



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

February 6, 2011

Borders to File for Bankruptcy?

Book retailer Borders Group Inc. has announced a major restructuring that will involve the closure of many stores. The company said January 27 that it had received a financial commitment from GE Capital Restructuring Finance amounting to \$550 million. But the financing comes with several conditions, including closing under-performing stores. A source close to Borders said that as many as 150 out of 650 stores may be closed. Spokeswoman Mary Davis confirmed that the company is finalizing a closure program by identifying under-performing stores. The stores will be closed as soon as it is practical. However, no confirmation as to which stores or how many would be closed has been made.

Earlier this year, Borders disclosed that they are delaying payments to some vendors. At present, the company is holding discussions with some vendors and landlords on restructuring their debts. All this has led to speculation that Borders may file for bankruptcy protection. The

<http://tampabankruptcy.pro/blog/>

Bloomberg News has reported that three sources close to the company said Borders could file for bankruptcy as soon as next week.

Borders is the nation's second largest book retailer that employs about 19,500 workers throughout the US. The company operates the Borders and Waldenbooks stores.

Borders President Michael Edwards said in a statement that the company “is doing everything possible to maintain its long-term and valued relationships with our vendors and publishers, which are in the best interests of serving our combined customers. We view the refinancing route as the most practical, efficient and beneficial to all parties, and we are working with our vendors in this regard.”

He did not rule out the option of a bankruptcy filing. Edwards said the company is exploring all options before it, including the option of an in-court restructuring. As such it is discussing these options with multiple parties that include lenders, vendors, and business partners. Until a concrete decision is made in regards to the direction the company will take, Borders will not be making any official statements.

Bankruptcy is the right of every individual and business and can be the means to start afresh financially. If you need bankruptcy protection for yourself or your business, call us at (813) 200 4133 for a free consultation.