 n. 2. *113 Under § 1112(b), " 'rehabilitation' contemplates the successful maintenance or re- establishment of the debtor's business operations..." *Minnesota Alpha*, 122 B.R. at 93.

Loop Corp. v. U.S. Trustee, 290 B.R. 108, 112-13 (D. Minn. 2003), *aff'd* 379 F.3d 511 (8th Cir. 2004); *cert. denied* 543 U.S. 1055, 125 S. Ct. 915, 160 L. Ed.2d 778 (2005); *see also In re Economy Cab & Tool Co., Inc.*, 44 B.R. 721, (Bankr. D. Minn. 1984) (citations omitted). The diminution in the estate need not be significant. *In re East Coast Airways, Ltd.*, 146 B.R. 325, 336 (Bankr. E.D.N.Y.). “All that need be found is that the estate has suffered some diminution in value. *Id.* (citing *In re Kanterman*, 88 B.R. 26, 29 (S.D.N.Y. 1988).

Polaroid’s ongoing administrative expenses, in the absence of operations or other income generating activity, constitutes a diminution in value. In *Loop Corp v. U.S. Trustee*, the chapter 11 debtor-in-possession liquidated most of its assets, ceased its ongoing business, and filed a proposed plan and disclosure statement; the U.S. Trustee moved to convert the case. 379 F.3d at 513-514. In affirming the bankruptcy and district courts orders granting the U.S. Trustee's motion to convert, the Eighth Circuit Court of Appeals held that a finding of accruing chapter 11 administrative costs was sufficient to find negative cash flow:

In the context of a debtor who has ceased business operations and liquidated virtually all of its assets, any negative cash flow -

including that resulting only from administrative expenses -- effectively comes straight from the pockets of the creditors. This is enough to satisfy the first element of § 1112(b)(1).

Id. at 516. In *Polaroid*, the losses in the chapter 11 case through accruing administrative costs is sufficient to find that there is a diminution of value in this case.

Polaroid has ceased operating and has sold its business operations. The Eighth Circuit has held that where debtors intend "to liquidate their assets rather than restore their business operations, they [have] no reasonable likelihood of rehabilitation." *Loop Corp v. U.S. Trustee*, 379 F.3d at 516. Therefore, the second element that this business will not be rehabilitated or reestablished has been met.

BAPCPA amended § 1112(b) to require a court to convert a case if the moving party establishes cause "absent unusual circumstances specifically identified by the court that establish that the requested conversion or dismissal is not in the best interests of the creditors and the estate." 11 U.S.C. §1112(b)(1). As noted by one recent bankruptcy court:

Section 1112(b) does not define unusual circumstances, "but the phrase contemplates conditions that are not common in chapter 11 cases." *In re Pittsfield Weaving Co.*, 393 B.R. 271, 274 (Bankr. D.N.H.2008), citing *In re Fisher*, 2008 WL 1775123 at *5 (Bankr. D. Mont. Apr.15, 2008). Moreover, [c]ourts have much discretion in determining whether there are unusual circumstances that weigh against conversion or dismissal." *Id.* at 274-5, citing *In re The 1031 Tax Group, LLC*, 374 B.R. 78, 93 (Bankr. S.D.N.Y. 2007) (section 1112(b) "explicitly provides for this discretion where a court is able to identify 'unusual circumstances' . . . that establish that the requested conversion is not or dismissal is not in the best interests of creditors and the estate").

In re New Towne Development, LLC, 404 B.R. 140, 147 (Bankr. M.D. La. 2009). "If (movant) establishes 'cause,' then the burden shifts to the debtor to prove it falls within the 'unusual circumstances' exception to § 1112(b)(1)'s mandatory dismissal." *In re Dovetail, Inc.*, 2008 WL 5644889, *4 (Bankr. N.D. Ill. Dec. 31, 2008).

In the present case, there are no unusual circumstances to justify distributing the estate proceeds in chapter 11. To the contrary, there are several other factors outside the enumerated elements of "cause" under §1112(b)(4) that provide further cause to convert this case to chapter 7. The list of the types of "cause" set forth in section 1112(b)(4) is not exhaustive and other types of causes may be established to support dismissal or conversion. *In re Orbit Petroleum, Inc.*, 395 B.R. 145, 148 (Bankr. D.N.M. 2008) (citing *In re Ameri-CERT, Inc.*, 360 B.R. 398, 401 (Bankr. D.N.H. 2007)). As Polaroid winds up its various "loose ends" there remains little reason for any management personnel to remain in place to advance any chapter 11 plan. A liquidating trustee and the proceeds collected by the trustee would not be subject to the Court's exclusive jurisdiction or supervision.¹ See *In re Canal Street Ltd. Partnership*, 260 B.R. 460, 463 n. 2 (Bankr. D. Minn. 2001) (creditor's motion to reopen bankruptcy post-confirmation denied because "the Bankruptcy Court does not have exclusive jurisdiction over issues stemming from a post-confirmation default.") (citation omitted). Accord, *In re Ernst*, 49 B.R. 700, 702 (Bankr. D. Minn. 1985) ("Unless the matter at issue is within the exclusive jurisdiction of the Bankruptcy Court, the mere reservation of jurisdiction in the case by the Bankruptcy Court post-confirmation does not foreclose the right of a party to seek his remedy upon default under the plan in a state court having jurisdiction over the subject matter of the dispute.") (footnote omitted).

The administrative costs associated with the preparation of a disclosure statement and a plan of reorganization, together with the procedural requirements of the Bankruptcy Code to get

¹ "The propriety of a bankruptcy court considering matters related to a confirmed chapter 11 plan is often discussed in terms of whether either section 1142 or the terms of the plan provide the bankruptcy court with jurisdiction to consider the matter at issue. Yet neither section 1142 nor the terms of a plan confer jurisdiction upon a bankruptcy court. Bankruptcy jurisdiction is governed by 28 U.S.C. § 1334; this is so whether the matter at issue arises before or after confirmation of a plan." 8 Collier on Bankruptcy, ¶ 1142.04[1] at 1142-7 (15th ed. rev'd 2009) (footnotes omitted).

any plan confirmed, would be prohibitive and time-consuming. The fraud allegations against Thomas Petters and the subsequent receivership in related Petters entities merit heightened supervision by the bankruptcy court in the case. An independent chapter 7 trustee would provide the fairest, most cost effective and most independent means to accomplish administering this estate. There are no “unusual circumstances” to justify keeping this case in chapter 11; the circumstances of this case favor converting the case to chapter 7.

The United States Trustee requests that the Bankruptcy Court convert this case for cause pursuant to 11 U.S.C. § 1112(b)(1) based on the cause set forth above.

Dated: June 1, 2009

HABBO G. FOKKENA
United States Trustee
Region 12

By: /e/ Michael E. Ridgway
Trial Attorney, SD Atty # 1456
Robert B. Raschke
Assistant U.S. Trustee, MN # 161081
Department of Justice
Office of U.S. Trustee
1015 United States Courthouse
300 South Fourth Street
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Chapter 11 Cases
Judge Gregory F. Kishel

UNSWORN CERTIFICATE OF SERVICE

The undersigned hereby certifies under penalty of perjury that on June 1, 2009, she filed the attached Notice of Hearing on United States Trustee's Motion to Convert Chapter 11 Case, Notice of Hearing on Motion to Convert Chapter 11 Case, Verification, Memorandum of Law and proposed Order, electronically by Notice of Electronic Filing upon all parties who have requested electronic service in these cases by filing the same via ECF with the Bankruptcy Court in the District of Minnesota, and upon the following parties via U.S. Mail to the addresses listed below:

United States Attorney District of Minnesota 600 U.S. Courthouse 300 South Fourth Street Minneapolis, MN 55415	IRS District Counsel 380 Jackson St Suite 650 St. Paul, MN 55101-4804	Chad Cooley WCD Property LLC 60 Columbus Circle, 18th Floor New York, NY 10023
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<p>Minnesota Dept. of Revenue Mail Station 6330 Saint Paul MN 55164</p>	<p>Richard Chesley Greg Otsuka Paul, Hastings, Janofsky & Walker, LLP Chicago, IL 60606</p>	<p>Internal Revenue Service Wells Fargo Place 30 East 7th St. Mail Stop 5700 Saint Paul MN 55101</p>
<p>Data Exchange Corporation William Cormany, Hair & Compton, LLP 1000 Town Center Drive, 6th Floor PO Box 9100 Oxnard, CA 93031-9100</p>	<p>Faegre & Benson LLP Dennis Ryan On Behalf of Polaroid Unsecured Creditors Committee 90 South 7th Street 2200 Wells Fargo Center Minneapolis, MN 66503-3901</p>	<p>Jason Price Houlihan Lokey Howard & Zukin Capital 225 S. 6th Street, Suite 4950 Minneapolis, MN 55402</p>
<p>E.J. Harris Marketstar Corporation 2475 Washington blvd. Ogden, UT 84401</p>	<p>IKON Financial Services Katrina Rumph 3920 Arkwright Road, Suite 4950 Minneapolis, MN 55402</p>	<p>Ray Mai Proview Technology (Shenzhen) Company 8FL North Block 21 No. S Shatoukok Free Trade Zone Shenzhen, China 518081</p>
<p>Masatoshi Maeda OS Electornics Company, Ltd 3-16-8 Sotokanda Chiyoda-ku 1010021</p>	<p>Daniel Phipps Axis Design Attn: Junichi Umehara 1-7 Yukigay-otsukamachi Otta-ku 145-8501 Tokyo, Japan</p>	<p>Martin Croyle Croyle & Associates PC 220 Broadway, Suite 204 Lynnfield, MA 01940</p>
<p>Kelly Mundorff Thule Organization Solutions, Inc. 6303 Dry Creek Pkwy Longmont, CO 80503</p>	<p>TW Telecom, Inc. c/o Linda Boyle 10475 Park Meadows Drive, Suite 400 Lilittleton, CO 80124</p>	<p>Bryan Krakauer on Behalf of Rhone Holdings II, Ltd. Sidley Austin LLP One South Dearborn Chicago, IL 60603</p>
<p>Iron Mountain Information Management, Inc. c/o Frank F. McGinn, Esq Barlett Hackett Feinberg, PC 155 Federal Street, 9th Floor boston, MA 2110</p>	<p>Oracle USA Inc. c/o Buchalter Nemer Shawn M. Christianson 333 Market Street 25th Floor San Francisco, CA 94105</p>	<p>Lynn Hamilton Butler On behalf of Axis Design Brown McCarroll LLP 111 Congress Avenue, Suite 1400 Austin, TX 78701</p>

<p>Alexandra Steinberg Barrage On Behalf of Nikon Corporation Morrison & Foerter 2000 Pennsylvania Avenue NW Suite 6000 Washington, DC 20006</p>	<p>Gregory M. Gordon On behalf of Lithographic Legends Jones Day 2727 N. Harwood Street Dallas, TX 75201</p>	<p>Robert B. Lamb On Behalf of Summit Technology Group, LLC PO Box 45120 Salt Lake City, UT 54145-0120</p>
<p>KPMG LLP 99 High Street Boston, MA 02110-2371</p>	<p>Richard Hettler 4818 Overlook Lake Circle Bloomington, MN 55437</p>	<p>James Rubenstein Moss & Barnett 4800 Wells Fargo Cente 90 South Seventh Street Minneapolis, MN 55402-4129</p>
<p>Van C. Durer or Ramon M. Naguiat on behalf of Lorence Harmer Skadden Arps Slate Meagher & Flom 300 S. Grand Avenue, Suite 3400 Los Angeles, CA 90071</p>	<p>Nauni Manty Manty & Associates, PA 33 South 6th Street, #4100 Minneapolis, MN 55402</p>	<p>Justin D. Leonard Ball Janik LLP 101 SW Mai Street, Suite 1100 Portland, OR 97204</p>
<p>James A. Lodoen Lindquist & Vennum PLLP 4200 IDS Center 80 South 8th Street Minneapolis, MN 55402</p>		

Executed: June 1, 2009

By: /s/ Audrey Williams
Audrey Williams
Office of the United States Trustee

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Chapter 11 Cases
Judge Gregory F. Kishel

ORDER

On June 23, 2009, the United States Trustee's motion to convert the above named jointly administered chapter 11 case to chapter 7 came before the Bankruptcy Court.

Appearances were noted on the record.

Based on the pleadings, file and record of these proceeding, and other good cause appearing:

IT IS HEREBY ORDERED:

1. This jointly administered chapter 11 case is converted to a chapter 7 case pursuant to 11 U.S.C. § 1112(b)(1).

Dated: _____
AT: St. Paul, MN

Gregory F. Kishel
United States Bankruptcy Judge