

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

In re

BORDERS GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 11-10614

(Jointly Administered)

**ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 327, AND 330 AUTHORIZING DEBTORS
TO EMPLOY PROFESSIONALS UTILIZED IN THE ORDINARY COURSE OF
BUSINESS, NUNC PRO TUNC TO THE COMMENCEMENT DATE**

Upon the Motion, dated February 16, 2011 (the “Motion”)² of Borders Group, Inc. and its affiliated debtors, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), for an order, pursuant to sections 105(a), 327, and 330 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), requesting authorization to employ professionals utilized in the ordinary course of business (the “Ordinary Course Professionals”), all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and grant the requested relief in accordance with 28 U.S.C. §§ 157 and 1334 and 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 Motion 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 Motion and Hearing (as defined below) to the Notice Parties; and it appearing that no other or further notice need be provided; and the Court having held a hearing

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: Borders Group, Inc. (4588); Borders International Services, Inc. (5075); Borders, Inc. (4285); Borders Direct, LLC (0084); Borders Properties, Inc. (7978); Borders Online, Inc. (8425); Borders Online, LLC (8996); and BGP (UK) Limited.

² All capitalized terms not defined herein shall have the meanings assigned to them in the Motion.

to consider the requested relief (the “Hearing”); and upon the record of the Hearing, and all of the proceedings before the Court, the Court finds and determines that the requested relief is in the best interest of the Debtors, their estates, creditors, and all parties in interest; and that the legal and factual bases set forth in the Motion establish just and sufficient cause to grant the requested relief herein; and after due deliberation and sufficient cause appearing therefore, **IT IS HEREBY ORDERED:**

1. The Motion is granted as provided herein.
2. Pursuant to sections 105(a), 327, and 330 of the Bankruptcy Code, to the extent deemed necessary by the Debtors, the Debtors are authorized to employ, *nunc pro tunc* to the Commencement Date, the Ordinary Course Professionals listed on Exhibit 3 annexed hereto, in the ordinary course of their businesses, in accordance with the procedures set forth herein.
3. Each Ordinary Course Professional shall provide the Debtors’ attorneys within thirty (30) days of the later of (i) the entry of this Order and (ii) the date on which the Ordinary Course Professional commences services for the Debtors: (a) a declaration (the “Ordinary Course Professional Declaration”), substantially in the form annexed hereto as Exhibit 1, certifying that such Ordinary Course Professional does not represent or hold any interest materially adverse to the Debtors or their estates with respect to the matter on which the professional is to be employed; and (b) a completed retention questionnaire (the “Retention Questionnaire”), substantially in the form annexed hereto as Exhibit 2.
4. The Debtors’ attorneys shall file the Ordinary Course Professional Declarations and Retention Questionnaires with the Court and serve a copy thereof upon the Reviewing Parties (as defined below) within thirty (30) days of the later of (i) the entry of this Order and (ii) the commencement of any work by such Ordinary Course Professional.

5. The Debtors are authorized to supplement the list of Ordinary Course Professionals from time to time during these chapter 11 cases, as the need arises, and file a notice with the Court listing such additional Ordinary Course Professionals and attaching thereto the relevant Ordinary Course Professional Declarations and Retention Questionnaires (collectively, the “Supplemental Notice of Ordinary Course Professionals”), and serve the Supplemental Notice of Ordinary Course Professionals on the (i) U.S. Trustee and (ii) attorneys for the Creditors’ Committee (together with the Debtors, the “Reviewing Parties”).

6. The Reviewing Parties shall have fifteen (15) days after receipt of the Ordinary Course Professional Declaration and the Retention Questionnaire, in the case of Ordinary Course Professionals listed on Exhibit 3, attached hereto, or the Supplemental Notice of Ordinary Course Professionals, in the case of any additional Ordinary Course Professionals, to object to the retention, employment or compensation of the Ordinary Course Professional based on the contents of the respective Ordinary Course Professional Declaration or Retention Questionnaire (the “Objection Deadline”).

7. If no objections are filed by the Objection Deadline, the retention, employment, and compensation of the Ordinary Course Professional shall be deemed approved pursuant to section 327 of the Bankruptcy Code without the need for a hearing and without further order from the Court, *nunc pro tunc* to the Commencement Date with respect to the Ordinary Course Professionals listed on Exhibit 3 or as of the date the Ordinary Course Professional is retained with respect to additional Ordinary Course Professionals; *provided, however*, that if an objection is filed and any such objection cannot be resolved within twenty-one (21) days, the matter shall be set for a hearing before the Court.

8. The Debtors are authorized to pay compensation and reimburse expenses to each of the Ordinary Course Professionals retained pursuant to this Order in the customary manner for the full amount billed by each such Ordinary Course Professional upon receipt of reasonably detailed invoices indicating the nature of the services rendered and calculated in accordance with such professional's standard billing practices (without prejudice to the Debtors' right to dispute any such invoices); *provided, however*, that the payments do not exceed \$40,000 per month per Ordinary Course Professional.

9. Payment to any one Ordinary Course Professional shall not exceed \$300,000 for the entire period in which these chapter 11 cases are pending, subject to further order of the Court.

10. In the event payment to any Ordinary Course Professional exceeds \$300,000 for the entire period in which these chapter 11 cases are pending, such Ordinary Course Professional shall be required to file a retention application with the Court to be retained as a professional pursuant to section 327 of the Bankruptcy Code.

11. In the event that an Ordinary Course Professional seeks more than \$40,000 in a given month, that professional will be required to file a fee application with respect to such month for the full amount of its fees and expenses in accordance with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules for the Southern District of New York, any and all orders of the Court, the fee guidelines established by the U.S. Trustee, and such other procedures as may be fixed by order of this Court.

12. Every ninety (90) days (commencing ninety (90) days from the date of entry of this Order), the Debtors shall file a statement with the Court, and serve the same on the Reviewing Parties, which statement shall include the following information for each Ordinary

Course Professional: (a) the name of such Ordinary Course Professional, (b) for each month during the relevant period, the amounts paid as compensation for services rendered and as reimbursement of expenses incurred by such Ordinary Course Professional, and (c) the aggregate amount paid to date to such Ordinary Course Professional as compensation for services rendered and as reimbursement of expenses incurred.

13. The Debtors reserve the right to seek to amend the monthly compensation limitations set forth in this Order upon notice and hearing.

14. This Order shall not apply to any professional retained by the Debtors pursuant to a separate order of the Court.

15. 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: March 15, 2011
New York, New York

/s/Martin Glenn
MARTIN GLENN
United States Bankruptcy Judge

EXHIBIT 1
DECLARATION

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

In re

BORDERS GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 11-10614

(Jointly Administered)

DECLARATION

STATE OF _____)

) ss:

COUNTY OF _____)

_____, pursuant to 28 U.S.C. § 1746, hereby declare and state:

16. I am a _____ [INSERT TITLE] of _____,
located at _____ (the “Firm”).

17. Borders Group, Inc. and its affiliated debtors, as debtors and debtors in possession (collectively, the “Debtors”), have requested that the Firm provide services to the Debtors, and the Firm has consented to provide such services.

18. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in the Debtors’ chapter 11 cases. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants or employees of the Debtors, or other parties in interest in these chapter 11 cases. The Firm does not perform services for any such person in connection with these

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chapter 11 cases. In addition, the Firm does not have any relationship with any such person, their attorneys, or accountants that would be materially adverse to the Debtors or their estates.

19. Neither I, nor any principal of, or professional employed by the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principals and regular employees of the Firm.

20. Neither I, nor any principal of, or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest materially adverse to the Debtors or their estates.

21. The Debtors owe the Firm \$_____ for prepetition services.

22. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of that inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Declaration if necessary.

I declare under penalty of perjury that the foregoing information is true and correct to the best of my knowledge, information, and belief.

Print Name: _____

EXHIBIT 2

QUESTIONNAIRE

RETENTION QUESTIONNAIRE

TO BE COMPLETED BY PROFESSIONALS EMPLOYED BY BORDERS GROUP, INC., OR ANY OF ITS DEBTOR SUBSIDIARIES (collectively, the “Debtors”).

DO NOT FILE THIS QUESTIONNAIRE WITH THE COURT. RETURN IT FOR FILING BY THE DEBTORS, TO:

Kasowitz, Benson, Torres & Friedman LLP
1633 Broadway
New York, New York 10019
Attn: Jeffrey R. Gleit, Esq.
Alan Lungen, Esq.

All questions **must** be answered. Please use “none,” “not applicable,” or “N/A,” as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of firm:

2. Date of retention: _____

3. Type of services to be provided (e.g., accounting, legal, financial): _____

4. Brief description of services to be provided: _____

5. Type of compensation (e.g., hourly, contingent) and average hourly rate, if applicable:

6. Estimated average monthly compensation based on prepetition retention (if firm was employed prepetition): _____

7. Prepetition claims against the Debtors held by the firm:
Amount of claim: _____
Date claim arose: _____
Source of claim: _____

8. Prepetition claims against the Debtors held individually by any member, associate, or professional employee of the firm:
Name: _____
Status: _____
Amount of claim: _____
Date claim arose: _____
Source of claim: _____

9. Stock of Debtors currently held by the firm:
Kind of shares: _____
Number of shares: _____

10. Stock of the Debtors currently held individually by any member, associate, or professional employee of the firm:
Name: _____
Status: _____
Kind of shares: _____
Number of shares: _____

11. Disclose the nature and provide a brief description of any interest materially adverse to the Debtors or to their estates with respect to the matters on which the above-named firm is to be employed: _____

12. Name of the individual completing this form: _____

EXHIBIT 3

LIST OF ORDINARY COURSE PROFESSIONALS

ORDINARY COURSE PROFESSIONALS

Akin Gump Strauss Hauer & Feld
580 California Street, Suite 1500
San Francisco, CA 94104-1026
c/o Reginald D. Steer

Buchaman Law Firm LLP
510 Thornall Street
Suite 200
Edison, NJ 08837
c/o Nicholas J Bergman Esq.

Buckley King
Center at 600 Vine
600 Vine Street
Suite #2010
Cincinnati, OH 45205
c/o Jeffrey R. Teeters

Bullivant Houser Bailey
300 Pioneer Tower
888 SW Fifth Avenue, Suite 300
Portland, OR 97204
c/o D. Schwartz

Conlin McKenny & Philbrick
350 S. Main Street, Suite 400
Ann Arbor, MI 48104
c/o Douglas McClure

Dawson Disantis & Myers
21 West Central Avenue
Delaware, OH 43015
c/o Robert W. Myers

Finnegan Henderson Farabow Garrett & Dunner LLP
901 New York Avenue, NW
Washington, DC 20001-4413
c/o Jeffrey C. Totten
Fish & Richardson P.C.
1717 Main Street, Suite 5000
Dallas, TX 75201
c/o David B. Conrad

Fredrickson & Byron
200 South Sixth Street, Suite 4000
Minneapolis, MN 55402
c/o Christopher Dolan

Hancock & Estabrook
1500AXA Tower I
100 Madison Street
Syracuse, NY 13202
c/o David G. Linger

Harness Dickey & Pierce, PLC
5445 Corporate Drive, Suite 200
Troy, MI 48098-2683
Contact: G. Gregory Schivley

Jackson Lewis
One PPG Place, 28th Floor
Pittsburg, PA 15222
c/o Mark Shiffman

Jones Day
901 Lakeside Avenue
Cleveland, OH 44114
Contact: David G. Heiman

Lane Powell
1420 Fifth Avenue, Suite 4100
Seattle, WA 98101
c/o James B. Stoetzer

Lemle & Kelleher
21st Floor Pan American Life Center
601 Poydras Street
New Orleans, LA 70130
c/o Alan H. Goodman

Loeb & Loeb LLP
321 North Clark Street, Suite 2300
Chicago, IL 60654
c/o James D. Taylor

Loeb & Loeb LLP
345 Park Avenue
New York, NY 10154
c/o Brian Socolow

McConnell Valdes
270 Munoz Rivera Avenue
San Juan, PR 00918
c/o Iraida Diez

Pillsbury Winthrop Shaw Pittman LLP
50 Fremont Street
San Francisco, CA 94105-2228
c/o David Minnick

Salsbury & Salsbury, LPA
75 Milford Drive, Suite 110
Hudson, OH 44236
c/o Scott Salsbury

Sheppard Mullin
501 West Broadway, 19th Floor
San Diego, CA 92101-3598
c/o James Mittermiller

Sonkin & Koberna Co., L.P.A.
3401 Enterprise Parkway, Suite 400
Cleveland, OH 44122
c/o Rick Sonkin

Willkie Farr & Gallagher LLP
787 Seventh Avenue, 2nd Floor
New York, NY 10019-6099
c/o Jack Nusbaum

Wong & Partners
Level 21, Suite 2101
The Garden South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
c/o Brian Chia