

Liquidation of Borders Begins



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By Stacia Kalinoski

EUGENE, Ore. -- The nation's second-largest bookstore began its massive liquidation sale Friday.

With Borders closing, we've heard the word "liquidation" over and over this week.

And when you hear liquidation, you probably think "sale."

But how exactly does the process work?

KEZI talked with a Eugene attorney who says there are basically two types of liquidation methods for a situation like Borders.

Bo Muhlhein, a Luvaas Cobb Attorney, says one instance is when liquidators make an offer to buy the inventory. They can then take over and bring extra merchandise to the store to fill it up and then they raise the prices back up to manufacture prices.

So when you start buying, you're not actually getting a deal.

But Muhlhein says in this case, there wasn't enough time to find liquidators to buy the inventory and do this.

So for Borders, the liquidators will be agents selling the inventory, so you won't see price increases before the sale starts.

"I think you're less likely to see that when you have an agent coming in and selling the inventory as an agent of the estate," said Muhlhein. "I doubt you're going to see mark-ups of Borders inventory."

We stopped inside the Borders in Eugene earlier Friday and we didn't see any mark-ups, rather, just markdowns.

Liquidators started sales at 10 percent, and they range upwards to 40 percent off select items.

The liquidators will get rid of everything right down to the fixtures, like the bookcases.

As for people with gift cards, they will be honored as long as the liquidation lasts, which by the looks of the traffic going in and out of the store on Friday, may not be long.

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