

**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: New York, New York
_____, 2011

UNITED STATES BANKRUPTCY JUDGE