

**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)

**ORDER ESTABLISHING DEADLINE FOR FILING PROOFS OF CLAIM
AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF**

Upon the application, (the “Application”)² of Borders Group, Inc. and its affiliated debtors, as debtors and debtors in possession (collectively, the “Debtors”), for entry of an order pursuant to Rule 3003(c)(3) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), fixing a deadline and establishing procedures for filing proofs of claim and approving the form and manner of service thereof; 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 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 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

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

relief granted herein; and that adequate notice has been given and that no further notice is necessary; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED, that pursuant to Bankruptcy Rule 3003(c)(3), and except as otherwise provided herein, all persons and entities, (including, without limitation, individuals, partnerships, corporations, joint ventures, trusts and governmental units) that assert a claim, as defined in section 101(5) of the Bankruptcy Code, against the Debtors that arose prior to February 16, 2011 (the “Commencement Date”), including a claim pursuant to section 503(b)(9) of the Bankruptcy Code, shall file a proof of such claim (each a “Proof of Claim” and, collectively, “Proofs of Claim”) in writing so that it is received on or before **June 1, 2011 at 5:00 p.m. (Prevailing Eastern Time)** (the “General Bar Date”); and it is further

ORDERED, that pursuant to section 502(b)(9) of the Bankruptcy Code, and notwithstanding any other provision hereof, Proofs of Claim filed by “Governmental Units” (as defined in section 101(27) of the Bankruptcy Code) must be filed on or before **August 15, 2011 at 5:00 p.m. (Prevailing Eastern Time)** (the “Governmental Bar Date” and, together with the General Bar Date, the “Bar Dates”); and it is further

ORDERED, that any person or entity that holds a claim that arises from an executory contract or unexpired lease must file a proof of claim for damages in connection with the executory contract or unexpired lease or related to the leased premises or equipment arising prior to the Commencement Date or from rejection of the executory contract or unexpired lease, on or before the later of (i) the General Bar Date, and (ii) **forty-five (45)** days after the effective date of the rejection of such contract or lease, or be forever barred from doing so; and it is further

ORDERED, that subject to the exceptions described herein, any person or entity who holds a claim against a Debtor (whether secured, unsecured priority or general unsecured) that

arose prior to the Commencement Date, and who desires to share in any distribution made in these chapter 11 cases, must file a Proof of Claim on or before the applicable Bar Date and in strict accordance with the requirements and procedures set forth herein; and it is further

ORDERED, that the following procedures for the filing of proofs of claim shall apply:

- (a) Proofs of Claim filed against the Debtors must substantially conform to the form annexed hereto as Annex III (the “Proof of Claim Form”);
- (b) The original Proof of Claim Form should be sent to the following address:

If by first-class mail, to:

The Garden City Group, Inc.
Attn: Borders Group, Inc.
P.O. Box 9690
Dublin, Ohio 43017-4990

If by hand delivery or overnight courier, to:

The Garden City Group, Inc.
Attn: Borders Group, Inc.
5151 Blazer Parkway, Suite A
Dublin, Ohio 43017

or

United States Bankruptcy Court, SDNY
One Bowling Green
Room 534
New York, New York 10004

- (c) Proofs of Claim will be deemed filed only when received by the official noticing and claims agent in the Debtors’ chapter 11 cases, The Garden City Group (“GCG”), or the Clerk of the United States Bankruptcy Court for the Southern District of New York (the “Clerk”) on or before the applicable Bar Date;
- (d) Proofs of claim must (i) be signed; (ii) include supporting documentation (if voluminous, attach a summary) or an explanation as to why documentation is not

available; (iii) be in the English language; and (iv) be denominated in United States currency;

- (e) Proofs of claim must specify by name and case number the Debtor against which the claim is filed; if the holder asserts a claim against more than one Debtor or has claims against different Debtors, a separate proof of claim form must be filed with respect to each Debtor; to the extent a claimant inserts an incomplete debtor name, such as “Borders”, such claim will be attributed to Borders, Inc. (the principal operating company);
- (f) Neither the Court nor GCG shall be required to accept Proofs of Claim sent by facsimile, telecopy, or electronic mail transmission; and it is further

ORDERED, that the following persons or entities need not file a proof of claim on or prior to the Bar Dates:

- (a) Any person or entity that has already filed a proof of claim against the Debtors with the Clerk of the Bankruptcy Court for the Southern District of New York or GCG in a form substantially similar to the Proof of Claim Form;
- (b) Any person or entity whose claim is listed on the Schedules filed by the Debtors, provided that (i) the claim is not scheduled as “disputed,” “contingent” or “unliquidated”; and (ii) the claimant does not disagree with the amount, nature and priority of the claim as set forth in the Schedules; and (iii) the claimant does not dispute that the claim is an obligation of the specific Debtor against which the claim is listed on the Schedules (**other than a holder of a 503(b)(9) Claim**);
- (c) Any holder of a claim that heretofore has been allowed by order of this Court;
- (d) Any person or entity whose claim has been paid in full by any of the Debtors;

- (e) Any holder of a claim for which specific deadlines have previously been fixed by this Court;
- (f) Any Debtor having a claim against another Debtor or any of the non-debtor subsidiaries of Borders Group, Inc. having a claim against any of the Debtors;
- (g) Any holder of a claim allowable under section 503(b) and section 507(a)(2) of the Bankruptcy Code as an expense in administration (**other than a holder of a 503(b)(9) Claim**);
- (h) Any person or entity that holds an interest in any of the Debtors, which interest is based exclusively upon the ownership of common stock, membership interests, partnership interest, or warrants or rights to purchase, sell or subscribe to such a security or interest; provided, however, that interest holders that wish to assert claims (as opposed to ownership interests) against any of the Debtors that arise out of or relate to the ownership or purchase of an interest, including claims arising out of or relating to the sale, issuance, or distribution of the interest, must file Proofs of Claim on or before the applicable Bar Date, unless another exception identified herein applies;
- (i) Any person or entity holding a claim for principal, interest and other fees and expenses on or under the Prepetition Credit Facilities or the DIP Facility³; and it is further

ORDERED, that if the Debtors amend or supplement the Schedules subsequent to the date hereof, the Debtors shall give notice of any amendment or supplement to the holders of

³ Each as defined in the *Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507 (1) Approving Postpetition Financing, (2) Authorizing Use of Cash Collateral, (3) Granting Liens and Providing Superpriority Administrative Expense Status, (4) Granting Adequate Protection, and (5) Modifying Automatic Stay* [Docket No. 404].

claims affected thereby, and such holders shall be afforded thirty (30) days from the date of such notice to file proofs of claim in respect of their claims or be barred from doing so, and shall be given notice of such deadline; and it is further

ORDERED, that nothing in this Order shall prejudice the rights of the Debtors or any other party in interest to dispute or assert offsets or defenses to any claim reflected in the Schedules; and it is further

ORDERED, that subject to the exceptions described herein, pursuant to Bankruptcy Rule 3003(c)(2), all holders of claims that fail to comply with this Order by timely filing a proof of claim in appropriate form shall not be treated as a creditor with respect to such claim for the purposes of voting and distribution; and it is further

ORDERED, that a copy of the notice substantially in the form annexed hereto as Annex I (the "Bar Date Notice") is approved and shall be deemed adequate and sufficient if served by first-class mail at least 35 days prior to the General Bar Date on:

- (a) the United States Trustee for the Southern District of New York;
- (b) counsel for the Official Committee of Unsecured Creditors;
- (c) all persons or entities that have requested notice of the proceedings in these chapter 11 cases pursuant to Bankruptcy Rule 2002;
- (d) all persons or entities that have filed claims;
- (e) all known creditors and other known holders of claims as of the date of this Order, including all persons or entities listed in the Schedules as holding claims for which the Debtors have addresses;
- (f) all parties to executory contracts and unexpired leases of the Debtors;
- (g) the attorneys of record to all parties to pending litigation against any of the Debtors (as of the date of the entry of the Bar Date Order);
- (h) the Internal Revenue Service, the Securities and Exchange Commission, the United States Attorney's Office for the Southern District of New York, and all

applicable government entities

- (i) all other parties in the Debtor's creditor matrix not included above ((a-i), collectively, the "Notice Parties") and it is further

ORDERED, that with regard to those holders of claims listed on the Schedules, the Debtors shall mail one or more Proof of Claim Forms (as appropriate), indicating on the form how the Debtors have scheduled such creditor's claim in the Schedules (including the identity of the Debtor, the amount of the claim and whether the claim has been scheduled as contingent, unliquidated or disputed); and it is further

ORDERED, that with regard to its current employees, the Debtors may, in their sole discretion, provide notice of the Bar Date to such employees using a notice substantially similar to the Bar Date Notice; and it is further

ORDERED, that pursuant to Bankruptcy Rule 2002(f), the Debtors shall publish notice of the Bar Dates in substantially the form attached hereto as Annex II (the "Publication Notice") once, in the National Edition of The New York Times at least 28 days prior to the General Bar Date, which publication is hereby approved and shall be deemed good, adequate and sufficient publication of notice of the Bar Dates; and it is further

ORDERED that the Debtors may, in their sole discretion, publish the Publication Notice in other newspapers, trade journals, or similar publications; and it is further

ORDERED, that the Debtors shall post the Proof of Claim Form and Bar Date Notice on the website established by GCG for the Debtors' cases: www.bordersreorganization.com; and it is further

ORDERED, that the Debtors and GCG are authorized and empowered to take such steps and perform such acts as may be necessary to implement and effectuate the terms of this Order; and it is further

ORDERED that notification of the relief granted by this Bar Date Order as provided herein is fair and reasonable and will provide good, sufficient, and proper notice to all creditors of their rights and obligations in connection with Claims they may have against the Debtors in these chapter 11 cases; and it is further

ORDERED, that entry of this Order is without prejudice to the right of the Debtors to seek a further order of this Court fixing a date by which holders of claims or interests not subject to the Bar Dates established herein must file such proofs of claim or interest or be barred from doing so; and it is further

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

Dated: April 7, 2011
New York, New York

/s/Martin Glenn
MARTIN GLENN
United States Bankruptcy Judge

ANNEX I

NOTICE OF BAR DATES

MAILING NOTICE

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)

The Debtors in these cases are Borders Group, Inc. (11-10614 (MG)); Borders, Inc. (11-10615 (MG)); Borders International Services, Inc. (11-10616 (MG)); Borders Direct, LLC (11-10617 (MG)); Borders Properties, Inc. (11-10618 (MG)); Borders Online, Inc. (11-10619 (MG)); Borders Online, LLC (11-10620 (MG)); BGP (UK), Limited (11-10621 (MG))

NOTICE OF DEADLINES REQUIRING FILING OF PROOFS OF CLAIM
ON OR BEFORE JUNE 1, 2011 (GENERAL BAR DATE)
AND AUGUST 15, 2011 (GOVERNMENTAL BAR DATE)

TO ALL PERSONS AND ENTITIES WITH
CLAIMS (INCLUDING CLAIMS UNDER
SECTION 503(B)(9) OF THE BANKRUPTCY CODE)
AGAINST ANY OF THE DEBTOR ENTITIES LISTED ABOVE:

PLEASE TAKE NOTICE THAT, on April __, 2011, the United States Bankruptcy Court for the Southern District of New York (the “Court”), having jurisdiction over the chapter 11 cases of Borders Group, Inc. and its affiliated debtors, as debtors in possession (collectively, the “Debtors”) entered an order (the “Bar Date Order”) establishing (i) **June 1, 2011, at 5:00 p.m. (Prevailing Eastern Time)** as the last date and time for each person or entity (including, without limitation, individuals, partnerships, corporations, joint ventures, and trusts) to file a proof of claim (“Proof of Claim”) based on prepetition claims, including a claim under section 503(b)(9) of the Bankruptcy Code, as described more fully below (a “503(b)(9) Claim”), against any of the Debtors (the “General Bar Date”); and (ii) **August 15, 2011, at 5:00 p.m. (Prevailing Eastern Time)** as the last date and time for each governmental unit (as defined in section 101(27) of the Bankruptcy Code) to file a Proof of Claim based on prepetition claims against any of the Debtors (the “Governmental Bar Date” and, together with the General Bar Date, the “Bar Dates”).

The Bar Date Order, the Bar Dates and the procedures set forth below for the filing of Proofs of Claim apply to all claims against the Debtors (other than those set forth below as being specifically excluded) that arose prior to **February 16, 2011**, the date on which the Debtors

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.

commenced their cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

If you have any questions relating to this Notice, please feel free to contact The Garden City Group at 1-877-906-7675 or by e-mail at bordersinfo@gcginc.com.

YOU SHOULD CONSULT AN ATTORNEY IF YOU HAVE ANY QUESTIONS, INCLUDING WHETHER YOU SHOULD FILE A PROOF OF CLAIM. NEITHER THE ATTORNEYS FOR THE DEBTORS NOR THEIR COURT-APPOINTED NOTICING AND CLAIMS AGENT, THE GARDEN CITY GROUP, INC., ARE AUTHORIZED TO PROVIDE YOU WITH ANY LEGAL ADVICE.

1. WHO MUST FILE A PROOF OF CLAIM

You **MUST** file a **Proof of Claim** to vote on a chapter 11 plan filed by the Debtors or to share in any of the Debtors’ estates if you have a claim that arose prior to **February 16, 2011**, including a 503(b)(9) Claim, and it is not one of the other types of claims described in Section 4 below. Claims based on acts or omissions of the Debtors that occurred before **February 16, 2011** must be filed by the applicable Bar Date, even if such claims are not now fixed, liquidated or certain or did not mature or become fixed, liquidated or certain before **February 16, 2011**.

Pursuant to section 101(5) of the Bankruptcy Code and as used in this Notice, the word “claim” means: (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured. Further, claims include unsecured claims, secured claims, priority claims, and 503(b)(9) Claims (as described in Section 4(g) below).

2. WHAT TO FILE

The Debtors are enclosing a proof of claim for use in these cases; if your claim is scheduled by the Debtors, the form also sets forth the amount of your claim as scheduled by the Debtors, the specific Debtor against which the claim is scheduled and whether the claim is scheduled as disputed, contingent or unliquidated. You will receive a different proof of claim form for each claim scheduled in your name by the Debtors. You may utilize the proof of claim form(s) provided by the Debtors to file your claim.

All proof of claim forms must be signed by the claimant or, if the claimant is not an individual, by an authorized agent of the claimant. It must be written in English and be denominated in United States currency. You should attach to your completed proof of claim any documents on which the claim is based (if voluminous, attach a summary) or an explanation as to why the documents are not available.

ANY HOLDER OF A CLAIM AGAINST MORE THAN ONE DEBTOR MUST FILE A SEPARATE CLAIM WITH RESPECT TO EACH SUCH DEBTOR AND ALL HOLDERS OF CLAIMS MUST IDENTIFY ON THEIR PROOF OF CLAIM THE SPECIFIC DEBTOR

AGAINST WHICH THEIR CLAIM IS ASSERTED AND THE CASE NUMBER OF THAT DEBTOR'S BANKRUPTCY CASE. A LIST OF THE NAMES OF THE DEBTORS AND THEIR CASE NUMBERS IS SET FORTH ON THE FIRST PAGE OF THIS NOTICE.

Additional Proof of Claim Forms may be obtained at www.bordersreorganization.com.

3. WHEN AND WHERE TO FILE

All Proofs of Claim must be filed so as to be **actually received** on or before the applicable Bar Date at the following address:

If by first-class mail, to:

The Garden City Group, Inc.
Attn: Border Group, Inc.
P.O. Box 9690
Dublin, Ohio 43017-4990

If by hand delivery or overnight courier, to:

The Garden City Group, Inc.
Attn: Borders Group, Inc.
5151 Blazer Parkway, Suite A
Dublin, Ohio 43017

or

United States Bankruptcy Court, SDNY
One Bowling Green
Room 534
New York, New York 10004

Proofs of Claim will be deemed timely filed only if **actually received** by The Garden City Group or the Court on or before the applicable Bar Date. Proofs of Claim may **not** be delivered by facsimile, telecopy, or electronic mail transmission.

4. WHO NEED **NOT** FILE A PROOF OF CLAIM

You do **not** need to file a proof of claim on or prior to the Bar Dates if you are:

- (a) A person or entity that has already filed a Proof of Claim against any of the Debtors with the Clerk of the Bankruptcy Court for the Southern District of New York or The Garden City Group, the Debtors' noticing and claims agent, utilizing a claim form that substantially conforms to the Proof of Claim Form (as defined below);
- (b) A person or entity whose claim is listed on the Schedules (as defined below) if (i) the claim is **not** scheduled as "disputed," "contingent," or

“unliquidated,” and (ii) you do **not** dispute the amount or nature of the claim set forth in the Schedules, and (iii) you do **not** dispute that the claim is an obligation of the specific Debtor against which the claim is listed on the Schedules (**other than a holder of a 503(b)(9) Claim**);

- (c) A holder of a claim that has been allowed by an order of the Court entered on or before the applicable Bar Date;
- (d) A holder of a claim that has been paid in full by any of the Debtors;
- (e) A holder of a claim against any of the Debtors for which a separate deadline has previously been fixed by this Court (whereupon you will be required to file a Proof of Claim by that separate deadline);
- (f) Any Debtor in these cases having a claim against another Debtor or any of the non-debtor subsidiaries of Borders Group, Inc. having a claim against any of the Debtors;
- (g) A holder of a claim allowable under sections 503(b) and 507(a)(2) of the Bankruptcy Code as an administrative claim; **provided, however, section 503(b)(9) Claims are subject to the General Bar Date as provided above.** Section 503(b)(9) provides in part: “. . . there shall be allowed administrative expenses . . . including . . . (9) the value of any goods received by the debtor within 20 days before the date of commencement of a case under this title in which the goods have been sold to the debtor in the ordinary course of such debtor’s business.” **Accordingly, if you have a 503(b)(9) Claim, you must file a Proof of Claim on or before the General Bar Date;**
- (h) A person or entity that holds an interest in any of the Debtors, which interest is based exclusively upon the ownership of common stock, membership interests, partnership interests, or warrants or rights to purchase, sell or subscribe to such a security or interest; **provided, however,** that interest holders that wish to assert claims (as opposed to ownership interests) against any of the Debtors that arise out of or relate to the ownership or purchase of an interest, including claims arising out of or relating to the sale, issuance, or distribution of the interest, must file Proofs of Claim on or before the applicable Bar Date, unless another exception identified herein applies;
- (i) A holder of a claim for principal, interest and other fees and expenses on or under the Prepetition Credit Facilities or the DIP Facility.²

² Each as defined in the *Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507 (1) Approving Postpetition Financing, (2) Authorizing Use of Cash Collateral, (3) Granting Liens and Providing Superpriority Administrative Expense Status, (4) Granting Adequate Protection, and (5) Modifying Automatic Stay* [Docket No. 404].

If you are a holder of an equity interest in the Debtors, which interest is based exclusively upon the ownership of common or preferred stock, membership interests, partnership interests, or warrants or rights to purchase, sell or subscribe to such a security or interest, you need not file a proof of interest with respect to the ownership of such equity interest at this time. However, if you assert a claim against the Debtors, including a claim relating to such equity interest or the purchase or sale of such interest, a proof of claim must be filed on or prior to the Bar Date pursuant to procedures set forth in this Notice.

This notice is being sent to many persons and entities that have had some relationship with or have done business with the Debtors but may not have an unpaid claims against the Debtors. THE FACT THAT YOU HAVE RECEIVED THIS NOTICE DOES NOT MEAN THAT YOU HAVE A CLAIM OR THAT THE DEBTORS OR THE COURT BELIEVE THAT YOU HAVE A CLAIM.

YOU SHOULD NOT FILE A PROOF OF CLAIM IF YOU DO NOT HAVE A CLAIM AGAINST THE DEBTORS.

5. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Any person or entity that holds a claim that arises from an executory contract or unexpired lease must file a proof of claim for damages in connection with the executory contract or unexpired lease or related to the leased premises or equipment arising prior to February 16, 2011 or from rejection of the executory contract or unexpired lease, on or before the later of (i) the General Bar Date, and (ii) **forty-five (45)** days after the effective date of the rejection of such contract or lease.

6. CONSEQUENCES OF FAILURE TO FILE A PROOF OF CLAIM BY THE APPLICABLE BAR DATE

EXCEPT WITH RESPECT TO CLAIMS OF THE TYPE SET FORTH IN SECTION 4, ABOVE, ANY CREDITOR WHO FAILS TO FILE A PROOF OF CLAIM ON OR BEFORE THE APPLICABLE BAR DATE IN THE APPROPRIATE FORM IN ACCORDANCE WITH THE PROCEDURES DESCRIBED IN THIS NOTICE FOR ANY CLAIM SUCH CREDITOR HOLDS OR WISHES TO ASSERT AGAINST EACH OF THE DEBTORS, WILL BE FOREVER BARRED, ESTOPPED AND ENJOINED FROM ASSERTING THE CLAIM AGAINST EACH OF THE DEBTORS AND THEIR RESPECTIVE CHAPTER 11 ESTATES, SUCCESSORS, AND PROPERTY WILL BE FOREVER DISCHARGED FROM ANY AND ALL INDEBTEDNESS OR LIABILITY WITH RESPECT TO THE CLAIM, AND THE HOLDER WILL NOT BE PERMITTED TO VOTE TO ACCEPT OR REJECT ANY CHAPTER 11 PLAN FILED IN THESE CHAPTER 11 CASES, PARTICIPATE IN ANY DISTRIBUTION IN ANY OF THE DEBTORS' CHAPTER 11 CASES ON ACCOUNT OF THE CLAIM, OR RECEIVE FURTHER NOTICES WITH RESPECT TO ANY OF THE DEBTORS' CHAPTER 11 CASES.

7. THE DEBTORS' SCHEDULES, ACCESS THERETO, AND CONSEQUENCES OF AMENDMENT THEREOF

You may be listed as the holder of a claim against one or more of the Debtors in the

Debtors' Schedules of Assets and Liabilities and/or Schedules of Executory Contracts and Unexpired Leases (collectively, the "Schedules"). If you rely on the Debtors' Schedules, it is your responsibility to determine that the claim is accurately listed in the Schedules.

As set forth above, if you agree with the classification and amount of your claim as listed in the Debtors' Schedules, and if you do not dispute that your claim is only against the specified Debtor, and if your claim is not described as "disputed", "contingent", or "unliquidated", you need not file a Proof of Claim. Otherwise, or if you decide to file a Proof of Claim, you must do so before the Bar Date in accordance with the procedures set forth in this notice.

Copies of the Schedules may be examined by interested parties on the Court's electronic docket for the Debtors' chapter 11 cases, which is posted on the Internet at www.bordersreorganization.com. and www.nysb.uscourts.gov (a PACER login and password are required and can be obtained through the PACER Service Center at www.pacer.psc.uscourts.gov). Copies of the Schedules may also be examined by interested parties between the hours of 9:00 a.m. and 4:30 p.m. (Eastern Time) at the office of the Clerk of the Bankruptcy Court, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, Room 511, New York, New York 10004. Copies of the Debtors' Schedules may also be obtained by written request to the Debtors' claims agent at the address and telephone number set forth below:

The Garden City Group, Inc.
Attn: Borders Group, Inc.
5151 Blazer Parkway, Suite A

Dublin, Ohio 43017

Telephone: 1-877-906-7675

E-mail: bordersinfo@gcginc.com

In the event that the Debtors amend or supplement their Schedules to (a) designate a claim as disputed, contingent, or unliquidated (b) change the amount of a claim reflected therein, (c) change the classification of a claim reflected therein, (d) remove a claim reflected therein, or (e) add a claim that was not listed on the Schedules, the Debtors will notify you of the amendment. In such case, the deadline for you to file a Proof of Claim on account of any such claim is the later of (a) the applicable Bar Date or (b) the date that is **thirty days** after the Debtors provide notice of the amendment.

A holder of a possible claim against the Debtors should consult an attorney regarding any matters not covered in this notice, such as whether the holder should file a Proof of Claim. Neither the attorneys for the Debtors nor their Court-appointed noticing and claims agent, The Garden City Group, Inc., are authorized to provide you with any legal advice.

DATED: April __, 2011

BY ORDER OF THE COURT

New York, New York

KASOWITZ, BENSON, TORRES
& FRIEDMAN LLP

1633 Broadway

New York, New York 10019

Telephone: (212) 506-1700

Facsimile: (212) 506-1800

*Attorneys for Debtors
and Debtors in Possession*

ANNEX II

NOTICE OF BAR DATES

PUBLICATION NOTICE

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

In re

BORDERS GROUP, INC., *et al.*,

Debtors.

Chapter 11

Case No. 11-10614 (MG)

(Jointly Administered)

The Debtors in these cases are Borders Group, Inc. (11-10614 (MG)); Borders, Inc. (11-10615 (MG)); Borders International Services, Inc. (11-10616 (MG)); Borders Direct, LLC (11-10617 (MG)); Borders Properties, Inc. (11-10618 (MG)); Borders Online, Inc. (11-10619 (MG)); Borders Online, LLC (11-10620 (MG)); BGP (UK), Limited (11-10621 (MG))

NOTICE OF DEADLINES FOR FILING PROOFS OF CLAIM

TO ALL ENTITIES WITH CLAIMS AGAINST BORDERS GROUP, INC. AND ITS AFFILIATED DEBTORS (THE “DEBTORS”) PLEASE TAKE NOTICE OF THE FOLLOWING –

On February 16, 2011, each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

On April ___, 2011, the United States Bankruptcy Court for the Southern District of New York (the “Court”) entered an order (the “Bar Date Order”) establishing (a) **June 1, 2011 at 5:00 p.m. (Prevailing Eastern Time)** (the “Bar Date”) as the deadline for each person or entity other than a Governmental Unit (as defined by section 101(27) of the Bankruptcy Code) to file a proof of claim (“Proof of Claim”) with respect to any claim against any of the Debtors that arose prior to **February 16, 2011** and (b) **August 15, 2011 at 5:00 p.m. (Prevailing Eastern Time)** (the “Governmental Bar Date” and together with the General Bar Date, the “Bar Dates”) for Governmental Units to file a Proof of Claim with respect to any claim against any of the Debtors that arose prior to **February 16, 2011**.

A CLAIMANT SHOULD CONSULT AN ATTORNEY IF THE CLAIMANT HAS ANY QUESTIONS, INCLUDING WHETHER TO FILE A PROOF OF CLAIM.

You may need to file a Proof of Claim if you have a claim that arose prior to **February 16, 2011** against any of the Debtors. Acts or omissions of the Debtors that arose prior to **February 16, 2011** may give rise to claims against the Debtors that must be filed by the Bar Date notwithstanding that such claims may not have matured or become fixed or liquidated as of **February 16, 2011**.

For further information about the Bar Dates, whether you need to file a Proof of Claim, how and where to file a Proof of Claim, and other related information, you may access the

Debtors' chapter 11 website at www.bordersreorganization.com, or contact the Debtors' claims agent, The Garden City Group, at **1-877-906-7675** or by e-mail at **Bordersinfo@gcinc.com**. The website also includes a list of all the names under which the Debtors have operated in the past eight years and copies of the Bar Date Order, form Proofs of Claim, and other related materials.

YOU SHOULD NOT FILE A PROOF OF CLAIM IF YOU DO NOT HAVE A CLAIM AGAINST ANY OF THE DEBTORS.

Any creditor who is required, but fails, to file a Proof of Claim in accordance with the Bar Date Order on or before the applicable Bar Date shall be forever barred, estopped, and enjoined from asserting such claim against the Debtors (or filing a Proof of Claim with respect thereto), the Debtors and their property shall be forever discharged from any and all indebtedness or liability with respect to such claim, and such holder shall not be permitted to vote to accept or reject any plan of reorganization filed in these chapter 11 cases or participate in any distribution in Debtors' chapter 11 cases on account of such claim or to receive further notices regarding such claim.

DATED: April ____, 2011
New York, New York

BY ORDER OF THE COURT

KASOWITZ, BENSON, TORRES
& FRIEDMAN LLP
1633 Broadway
New York, New York 10019
Telephone: (212) 506-1700
Facsimile: (212) 506-1800

*Attorneys for Debtors
and Debtors in Possession*

ANNEX III

PROOF OF CLAIM FORM



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| UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK | PROOF OF CLAIM |
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Name of Debtor. (Please select the appropriate Debtor from the list of Debtors set forth in the Definitions section on the reverse side of this form and insert that Debtor's name here – choose only one):

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case, but may be used for purposes of asserting a claim under 11 U.S.C. § 503(b)(9) (see Item # 6). All other requests for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Your Claim is Scheduled As Follows:

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| Name of Creditor (the person or other entity to whom the debtor owes money or property): Name and address where notices should be sent: Telephone number: Email Address: | <input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ <i>(If known)</i> Filed on: _____ |
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If an amount is identified above, you have a claim scheduled by one of the Debtors as shown. (This scheduled amount of your claim may be an amendment to a previously scheduled amount.) If you agree with the amount and priority of your claim as scheduled by the Debtor and you have no other claim against the Debtor, you do not need to file this proof of claim form, **EXCEPT AS FOLLOWS:** If the amount shown is listed as any of DISPUTED, UNLIQUIDATED, or CONTINGENT, a proof of claim **MUST** be filed in order to receive any distribution in respect of your claim. If you have already filed a proof of claim in accordance with the attached instructions, you need not file again.

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| Name and address where payment should be sent (if different from above): Telephone number: | <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case. |
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IMPORTANT: Please list the store number and address of any lease related to your claim (if applicable):
Store Number: _____ **Store Address:** _____

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| 1. Amount of Claim as of Date Case Filed: \$ _____ If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item # 4. If all or part of your claim is entitled to priority, complete item # 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges. | 5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. |
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| 2. Basis for Claim: _____ (See instruction #2 on reverse side.) | <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). |
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| 3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.) | <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. § 507(a)(4). |
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| 4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Equipment <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____ | <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507(a)(8). |
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| 6. Claim Pursuant to 11 U.S.C. § 503(b)(9): Indicate the amount of your claim arising from the value of any goods received by the Debtor within 20 days before February 16, 2011, the date of commencement of the above cases, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. \$ _____ | <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507(a)(____). |
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| 7. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 8. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction # 8 and definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain in an attachment. | Amount entitled to priority: \$ _____ <i>*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i> |
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| Date: _____ Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. | FOR COURT USE ONLY |
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INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules. The attorneys for the Debtors and their court-appointed notice and claims agent, The Garden City Group, Inc. are not authorized and are not providing you with any legal advice.

PLEASE SEND YOUR ORIGINAL, COMPLETED CLAIM FORM AS FOLLOWS: **IF BY MAIL:** THE GARDEN CITY GROUP, INC., ATTN: BORDERS GROUP, INC., P.O. BOX 9690, DUBLIN, OHIO 43017-4990; **IF BY HAND OR OVERNIGHT COURIER:** THE GARDEN CITY GROUP, INC., ATTN: BORDERS GROUP INC., 5151 BLAZER PARKWAY, SUITE A, DUBLIN, OHIO 43017. **ANY PROOF OF CLAIM SUBMITTED BY FACSIMILE OR E-MAIL WILL NOT BE ACCEPTED.**

THE GENERAL BAR DATE IN THESE CHAPTER 11 CASES IS [DATE] AT [TIME] (PREVAILING EASTERN TIME)
THE GOVERNMENTAL BAR DATE IN THESE CHAPTER 11 CASES IS [DATE] AT [TIME] (PREVAILING EASTERN TIME)

Court, Name of Debtor, and Case Number:

These chapter 11 cases were commenced in the United States Bankruptcy Court for the Southern District of New York. You should select the Debtor against which you are asserting your claim. **A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR.**

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. Please provide us with a valid email address. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the debtor, trustee or another party in interest files an objection to your claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See

DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507(a):

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Claim Pursuant to 11 U.S.C. §503(b)(9):

Check this box if you have a claim arising from the value of any goods received by the Debtor within 20 days before February 16, 2010, the date of commencement of the above cases, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. (See DEFINITIONS, below.)

7. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

8. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

Debtor

A debtor is the person, corporation, or other entity that has filed a bankruptcy case. The debtors in these cases are:

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| Borders Group, Inc. | 11-10614 |
| Borders, Inc. | 11-10615 |
| Borders International Services, Inc. | 11-10616 |
| Borders Direct, LLC | 11-10617 |
| Borders Properties, Inc. | 11-10618 |
| Borders Online, Inc. | 11-10619 |
| Borders Online, LLC | 11-10620 |
| BGP (UK), Limited | 11-10621 |

Creditor

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing. See 11 U.S.C. § 101(10).

Claim

A claim is the creditor's right to receive payment on a debt owed by the debtor that arose on the date of the bankruptcy filing. See 11 U.S.C. § 101(5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with The Garden City Group, Inc. as described in the instructions above.

Secured Claim Under 11 U.S.C. § 506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. § 507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Section 503(b)(9) Claim

A Section 503(b)(9) claim is a claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of a bankruptcy case in which the goods have been sold to the debtor in the ordinary course of such debtor's business.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION

Acknowledgment of Filing of Claim

To receive acknowledgment of your filing, please provide a stamped self-addressed envelope and a copy of this proof of claim when you file the original claim.

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.