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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 No. 463

**NOTICE OF REVISED PROPOSED ORDER AUTHORIZING THE EMPLOYMENT
AND RETENTION OF DELOITTE CONSULTING LLP AS CONSULTING SERVICES
PROVIDER TO THE DEBTORS, NUNC PRO TUNC TO MARCH 7, 2011**

PLEASE TAKE NOTICE that the undersigned will present the attached revised proposed order (the “Revised Proposed Order”) approving the retention of Deloitte Consulting LLP (“Deloitte Consulting”) on the terms and conditions set forth in the Debtors’ application for authorization to employ and retain Deloitte Consulting, filed March 24, 2011 [Docket No.463], to the Honorable Martin Glenn, Bankruptcy Judge of the United States Bankruptcy Court for the Southern District of New York, at One Bowling Green, Room 501, New York, New York 10004,

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.

at a hearing to be held on **April 7, 2011 at 10:00 a.m. (Prevailing Eastern Time)**. The Revised Proposed Order is attached hereto as Exhibit A.

Dated: April 5, 2011
New York, New York

KASOWITZ, BENSON, TORRES
& FRIEDMAN LLP

By: /s/ Andrew K. Glenn
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EXHIBIT A

REVISED PROPOSED ORDER

**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 PURSUANT TO SECTION 327(a) OF THE
BANKRUPTCY CODE AND RULE 2014 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE AUTHORIZING THE EMPLOYMENT AND
RETENTION OF DELOITTE CONSULTING LLP AS CONSULTING SERVICES
PROVIDER TO THE DEBTORS, *NUNC PRO TUNC* TO MARCH 7, 2011**

Upon consideration of the application, dated March 24, 2011, (the “Application”)² of Borders Group, Inc. and its debtor subsidiaries in the above-referenced Chapter 11 Cases, as debtors and debtors in possession (collectively, the “Debtors”), pursuant to section 327(a) of title 11 of the United States Code (the “Bankruptcy Code”), for authorization to employ and retain, *nunc pro tunc* to March 7, 2011, Deloitte Consulting LLP (“Deloitte Consulting”) as consulting services provider; and upon the Declaration of Joseph Krolczyk (the “Krolczyk Declaration”), a director of Deloitte Consulting, which was filed with the Court on March 24, 2011 as an exhibit to the Application; and the Court being satisfied, based on the representations made in the Application and the Krolczyk Declaration, that (i) Deloitte Consulting does not hold or represent any interest adverse to the Debtors, (ii) Deloitte Consulting is a “disinterested person” as that phrase is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of

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

the Bankruptcy Code, (iii) neither Deloitte Consulting nor its professionals have any connection with the Debtors, their creditors or any other party in interest, and (iv) Deloitte Consulting's employment is necessary and in the best interest of the Debtors; 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 due and proper notice of the Application having been provided, 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 therefore, it is

ORDERED that the Application is granted in its entirety as set forth in this Order *nunc pro tunc* to March 7, 2011; and it is further

ORDERED that the Debtors are authorized to employ and retain Deloitte Consulting as their consulting services provider in accordance with the terms and conditions set forth in the Deloitte Consulting Engagement Letters incorporated by reference herein, and to pay fees to Deloitte Consulting on the terms and times specified in the Deloitte Consulting Engagement Letters and as modified by this Order; and it is further

ORDERED that if Deloitte Consulting's rates, as set forth in the Application and the Krolczyk Declaration, are adjusted, Deloitte Consulting will file notice of such changes; and it is

further

ORDERED that Deloitte Consulting shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rules, the Local Rules and the Court's *Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 385]; and it is further

ORDERED that, notwithstanding the Deloitte Consulting Engagement Letters, Deloitte Consulting will not seek payment of a post-petition retainer under the Deloitte Consulting Engagement Letters; and it is further

ORDERED that the indemnification provisions set forth in the Deloitte Consulting Engagement Letters are approved, subject to the following:

- (a) Subject to the provisions of subparagraphs (b), (c) and (d) below, the Debtors will be bound by the indemnification procedures of the Deloitte Consulting Engagement Letters and shall indemnify Deloitte Consulting in accordance with the Deloitte Consulting Engagement Letters and to the extent permitted by applicable law, for any claim arising from, related to, or in connection with Deloitte Consulting's performance of the services described in the Deloitte Consulting Engagement Letters; provided, however, such indemnification shall only extend to affiliates of Deloitte Consulting if they have provided services under the Deloitte Consulting Engagement Letters;
- (b) All requests by Deloitte Consulting for the payment of indemnification pursuant to the Deloitte Consulting Engagement Letters shall be made by means of an application 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 Deloitte Consulting Engagement Letters and it is

reasonable under the circumstances of the litigation or settlement in respect of which indemnity is sought; provided, however, that in no event shall Deloitte Consulting be indemnified in the case of its own bad faith, self-dealing or breach of fiduciary duty (if any), gross negligence or willful misconduct;

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

(d) If Deloitte Consulting seeks reimbursement from the Debtors for attorneys' fees and expenses in connection with the Deloitte Consulting Engagement Letters, the invoices and supporting time records from such attorneys shall be included in Deloitte Consulting's own applications (interim or final as the case may be), 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 pursuant to sections 330 and 331 of the Bankruptcy Code without regard to whether such attorneys have 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;

and it is further

ORDERED that Deloitte Consulting will not seek to use independent contractors to perform services under the Deloitte Consulting Engagement Letters without Court approval; and it is further

ORDERED that Deloitte Consulting shall limit its request for fees relating to the services

performed under the Deloitte Consulting Human Resources Engagement Letter to no more than \$280,000 without Court approval and Deloitte Consulting shall not be required to perform services that would result in fees incurred that would be greater than such amount in the absence of such approval; and it is further

ORDERED that Deloitte Consulting shall limit its request for fees relating to the services performed under the Deloitte Consulting Information Technology Engagement Letter to no more than \$350,000 without Court approval and Deloitte Consulting shall not be required to perform services that would result in fees incurred that would greater than such amount in the absence of such approval; and it is further

ORDERED that with respect to the Deloitte Consulting Engagement Letters, solely as they relate to services for the Debtors from the inception of the Chapter 11 Cases to the effective date of any plan of reorganization of the Debtors, section 9 of the General Business Terms of each of the Deloitte Consulting Engagement Letters shall be deemed deleted; and it is further

ORDERED that the Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application; and it is further

ORDERED that the terms and conditions of this Order shall be immediately effective and enforceable upon its entry, notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062, or 9014; and it is further

ORDERED that the relief granted herein shall be binding upon any chapter 11 trustee appointed in these Chapter 11 Cases, or upon any chapter 7 trustee appointed in the event of a subsequent conversion of these Chapter 11 Cases to cases under chapter 7; and it is further

ORDERED that to the extent that this Order is inconsistent with any prior order or pleading with in these cases, the terms of this Order shall govern; and it is further

ORDERED that the Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: _____, 2011
New York, New York

UNITED STATES BANKRUPTCY JUDGE