

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
	:	
BLOCKBUSTER INC., <i>et al.</i> , ¹	:	Case No. 10-14997 (BRL)
	:	
	:	(Jointly Administered)
Debtors.	:	
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**ORDER PURSUANT TO 11 U.S.C. §§ 327(a), 328(a),
AND 330, FED. R. BANKR. P. 2014 (a) AND 2016, AND LOCAL
BANKRUPTCY RULES 2014-1 AND 2016-1 AUTHORIZING THE RETENTION
AND EMPLOYMENT OF DELOITTE FINANCIAL ADVISORY SERVICES LLP
AS VALUATION SERVICES PROVIDER NUNC PRO TUNC TO NOVEMBER 10, 2010**

Upon the Application² dated December 10, 2010, of Blockbuster Inc. and its debtor affiliates, as debtors and debtors in possession (collectively, “*Blockbuster*” or the “*Debtors*”) in the above captioned chapter 11 cases (the “*Chapter 11 Cases*”) pursuant to sections 327, 328(a), and 330 of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, Local Rules 2014-1 and 2016-1, and the Amended Guidelines, requesting authority to retain and employ Deloitte Financial Advisory Services LLP (“*Deloitte FAS*”) as valuations services provider *nunc pro tunc* to the November 10, 2010, under the terms and conditions set forth in the Engagement Letter; and upon the declaration of Daniel M. Peckham in support of the Application (the “*Peckham Declaration*”); and this Court having jurisdiction to consider the Application and grant the requested relief in accordance with 28 U.S.C. §§ 157 and 1334 and the

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); Movielink, LLC (5575); Trading Zone Inc. (8588); and B² LLC (5219).

² Capitalized terms not defined herein shall have the meaning ascribed to them in the Application.

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 Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Debtors having provided notice of the Application to the Notice Parties; and it appearing that no further notice need be given; and the Debtors having received informal comments from the U.S. Trustee and revised the Order accordingly; this Court finds and determines that (a) Deloitte FAS does not hold or represent any interest adverse to the Debtors' estates; (b) Deloitte FAS is a "disinterested person" as defined in section 101(14) of the Bankruptcy Code and as required by section 327(a) of the Bankruptcy Code; (c) the terms and conditions of Deloitte FAS' employment, are reasonable as required by section 328(a) of the Bankruptcy Code; and (d) the requested relief is in the best interests of the Debtors, the Debtors' estates, creditors, and all parties in interest; and the Debtors having provided due and proper notice of the Application and the opportunity for a hearing on the Application and no further notice is necessary; the legal and factual bases set forth in the Application establish just and sufficient cause to grant the relief requested therein; **IT IS HEREBY ORDERED THAT:**

1. The Application is granted.
2. In accordance with sections 328(a) and 327 of the Bankruptcy Code, the Debtors are authorized to employ Deloitte FAS as their valuation services provider in accordance with the terms set forth in the Engagement Letter attached hereto as *Exhibit "1"* effective *nunc pro tunc* to the November 10, 2010.
3. All requests of Deloitte FAS for payment of indemnity pursuant to the Engagement Letter shall be made by application (interim or final, as applicable) to the Court and shall be subject to review by the Court to ensure that payment of such indemnity conforms to the

terms of the Engagement Letter and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought, provided, that in no event shall Deloitte FAS be indemnified in the case of its own bad faith, self-dealing, breach of fiduciary duty (if any), gross negligence, or willful misconduct.

4. In no event shall Deloitte FAS be indemnified if the Debtors or a representative of the Debtors' estate, asserts a claim for, and a court determines by final order that such claim arose out of, Deloitte FAS' own bad-faith, self-dealing, breach of fiduciary duty (if any), gross negligence, or willful misconduct.

5. In the event that Deloitte FAS seeks reimbursement for attorneys' fees from the Debtors pursuant to the Engagement Letter, the invoices and supporting time records from such attorneys shall be included in Deloitte FAS' own applications (both interim and final) and such invoices and time records shall be subject to the United States Trustee's Guidelines for compensation and reimbursement of expenses and the approval of the Bankruptcy Court under the standards of sections 330 and 331 of the Bankruptcy Code without regard to whether such attorney has been retained under section 327 of the Bankruptcy Code and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code.

6. Deloitte FAS shall not be entitled to reimbursement by the Debtors for any fees, disbursements, or other charges of Deloitte FAS' attorneys, other than those incurred in connection with a request of Deloitte FAS for payment of indemnity.

7. Deloitte FAS shall file fee applications for interim and final allowance of compensation and reimbursement of expenses pursuant to sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, any monthly compensation order approved by this Court, and any other orders of the Court. and shall be subject to the standard of review set forth in section 330 of the Bankruptcy Code.

8. Ten business days' notice must be provided by Deloitte FAS to the Debtors, the U.S. Trustee, the Official Committee of Unsecured Creditors and any other official committee prior to any increases in the rates set forth in the Application and/or Engagement Letter, and such notice must be filed with the Court. The U.S. Trustee retains all rights to object to any rate increase on all grounds including, but not limited to, the reasonableness standard provided for in section 330 of the Bankruptcy Code, and the Court retains the right to review any rate increase pursuant to section 330 of the Bankruptcy Code.

9. The U.S. Trustee retains all rights to respond or object to Deloitte FAS' interim and final applications for compensation and reimbursement of expenses on all grounds, including, but not limited to, reasonableness pursuant to section 330 of the Bankruptcy Code.

10. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

11. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

12. To the extent this Order is inconsistent with the Engagement Letter or the Application, this Order shall govern.

13. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Dated: February 8, 2011
New York, New York

 /s/ Burton R. Lifland
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Engagement Letter