

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

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: **Chapter 11**
: **Case No. 10-14997 (BRL)**
: **(Jointly Administered)**
: **Debtors.**
: -----X

**ORDER AUTHORIZING
DEBTORS' APPLICATION TO
EMPLOY AND RETAIN VINSON &
ELKINS LLP AS SPECIAL COUNSEL ON
CERTAIN LITIGATION AND CORPORATE GOVERNANCE
MATTERS PURSUANT TO SECTIONS 327(e) AND 330 OF THE
BANKRUPTCY CODE *NUNC PRO TUNC* TO THE COMMENCEMENT DATE**

Upon the Application, dated January 28, 2011 (the "*Application*"),² of Blockbuster Inc., and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, "*Blockbuster*" or the "*Debtors*"), pursuant to sections 327(e) and 330 of chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*"), for authority to retain and employ Vinson & Elkins LLP ("*V & E*") as special litigation and corporate counsel, *nunc pro tunc* to September 23, 2010 (the "*Commencement Date*"), all as more fully set forth in the Application; and upon consideration of the Affidavit of Frank C. Brame, a partner of V & E, filed in support of the Application (the "*Brame Affidavit*"); and the

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

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Application.

Court being satisfied, based on the representations made in the Application and the Brame Affidavit, that V & E represents or holds no interest adverse to the Debtors or their estates and is disinterested under section 101(14) of the Bankruptcy Code as modified by section 1107(b) of the Bankruptcy Code; and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 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 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 due and proper notice of the Application having been provided to the Notice Parties; and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Application is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, IT IS HEREBY ORDERED THAT:

1. The Application is granted to the extent provided herein.
2. Pursuant to sections 327(e) and 330 of the Bankruptcy Code, the Debtors are authorized to employ and retain V & E as its special counsel, effective *nunc pro tunc* to Commencement Date, all as contemplated by the Application.
3. V & E is authorized to perform the services set forth in the Application.
4. V & E shall apply for compensation and reimbursement in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, applicable provisions of the Bankruptcy Rules, the Local Bankruptcy Rules for the Southern District of

New York, the guidelines established by the U.S. Trustee, and the *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 [Docket No. 364], and such other procedures as may be fixed by order of this Court.

5. The Debtors and V & E are authorized to take all actions necessary to effectuate the relief granted in this Order.

6. Notice of the Application as provided herein shall be deemed good and sufficient notice of the Application.

7. This Order shall be immediately effective and enforceable upon entry.

8. 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: October 5, 2011
New York, New York

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