

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

IN RE POLAROID ERISA LITIGATION	)	MASTER FILE: 03 CV 8335 (WHP)
THIS DOCUMENT RELATES TO:	)	
ALL ACTIONS	)	
	)	

**ORDER AND FINAL JUDGMENT**

WHEREAS, this cause having come before the Court on June 22, 2007, for a final hearing on a proposed settlement of the Action (the "Settlement") in accordance with the Class Action Settlement Agreement (the "Settlement Agreement") executed on March 15, 2007 and the Court having read and considered the Settlement Agreement, heard arguments of counsel, granting preliminary approval of the Settlement by Order dated May 4, 2007; and the Court having considered all objections raised and all parties having consented to the entry of this Order; it is

ORDERED, ADJUDGED AND DECREED THAT:

**DEFINITIONS**

1. For purposes of this Order and Final Judgment and Order of Dismissal (the "Final Judgment"), the Court adopts and incorporates the definitions contained in the Settlement Agreement.

**JURISDICTION**

2. The Court has jurisdiction over the subject matter of this Action and over all parties to this Action, including all members of the Class.

### APPROVAL OF THE SETTLEMENT

3. The Court hereby approves and confirms the Settlement embodied in the Settlement Agreement as being a fair, reasonable, and adequate compromise of this Action, adopts the Settlement Agreement as its Judgment, and orders that the Settlement Agreement shall be effective, binding, and enforced according to its terms and conditions.

4. The Court determines that the Settlement, which includes the payment of \$15 million on behalf of Defendants, has been negotiated vigorously and at arm's-length, and further finds that, at all times, Plaintiffs have acted independently and that their interests are identical to the interests of the Plan and the Class.

5. The Court further finds that the Settlement arises from a genuine controversy between the Parties and is not the result of collusion, nor was the Settlement procured by fraud or misrepresentation.

6. The Court finds that the Plan's participation in the Settlement is on terms no less favorable than Plaintiffs and the Class.

7. The Court determines that the Settlement is not part of an agreement, arrangement or understanding designed to benefit a party in interest, but rather is designed and intended to benefit the Plan, Plan Participants, and Beneficiaries. Accordingly, the Court determines that the negotiation and consummation of the Settlement by Plaintiffs on behalf of the Plan and the Class do not constitute "prohibited transactions" as defined by ERISA §§ 406(a) or (b), 29 U.S.C. §§ 1106(a) or (b). Further, the Court finds that, to the extent any of the transactions required by the Settlement constitute a transaction prohibited by ERISA § 406(a), 29 U.S.C. §§ 1106(a),

such transactions satisfy the provisions of Prohibited Transaction Exemption 2003-39. 68 Fed. Reg. 75632 (2003).

### NOTICE

8. The Court determines that the notice transmitted to the Class, pursuant to the Preliminary Approval Order concerning the Settlement and the other matters set forth therein, is the best notice practicable under the circumstances and included individual notice to all Members of the Class who could be identified through reasonable efforts as well as publication in the USA Today and Boston Globe and by posting to a dedicated settlement website. Such notice provides valid, due and sufficient notice of these proceedings and of the matters set forth therein, including the Settlement described in the Settlement Agreement to all persons entitled to such notice, and such notice has fully satisfied the requirements of Federal Rule of Civil Procedure 23 and the requirements of due process.

### MAINTENANCE AS CLASS ACTION

9. In accordance with the Court's Order dated September 29, 2006, the Court hereby approves the maintenance of the Action as a non-opt-out class action pursuant to Federal Rules of Civil Procedure 23(a) and 23(b)(1) with the class being defined as follows:

All persons who were participants in or beneficiaries of, the Plan at any time between October 1, 1999 and January 15, 2003 (the "Class Period"), and whose accounts included investments in Polaroid stock.

For purposes of and pursuant to the Settlement, the Court excludes from the class the following persons:

Any of the Individual Defendants, as that term is defined in the Settlement Agreement, or any of their immediate family members, beneficiaries,

alternate payees, executors, administrators, Representatives or Successors-In-Interest, except for spouses and immediate family members who themselves were participants in the Plan, who shall be considered members of the Class with respect to their own Plan accounts.

Such a class meets the applicable requirements for a class imposed by Federal Rule of Civil Procedure 23.

#### **DISMISSAL WITH PREJUDICE**

10. The Court hereby dismisses the Second Amended Complaint and the Action against all Defendants with prejudice on the merits based on the Settlement. Pursuant to the terms of the Settlement Agreement, Defendants shall withdraw their petition for appellate review of this Court's class certification order under Fed. R. Civ. P. 23(f).

#### **RELEASES AND COVENANTS**

11. Effective upon the entry of this Final Order by the Court, the Plaintiffs and Defendants release claims as set forth in ¶ 3 of the Settlement Agreement.

12. All members of the Class and the Plan are hereby barred and enjoined from the institution and prosecution, either directly or indirectly, of any other actions in any court asserting any and all Released Claims against any and all Releasees.

#### **NO ADMISSION OR EVIDENCE OF LIABILITY**

13. This Court hereby decrees that neither the Settlement Agreement, nor this Final Judgment, nor the fact of the Settlement, is an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by the Released Parties or of the truth of any of the claims or allegations alleged in the Action. This Final Judgment is not a finding of the validity or invalidity of any claims in the Action or of any wrongdoing or lack thereof by any of the Defendants. The Settlement Agreement, and

any and all negotiations, documents, and discussions associated with it, shall not be deemed or construed to be an admission or evidence of any violation of any statute or law or of any liability or wrongdoing by Plaintiffs, or any of the Defendants, or of any alleged defense, or of the absence of any wrongdoing or limitations of damage or injury, and evidence thereof shall not be discoverable or used directly or indirectly, in any way, by any Person, in any other proceeding.

#### **APPROVAL OF PLAN OF ALLOCATION**

14. The revised Plan of Allocation for the Settlement Fund, submitted as Exhibit B to Plaintiffs' Memorandum of Law in Support of Final Approval of the Settlement and established pursuant to Paragraph 8.1.6 of the Settlement Agreement, is approved as fair, reasonable and adequate.

15. The Court finds that the payment and distribution of the Settlement Amount is a "restorative payment" as defined in IRS Revenue Ruling 2002-45.

#### **TERMINATION OF SETTLEMENT**

16. In the event that the Effective Date does not occur, or the Settlement is terminated in accordance with the terms and provisions of the Settlement Agreement, then this Final Judgment shall be rendered null and void and be vacated and the Stipulation and all orders entered and releases delivered in connection therewith by this Court shall be rendered null and void.

#### **CONTINUING JURISDICTION**

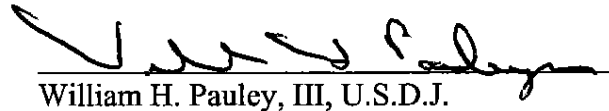
17. Without affecting the finality of this Judgment, the Court retains jurisdiction for purposes of implementing the Agreement, including the Plan of Allocation, and reserves the power to enter additional orders to effectuate the fair and

orderly administration and consummation of the Agreement and Settlement, as may from time to time be appropriate, and resolution of any and all disputes arising thereunder.

**ENTRY OF FINAL JUDGMENT**

18. The Court finds that no just reason exists for delay in entering final judgment in accordance with the Stipulation. Accordingly, the Clerk is hereby directed to enter this Final Judgment.

SO ORDERED this 25<sup>th</sup> day of June, 2007.

  
William H. Pauley, III, U.S.D.J.