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

In re

BORDERS GROUP, INC., et al.,¹

Debtors.

Chapter 11

Case No. 11-10614 (MG)

(Jointly Administered)

Related Docket Nos. 999, 1016

**NOTICE OF CANCELLATION OF JUNE 16, 2011 AUCTION
TO SELECT LIQUIDATOR FOR STORE CLOSING SALES**

PLEASE TAKE NOTICE that on June 8, 2011, the above captioned debtors and debtors in possession (the “Debtors”) filed the *Debtors’ Motion for Entry of an Order (I) Authorizing the Debtors to Sell Certain Assets Through Store Closing Sales (II) Approving Bidding Procedures to Select Liquidating Agent to Conduct Store Closing Sales, (III) Authorizing the Debtors to Abandon Unsold Property, (IV) Waiving Compliance with Contractual Store Closing Sale Restrictions, (V) Exempting Laws Restricting Store Closing Sales and (VI) Granting Related Relief* (the “Motion”) [Docket No. 999].²

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 Any capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

PLEASE TAKE FURTHER NOTICE that, as set forth in the Motion, the Debtors scheduled an auction for June 16, 2011 to select the Liquidation Agent for the SCSs (the “Auction”).

PLEASE TAKE FURTHER NOTICE the Debtors have engaged in extensive negotiations with their DIP Lenders and the Official Committee of Unsecured Creditors regarding an amendment to the DIP Facility which would alleviate the need to conduct the SCSs. The Debtors believe that the parties have reached an agreement in principle, subject to documentation, and hope to finalize an agreement, subject to Court approval, in the very near term. As such, the Debtors have cancelled the Auction.

Dated: June 15, 2011
New York, New York

KASOWITZ, BENSON, TORRES
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By: /s/ Andrew K. Glenn
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