

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

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: **Chapter 11**
In re :
: **Case No. 10-14997 (BRL)**
BLOCKBUSTER INC., *et al.*,¹ :
: **(Jointly Administered)**
: **Re: Dkt. Nos. 921, 926, 1133, 1194, 1201, 1209,**
Debtors. : **1210, 1219, 1220, 1324, 1737, and 1794**
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**ORDER GRANTING APPLICATIONS
FOR ALLOWANCE OF INTERIM COMPENSATION
FOR PROFESSIONAL SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED FROM SEPTEMBER 23, 2010 THROUGH JANUARY 31, 2011**

Upon consideration of the applications (“*First Interim Applications*”²) seeking allowance of interim compensation for professional services rendered and reimbursement of actual and necessary expenses incurred in connection therewith for the period of September 23, 2010 through and including January 31, 2011 (the “*First Compensation Period*”), filed by the professionals listed on *Schedule “A”* annexed hereto (the “*Retained Professionals*”); and the Court having jurisdiction to consider the First Interim Applications and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the First Interim Applications

¹ The Debtors, together with the last four digits of each Debtor’s federal tax identification number, are: Blockbuster Inc. (5102); Blockbuster Canada Inc. (1269); Blockbuster Digital Technologies Inc. (9222); Blockbuster Distribution, Inc. (0610); Blockbuster Gift Card, Inc. (1855); Blockbuster Global Services Inc. (3019); Blockbuster International Spain Inc. (7615); Blockbuster Investments LLC (6313); Blockbuster Procurement LP (2546); Blockbuster Video Italy, Inc (5068); Movieline, LLC (5575); Trading Zone Inc. (8588); and B² LLC (5219).

² Dkt. Nos. 921, 926, 1133, 1194, 1201, 1209, 1210, 1219, 1220, 1324, and 1737. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the First Interim Applications, as applicable.

and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and notice having been given pursuant to Bankruptcy Rule 2002(a)(6) and (c)(2) and the *Order Pursuant to 11 U.S.C. § 105(a) of the Bankruptcy Code and Fed. R. Bankr. P. 1015(c) and 9007 Implementing Certain Notice and Case Management Procedures*, entered on October 20, 2010 [Dkt. No. 364] (the “**Interim Compensation Procedures Order**”), and no further notice being necessary; and a hearing having been held on June 23, 2011 (the “**Hearing**”) to consider the First Interim Applications and any objections raised thereto; and upon the record of the Hearing and the Court’s decision stated on the record of the Hearing; and it appearing that the amounts set forth on Schedule “A” properly incorporate the Court’s ruling at the Hearing; and after due deliberation and sufficient cause appearing therefor; **IT IS HEREBY ORDERED THAT:**

1. Pursuant to sections 330 and 331 of the Bankruptcy Code, the First Interim Applications of the Retained Professionals as set forth on Schedule “A” are granted as provided herein.
2. Payment of twenty percent (20%) of the fees awarded herein as set forth on Schedule “A” shall continue to be held back until further order of the Court (the “**Holdback**”).
3. The specific objections of the United States Trustee to the First Interim Applications of certain professionals other than that the Court suspend further payments to professionals, as set forth in that certain *Response of the United States Trustee Regarding Applications for Interim Compensation*, dated June 17, 2011 [Dkt. No. 1870], are preserved and, if not otherwise resolved, shall be considered in connection with any hearing on final fee applications.

4. The objection raised by the United States Trustee that ongoing payments to professionals for compensation and reimbursement of expenses be suspended is overruled.

5. The Debtors are directed and authorized, upon entry of this Order, to pay each Retained Professional promptly, by wire transfer or check, all the fees and expenses allowed herein less (i) the Holdback and (ii) any amounts previously paid by the Debtors, *provided, however*, that any prepetition retainers held by the Retained Professionals shall first be applied to satisfy such payments.

6. The Court's *Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, dated October 21, 2010 [Dkt. No. 364] is hereby modified so that, with respect to fees accruing on and after May 1, 2011, paragraph 2(e) of such Order shall now read as follows:

“At the expiration of the Objection Deadline, the Debtors shall promptly pay 75% of the fees and 100% of the expenses identified in each Monthly Statement to which no Objection has been served in accordance with paragraph (d) above.”

7. Subject to the statements made on the record of the Hearing, the Debtors shall not be required to set any further interim fee applications for a hearing prior to the October 2011 omnibus hearing in these chapter 11 cases.

8. This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: June 28, 2011
New York, New York

s/Burton R. Lifland
HONORABLE BURTON R. LIFLAND,
UNITED STATES BANKRUPTCY JUDGE

Schedule A

Current (First) Compensation Period: September 23, 2010 – January 31, 2011

Case No: 10-14997 (BRL)

Case Name: In re Blockbuster Inc., *et al.*

	Applicant	Docket No.	Fees Requested	Fees Awarded (Including Holdback)	Total Fees Authorized to be Paid by Debtors	Holdback (20%)	Expenses Requested	Expenses Awarded
1	Weil, Gotshal & Manges LLP (Counsel to the Debtors)	1210	\$3,078,770.25	\$3,078,770.25	\$2,463,016.20	\$615,754.05	\$102,072.66	\$102,072.66
2	Cooley LLP (Counsel to the Official Committee of Unsecured Creditors)	1133	\$1,844,496.50	\$1,844,496.50	\$1,475,597.20	\$368,899.30	\$30,834.37	\$30,834.37
3	Rothschild Inc. (Financial Advisor and Investment Banker for the Debtors)	1209	\$546,666.67	\$546,666.67	\$437,333.34	\$109,333.33	\$49,844.41	\$49,844.41
4	FTI Consulting, Inc. (Financial Advisor to the Official Committee of Unsecured Creditors)	1324	\$530,000.00	\$530,000.00	\$424,000.00	\$106,000.00	\$23,950.32	\$23,950.32
5	Ernst & Young LLP (Internal Auditors for the Debtors)	1737	\$216,150.85	\$216,150.85	\$172,920.68	\$43,230.17	\$55.00	\$55.00
6	Deloitte Financial Advisory Services LLP (Valuation Services Provider for the Debtors)	1219	\$363,777.50	\$363,777.50	\$291,022.00	\$72,755.50	\$718.82	\$718.82
7	Deloitte Tax LLP (Tax Advisor to the Debtors)	1220	\$412,112.50	\$412,112.50	\$329,690.00	\$82,422.50	\$966.12	\$966.12
8	PricewaterhouseCoopers LLP (Independent Auditors for the Debtors)	1194	\$1,412,738.50	\$1,412,738.50	\$1,130,190.80	\$282,547.70	\$12,483.12	\$12,483.12
9	Bloodworth Carroll, P.C. (Special Counsel to the Debtors)	1201	\$83,750.00	\$83,750.00	\$67,000.00	\$16,750.00	\$0.00	\$0.00
10	Ray & Glick, Ltd.	921	\$291,250.00	\$291,250.00	\$233,000.00	\$58,250.00	\$0.00	\$0.00
11	Chaiken Legal Group, P.C. (Special Counsel to the Debtors)	926	\$236,525.00	\$236,525.00	\$189,220.00	\$47,305	\$0.00	\$0.00

Schedule A

Date: June 23, 2011

Initials: BRL, USBJ

General Information

Case Name	BB Liquidating Inc.
Docket Number	1:10-bk-14997
Court	United States Bankruptcy Court for the Southern District of New York
Primary Date	2010-09-23 00:00:00
Related Opinion(s)	441 B.R. 239; 2011 BL 78536