

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

)	
In re:)	Chapter 11
)	
RADIOSHACK CORPORATION, <i>et al.</i> , ¹)	Case No. 15-10197 (BLS)
)	
Debtors.)	(Jointly Administered)
)	
THE STATE OF TEXAS,)	
)	
Plaintiff,)	
)	
v.)	Adv. Pro. No. _____
)	
RADIOSHACK CORPORATION and)	
RADIOSHACK CUSTOMER SERVICE LLC)	
)	
Defendants.)	
)	

THE STATE OF TEXAS’S COMPLAINT FOR DECLARATORY RELIEF

COMES NOW the State of Texas (“Texas”), by and through the Texas Attorney General’s Office, and submits this State of Texas’s Complaint for Declaratory Relief (the “Complaint”)² seeking: (1) a declaration that proofs of claim for the balance of unredeemed gift cards are entitled to priority status pursuant to 11 U.S.C. § 507(a)(7); (2) a declaration that Texas has standing to file a proof of claim for the balance of unredeemed gift cards on behalf of Consumers³ residing in Texas; and (3) a declaration that funds should be turned over to the appropriate state for unclaimed property. In support of its Complaint, Texas respectfully states as follows:

¹ The Debtors are the following eighteen entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): RadioShack Corporation (7710); Atlantic Retail Ventures, Inc. (6816); Ignition L.P. (3231); ITC Services, Inc. (1930); Merchandising Support Services, Inc. (4887); RadioShack Customer Service LLC (8866); RadioShack Global Sourcing Corporation (0233); RadioShack Global Sourcing Limited Partnership (8723); RadioShack Global Sourcing, Inc. (3960); RS Ig Holdings Incorporated (8924); RSignite, LLC (0543); SCK, Inc. (9220); Tandy Finance Corporation (5470); Tandy Holdings, Inc. (1789); Tandy International Corporation (9940); TE Electronics LP (9965); Trade and Save LLC (3850); and TRS Quality, Inc. (5417). The address of each of the Debtors is 300 RadioShack Circle, Fort Worth, Texas 76102.

² Contemporaneously herewith, Texas is filing a Motion for Summary Judgment and Brief in Support as to all counts enumerated in this Complaint.

³ “Consumers” refers to persons, wherever located, who purchased gift cards from the Defendants prepetition.

I. INTRODUCTION

1. The Defendants were primarily engaged in the electronics retail business and, as part of the normal course of their business, sold gift cards. As evidenced by the attached affidavits, RadioShack's policy and practice provided in relevant part that these gift cards did not expire. Both prepetition and postpetition, via telephone and via their website, Defendants represented to consumers that the gift cards do not expire. *See* Exhibits B and C. Further, upon information and belief, at the time that Defendants filed for relief under Chapter 11, these cards on their face disclosed no expiration date. *See* Exhibit A.

2. Upon information and belief, approximately \$43 million worth of gift cards remain unredeemed.

3. Now that the gift cards have expired, the only recourse for Consumers is to file a proof of claim in this bankruptcy case. However, the Defendants have not made any efforts to provide those Consumers with notice of the filing or any other deadlines.⁴

4. Texas asserts that the funds of Consumers should not be distributed to other creditors, and further that claims for unredeemed gift card funds are entitled to priority status under Section 507(a)(7). Texas contends that it has standing to file a proof of claim on behalf of its residents for such funds pursuant to, *inter alia*, Federal Rule of Bankruptcy Procedure 2018(b) and/or the *parens patriae* doctrine. Finally, Texas seeks from this Court a declaration that, to the extent there are gift card funds remaining after all Section 507(a)(7) claims based on unredeemed gift cards are paid, such funds should be turned over to the appropriate state for unclaimed property in accordance with applicable United States Supreme Court precedent.

⁴ As of the date of filing of this Complaint, no claims bar date has been set for holders of "Gift Card Claims". Order (I) Establishing Bar Dates for Filing Claims and (II) Approving the Form and Manner of Notice Thereof, D.I. 2214. The foregoing referenced order defines "Gift Card Claims" as "... claims related to prepetition gift cards."

II. JURISDICTION & VENUE

5. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157, 1334, and 2201 and the standing order of reference in the United States District Court for Delaware (*available at* http://www.ded.uscourts.gov/sites/default/files/general-orders/AmendedTitle11Order_2-29-12_0.pdf (last visited June 1, 2015)).

6. This adversary proceeding is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A).

7. Venue of this proceeding is proper in this District pursuant to 28 U.S.C. § 1409.

III. FACTUAL BACKGROUND

8. On February 5, 2015, the Defendants filed for relief under Chapter 11 of the Bankruptcy Code.

9. This Court directed that the separate filings of each Defendant were to be jointly administered and procedurally consolidated. (D.I. 98.)

10. The gift cards issued by the Defendants do not list an expiration date on their face. *See Exhibit A.* Further, the Defendants have represented prepetition and postpetition, via telephone and via their website, that gift cards do not expire. *See Exhibits A through C.*

11. Pursuant to the Motion for an Order Authorizing the Debtors to (i) Maintain Certain Customer Programs and (ii) Honor or Pay Related Prepetition Obligations to Their Customers (D.I. 7) (“Customer Programs Order”) and the Order granting same (D.I. 109), Saturday, March 7, 2015 was established as the expiration date for outstanding gift cards. This conflicted with ¶19 of the Order of this Court (I) Authorizing the Debtors to Assume the Consulting Agreement; (II) Authorizing and Approving the Conduct of Store Closing or Similar Themed Sales, with such Sales to be Free and Clear of all Liens, Claims and Encumbrances, (III) Authorizing Customary

Bonuses to Employees of Closing Business Locations, and (IV) Granting Related Relief, which set the gift card expiration date at Tuesday, March 31, 2015. (D.I. 455.) The Order granting the Customer Programs Motion was amended on March 10, 2015 and set the final date for gift cards at March 31, 2015. (D.I. 894.)

12. On April 22, 2015, Texas sent counsel for the Defendants a letter asking for certain information regarding gift cards that were not redeemed by the gift card redemption deadline. A copy is attached hereto as Exhibit D.

13. In that letter, Texas sought, in part, a state-by-state breakdown of the quantity and total dollar amounts of unredeemed gift cards. Texas also inquired as to whether the Defendants have the ability to identify the buyers of remaining unredeemed gift cards. Texas further asked whether the Defendants had sent formal notice to the holders of unredeemed gift cards, had initiated a claims mechanism, or intended to send any notice of the bankruptcy to holders of unredeemed gift cards.

14. To date, while the parties have had several conversations and email exchanges about this topic, the Defendants have not provided any substantive response to the letter.

15. Upon information and belief formed after these conversations with Debtors' counsel, approximately \$43 million worth of gift cards were not redeemed by the deadline. The Defendants have not provided a state-by-state breakdown.

16. Further, the Defendants have not provided notice, actual or constructive, to the holders of unredeemed gift cards, whether those holders are known or unknown.⁵

⁵ The typical remedy for failing to provide notice to creditors – that a debtor's obligation to the creditor will not be discharged by the confirmation of a plan – does not help creditors in a case such as this, where the Defendants have proposed a liquidating chapter 11 plan. Because there will be no solvent entity once the plan has been consummated, creditors who were not provided notice of the bankruptcy will be left without a remedy.

17. The Defendants have informed Texas that they do not know who the holders of unredeemed gift cards are. However, Texas respectfully contends that such an assertion must be viewed with some skepticism in light of the fact that the Defendants maintain extensive data regarding their customers' purchases. The Defendants likely know the names, mailing addresses, and email addresses of at least some of the purchasers if not the holders.

18. Regardless, whether the Consumers who are currently holding unredeemed gift cards are known or unknown creditors, the Defendants have not taken any steps to provide them with actual or constructive notice.⁶

IV. RELIEF REQUESTED

Count I: Declaratory Relief that Proofs of Claim for the Balance of Unredeemed Gift Cards are Entitled to Priority Status Pursuant to 11 U.S.C. § 507(a)(7)

19. The preceding paragraphs are incorporated herein for all purposes as if set forth in full.

20. Pursuant to *In re W W Warehouse, Inc.*, 313 B.R. 588 (Bankr. D. Del. 2004) and 11 U.S.C. § 507(a)(7), the unredeemed gift cards should be determined to have priority status up to \$2,775 each.

21. Section 507(a)(7) provides:

Seventh, allowed unsecured claims of individuals, to the extent of \$2,775 for each such individual, arising from the deposit, before the commencement of the case, of money in connection with the purchase, lease, or rental of property, or the purchase of services, for the personal, family, or household use of such individuals, that were not delivered or provided.

⁶ Due process requires that creditors, whether known or unknown, be provided notice of all relevant deadlines before their claim can be discharged. *Chemetron Corp. v. Jones*, 72 F.3d 341, 346 (3d Cir. 1995); *In re S.N.A. Nut Co.*, 198 B.R. 541, 543 (Bankr. N.D. Ill. 1996); *see also In re Longardner and Associates, Inc.*, 855 F.2d 455, 465 (7th Cir.1988). Known creditors must be provided with actual notice while unknown creditors may be provided with constructive notice. *Chemetron*, 72 F.3d at 345-46.

11 U.S.C. § 507(a)(7) (West 2015).

22. Consumers who purchased gift cards from the Defendants prepetition presumably did so with the expectation that the Defendants would apply some or all of the face value of the gift card toward a later, ultimate purchase.

23. WHEREFORE, Texas requests that this Court issue a declaratory judgment that proofs of claim filed in this case for unredeemed gift cards are entitled to priority status under Section 507(a)(7) for up to \$2,775 per gift card.

Count II: Declaratory Relief that Texas Has Standing to File A Proof of Claim for the Balance of Unredeemed Gift Cards on Behalf of its Residents⁷

24. The preceding paragraphs are incorporated herein for all purposes as if set forth in full.

25. Texas has standing under, *inter alia*, Federal Rule of Bankruptcy Procedure 2018(b) and/or the *parens patriae* doctrine to file a proof of claim for the balance of unredeemed gift cards on behalf of its residents.⁸

Federal Rule of Bankruptcy Procedure 2018(b)

26. Applicable case law precedent establishes that Federal Rule of Bankruptcy Procedure 2018(b) provides state attorneys general with the right to intervene on behalf of consumer creditors in cases such as this one. *See, e.g., In re U.S. Fidelis, Inc.*, 481 B.R. 503 (Bankr.

⁷ If not already filed, Texas will shortly be filing an unliquidated proof of claim for unredeemed gift cards on behalf of Texas Consumers.

⁸ Texas does not assert in this adversary proceeding that it has standing to file proofs of claim on behalf of residents of other states; however, Texas requests a determination that the attorneys general of all states within the United States may assert claims on behalf of the residents of their states. Further although not raising it here, Texas contends that it has standing to assert such claims under the Texas Deceptive Trade Practices-Consumer Protection Act (TEX. BUS. & COMM. CODE ANN. § 17.41 et seq. (West 2015) (the “DTPA”) which prohibits false, misleading and deceptive acts or practices in the conduct of trade or commerce. Representing that a gift card has no expiration date and later setting a deadline for its expiration could reasonably be viewed as constituting a violation of the DTPA. If such a claim were asserted, penalties could be significant because the DTPA would allow penalties for each violation, including potentially the sale of each gift card.

E.D. Mo. 2012); *see also In re SCBA Liquidation, Inc.*, 489 B.R. 666, 687 (Bankr. W.D. Mich. 2013).

27. Rule 2018(b) provides:

(b) Intervention by Attorney General of a State

In a chapter 7, 11, 12, or 13 case, the Attorney General of a State may appear and be heard on behalf of consumer creditors if the court determines the appearance is in the public interest, but the Attorney General may not appeal from any judgment, order, or decree in the case.

FED. R. BANKR. P. 2018(b) (2012).

28. In the case at bar, the creditors the State of Texas is seeking to protect are undoubtedly “consumer creditors” within the meaning of Rule 2018(b).

29. Further, by filing of a proof of claim, Texas would not be pressing claims on its own behalf. Rather, the claims it would be pressing would be on behalf of its residents.

Parens Patriae

30. Texas asserts that under the *parens patriae* doctrine, the facts of this case warrant a finding that it has standing to press claims on behalf its residents.

31. The United States Supreme Court has explained that to have standing under the doctrine of *parens patriae*, the state asserting the doctrine must meet the following elements:

- (1) the state must have a quasi-sovereign interest, apart from the interests of particular private parties;
- (2) there must be an injury to a substantial segment of its population;
- and
- (3) the individuals could not obtain complete relief through a private suit.

Alfred L. Snapp & Son, Inc. v. Puerto Rico, ex rel., Barez, 458 U.S. 592 (1982); *People by Abrams v. 11 Cornwell Co.*, 695 F.2d 34 (2d Cir.1982), modified on other grounds, 718 F.2d 22 (2d Cir.1983) (en banc).

32. Further:

The State must express a ‘quasi-sovereign’ interest, such as its interest in the health and well-being-both physical and economic-of its residents in general. Although more must be alleged than injury to an identifiable group of individual residents, the indirect effects of the injury must be considered as well in determining whether the State has alleged injury to a sufficiently substantial segment of its population.

Snapp, 458 U.S. at 593; *see also Allegheny Gen. Hosp. v. Philip Morris, Inc.*, 228 F.3d 429, 437 (3d Cir. 2000).

33. In the case at bar, Texas contends that: a) it has a quasi-sovereign interest; b) that without granting Texas standing to file a proof of claim on behalf of its residents, its residents will suffer an imminent injury; and c) that Consumers will not be able to obtain meaningful relief on their own because Consumers are at a unique disadvantage in the Chapter 11 context as discussed in *In re Grand Union Co.*, 204 B.R. 864, 873 (Bankr. D. Del. 1997).

34. Texas believes that these considerations satisfy the Supreme Court’s analysis as outlined in *Snapp*. *See also Broselow v. Fisher*, 319 F.3d 605 (3d Cir. 2003); *see also In re SCBA Liquidation, Inc.*, 489 B.R. 666, 687 (Bankr. W.D. Mich. 2013).

35. WHEREFORE, Texas requests that this Court declare that it has the authority to file a proof of claim on behalf of its residents pursuant to Federal Rule of Bankruptcy Procedure 2018(b) and/or the *parens patriae* doctrine.

Count III: Declaratory Relief Seeking Determination that Funds Should be Turned Over to the Appropriate State for Unclaimed Property

36. The preceding paragraphs are incorporated herein for all purposes as if set forth in full.

37. Texas asserts that, to the extent there are gift card funds remaining after all Section 507(a)(7) claims based on unredeemed gift cards are paid, such funds should be turned over to the

appropriate state for unclaimed property in accordance with *Delaware v. New York*, 507 U.S. 490 (1993). As explained by the United States Supreme Court in *Delaware v. New York*, the state in which the creditor is last known to have resided should receive unclaimed property. 507 U.S. at 498. Further, if a debtor's records disclose no address for a creditor or the creditor's last known address is in a state whose laws do not provide for escheat, then the state of incorporation should receive the funds. *Id.*

38. On information and belief, RadioShack Customer Service, LLC is the entity which issued the gift cards. Further, on information and belief, RadioShack Customer Service, LLC is incorporated in Virginia.

39. Therefore, as to Consumers who purchased gift cards, the Defendants should be required to review their records for a last known address and then the funds should be turned over to that state pursuant to that state's laws regarding unclaimed property. If the Defendants cannot locate an address or if the state in question does not have a statute covering unclaimed property, then the funds should be turned over to Virginia pursuant to Virginia's unclaimed property statute (VA. CODE §59.1-530).⁹

40. WHEREFORE, Texas seeks declaratory relief from this Court that, to the extent there are gift card funds remaining after all Section 507(a)(7) claims based on unredeemed gift cards are paid, such funds should be turned over to the appropriate state for unclaimed property in accordance with *Delaware v. New York*.

⁹ On information and belief formed after communications with the Virginia Attorney General's Office, the gift cards became subject to reporting under Virginia's unclaimed property statute when the gift card redemption period ended. When the gift card redemption period ended, Virginia's exemption for gift cards (articulated in § 55-210.8:1 of the Code of Virginia) was no longer applicable because the cards were no longer "redeemable in merchandise, in services, or through future purchases". Further, on information and belief, Virginia's Division of Unclaimed Property intends to honor claims from gift card owners whose individual card balances were identified and reported to Virginia along with the owner's name and address or by the card number. Further, the Division of Unclaimed Property is preparing a proof of claim form and will be filing it soon in this bankruptcy.

Respectfully Submitted,

KEN PAXTON
Attorney General of Texas

CHARLES E. ROY
First Assistant Attorney General

JAMES E. DAVIS
Deputy Attorney General for Civil Litigation

RONALD R. DEL VENTO
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Chief, Bankruptcy & Collections Division

/s/ Hal F. Morris

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ATTORNEYS FOR THE STATE OF TEXAS

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
RADIOSHACK CORPORATION, <i>et al.</i> , ¹)	Case No. 15-10197-KJC
Debtors.)	(Jointly Administered)

AFFIDAVIT OF ELIZABETH A. MARTIN

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

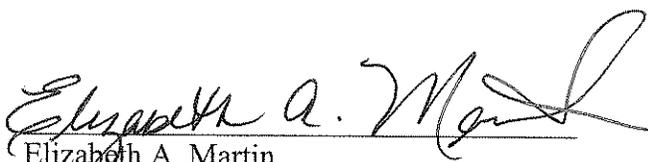
I, Elizabeth A. Martin, hereby make this declaration:

1. I am over 18 years of age, of sound mind, and competent to make this declaration. The facts stated in this affidavit are within my personal knowledge and are true and correct.
2. I serve as a Legal Assistant with the Texas Attorney General’s Office assigned to the Bankruptcy Regulatory Section. In that capacity, I state the following:
3. I have firsthand knowledge of the facts stated herein and I have reviewed the privacy policy attached to this affidavit.
4. On March 2, 2015, I called the phone number located on the back of a RadioShack gift card, 1-888-609-4620. I entered the numbers located on the gift card and I was routed to a customer service agent.

¹ The Debtors are the following eighteen entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): RadioShack Corporation (7710); Atlantic Retail Ventures, Inc. (6816); Ignition L.P. (3231); ITC Services, Inc. (1930); Merchandising Support Services, Inc. (4887); RadioShack Customer Service LLC (8866); RadioShack Global Sourcing Corporation (0233); RadioShack Global Sourcing Limited Partnership (8723); RadioShack Global Sourcing, Inc. (3960); RS Ig Holdings Incorporated (8924); RSignite, LLC (0543); SCK, Inc. (9220); Tandy Finance Corporation (5470); Tandy Holdings, Inc. (1789); Tandy International Corporation (9940); TE Electronics LP (9965); Trade and Save LLC (3850); and TRS Quality, Inc. (5417). The address of each of the Debtors is 300 RadioShack Circle, Fort Worth, Texas 76102.

EXHIBIT
A

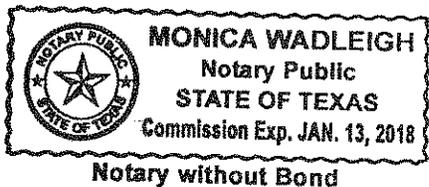
5. The customer service agent verified the last four digits of the gift card and informed me there is a zero balance available of this gift card. I advised the customer service agent I heard on the news that RadioShack was in bankruptcy and I was curious as to when the gift cards expired. The customer service agent told me gift cards do not expire.
6. Attached is a true and correct copy of the actual RadioShack gift card.
7. I declare under penalty of perjury that the foregoing is true and correct.
8. Further Affiant sayeth not.


 Elizabeth A. Martin

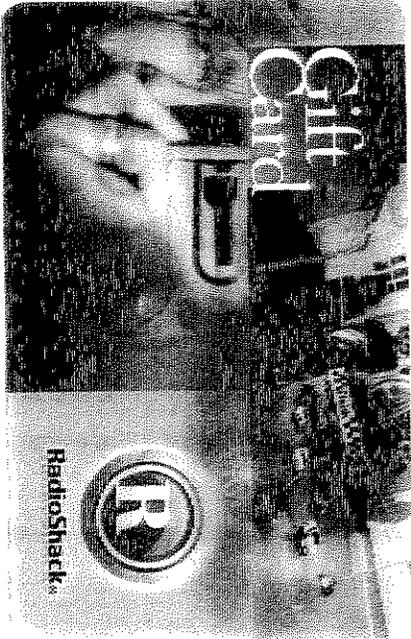
THE STATE OF TEXAS §
 §
 COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, on this day personally appeared Elizabeth A. Martin, who being duly sworn, upon her oath states that she has personal knowledge of the facts set forth in the forgoing affidavit and is duly authorized to make such affidavit, and that all the facts stated herein are true and correct.

SUBSCRIBED AND SWORN TO before me this 2nd day of March, 2015.




 Notary Public in and for the State of Texas



PROTECT THIS CARD AND TREAT IT AS YOU WOULD CASH.

Terms and Conditions: Use of this card entitles acceptance of these terms. This card can be used toward any purchase of electronic products, batteries and accessories at RadioShack and participating dealers. It may not be redeemed for cash or applied as payment to your credit card account. When you make a purchase with this card, your lender will show your credit balance. Please recognize this card. It is not replaceable if lost or stolen.

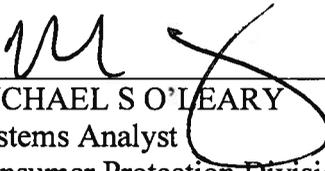
To check the remaining balance of your card, call 1-888-609-4620

6006493810034765161



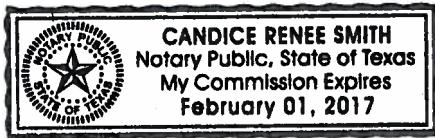
- When you make a purchase with this card, your receipt will show your remaining balance.
- There are no expiration dates or fees associated with this card.”

5. Attached as Exhibits 1 and 2 are true and correct copies of screenshots of the two pages found with the Google search I completed on June 12, 2015.



MICHAEL S O'LEARY
Systems Analyst
Consumer Protection Division
300 West 15th, 9th Floor, MC 010
Austin, Texas 78701

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority, by
MICHAEL S O'LEARY this 15 day of June, 2015 at Travis County, Texas.





Notary Public in and for the State of Texas

CHECK OUT OUR RED HOT DEALS! FREE SHIPPING OVER \$50 >

HELP

STORE FINDER

ESPAÑOL

MY ACCOUNT

0



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DEALS

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RADIOSHACK GIFTCARD



To check your GiftCard balance, call 1-888-609-4620.

Recipient's Name

Your Name

Message

You have 250 characters left out of 250

Amount (\$10 - \$400)

1

ADD TO CART

In using this card, you accept the following terms:

- This card can be used toward any purchase of electronic products, batteries, and accessories at RadioShack and participating dealers.
- This card may not be redeemed for cash, or applied as payment to your credit card account.
- When you make a purchase with this card, your receipt will show your remaining balance.
- There are no expiration dates or fees associated with this card.



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How to Track an Order

Manage My Account

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Return Instructions

Credit for Returns

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PRODUCT INFO

CONNECT WITH US



Carrier Phones

No-Contract Phones

Tablets

Forums

Sign In | Register

SEARCH



ASK A QUESTION



GOT QUESTIONS? GET ANSWERS.

Sign In

Register

BROWSE BY:

Carrier



Manufacturer



Platform



Model



Submit

All Places > Mobile Product Support > Discussions

2 Replies Latest reply: May 29, 2014 10:38 PM by Alan L@RadioShack

MORE LIKE THIS

- Re: can i buy minutes on line for my no contract radio shack phone?
- Re: is the I340 made for the hard of hearing
- RE: paying my att bill?
- Re: How can I speak to someone as I am disabled?
- RE: free 50 dollar visa card with Venzon purchase

mia surro May 28, 2014 6:07 PM

how can i buy minutes for my att cell phone?

This question has been **Answered**.

I have a radioshack gift card and I am trying to buy minutes for my prepaid AT&T cell phone. online with the gift card. is this possible??



Correct Answer

by Alan L@RadioShack on May 29, 2014 10:38 PM

Mia,

the radio shack gift card can be used to purchase minutes, but only at a RS store. if you are purchasing on-line or over the phone using the *611 dialing method, you will have to use a visa, mc or amex credit card. You can only use the RS gift card on the RS website or in the RS stores

See the answer in context

195 Views Tags

Jan R@Radioshack May 29, 2014 8:07 AM (in response to mia surro)

Re: how can i buy minutes for my att cell phone?

Hi Mia. I hope this information is helpful in answering your question found on our website @ RadioShack Gift Card - RadioShack.com
In using this card, you accept the following terms

- This card can be used toward any purchase of electronic products, batteries, and accessories at RadioShack and participating dealers.
- This card may not be redeemed for cash, or applied as payment to your credit card account.
- When you make a purchase with this card, your receipt will show your remaining balance
- Please safeguard this card; it is not replaceable if lost or stolen.
- There are no expiration dates or fees associated with this card.

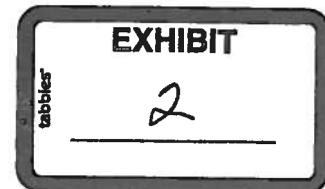
Like (0)

Alan L@RadioShack May 29, 2014 10:38 PM (in response to mia surro)

Correct Answer Re: how can i buy minutes for my att cell phone?

Mia,

the radio shack gift card can be used to purchase minutes, but only at a RS store. if you are purchasing on-line or over the phone using the *611 dialing method, you will have to use a visa, mc or amex credit card. You can only use the RS gift card on the RS website or in the RS stores.



AFFIDAVIT OF GARY L. ADKINS

STATE OF TEXAS

§
§
§
§

TRAVIS COUNTY

Before me, the undersigned authority, on this day, personally appeared GARY L. ADKINS, known to me to be the person whose name is subscribed to the following instrument, and having been by me duly sworn upon his oath, deposes and states as follows:

1. My name is GARY L. ADKINS. I am over the age of eighteen years, am an adult resident of Travis County, Texas, and am fully competent and able to testify herein. I have personal knowledge of all of the facts set forth herein, and am able to swear, as I hereby do swear, that all of said facts and statements herein contained are true and correct.

2. I am employed as an Investigator in the Consumer Protection Division of the Office of the Attorney General of the State of Texas.

3. In the course of such duties and activities, as an authorized member of this Division, on March 2, 2015, I placed a telephone call to the number 1-888-609-4620 which is listed on the back of a Radio Shack Gift card.

4. When the call connected, I received an automated message instructing me to enter the account number on the card. The automated message then said they were having trouble accessing the account and I was placed on hold until a Gift Card customer representative picked up. I then asked a series of questions.

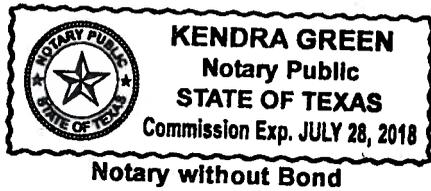
5. Attached as Exhibit 1 is a true and correct transcription of the telephone call I placed on March 2, 2015 to the number 1-888-609-4620 which is listed on the back of a Radio Shack Gift Card.

EXHIBIT
C

Gary L. Adkins

GARY L. ADKINS
Investigator
Consumer Protection Division
300 West 15th, 9th Floor, MC 010
Austin, Texas 78701

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority, by GARY L. ADKINS this 15th day of June, 2015 at Travis County, Texas.



Kendra Green

Notary Public in and for the State of Texas

Transcript of Call to RADIOSHACK number: 1-888-609-4620

Date of Call: 3/2/2015

Re: GIFT CARD balance and expiration date

Caller: Gary Adkins

Company recording: To obtain your card balance have your account number available and press 4.

Company recording: Please enter your 19 digit account number followed by the pound key.

Company recording: The last 4 digits of the card number your entered are, 5-1-6-1. If this number is correct, press the pound key. If this number is. Please wait while we access your information. We are having difficulty processing your request. Please hold for a customer service representative.

Company recording: This call may be recorded and/or monitored.

Company recording: Thank you for calling customer service. All agents are currently assisting other customers. Please hold, and the next available agent will assist you.

Company representative: Thank you for calling RadioShack gift card consumer service. This is Maria. How may I help you?

Gary: Yes, I'm calling to get the balance on this card, my card please.

Company representative: Alright, I'll be more than happy to assist you. We're talking about the card that ends in 5-1-6-1?

Gary: That's correct.

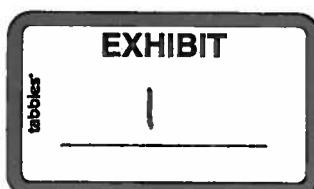
Company representative: Thank you. According to what I show here, this card has a balance of...give me a couple of seconds...zero dollars. Anything else I may assist you with?

Gary: Uh, yea, I didn't expect that. I heard that RadioShack was in bankruptcy and they were going to stop honoring gift cards. I have others. Is that correct?

Company representative: Well, up to now sir, I myself, we haven't actually received any information about, uh, what you're talking about, uh, with them being, um, bankrupt, so as far as the cards go, if they have money in there they should be available to use, according to the information I show here.

Gary: So you don't any expiration date or anything like that on the cards?

Company representative: Well, as far as expiration, no sir, the cards do not expire.



Gary: Okay

Company representative: Alright?

Gary: Thank you very much.

Company representative: No problem. If there's nothing else I can further assist you with, I thank you for calling. Have a nice afternoon. Good-bye.

Gary: Thank you. Bye.



KEN PAXTON
ATTORNEY GENERAL OF TEXAS

April 22, 2015
via U.S. Mail; copy via electronic mail

Basheer Y. Ghorayeb, Esq.
JONES DAY
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Re: *In re RadioShack Corporation, et al.*, Chapter 11, Case No. 15-10197, United States Bankruptcy Court for the District of Delaware; claims for unredeemed gift cards

Dear Basheer:

Following up on our written request of March 2, 2015 and subsequent phone conversations and e-mail communications, now that the redemption period has ended, can you kindly advise as to the status of our discovery requests pertaining to unredeemed gift cards in this case?

For ease of reference, I have copied below the information we have previously requested from the Debtors. We would appreciate your advising/confirming at your earliest convenience whether the Debtors are willing to produce these requested documents through an informal process or whether you will require formal discovery requests. As we have also previously discussed, while our office does not and cannot represent any other State Attorney General Office, it would be our intention to share the information you provide with our colleagues in other states with whom we have been in contact in the hopes of limiting the time and expense the Debtors would potentially incur in responding to separate discovery requests from every state in which they do business.

REQUESTED INFORMATION:

1. *A state-by-state breakdown of*
 - a. *The quantity (number of gift cards); and*
 - b. *The total dollar amount of gift cards which remain unredeemed.*
2. *A copy of the minutes of the board of directors in which the board*
 - a. *First authorized the filing of bankruptcy; and*
 - b. *First authorized the hiring of bankruptcy counsel. (You may redact those portions of the minutes you deems to be confidential privileged attorney-client/work product communications.)*

Additionally, we will seek responses to the following questions:

3. *Do the Debtors have the ability to identify the buyers of (a) each or (b) any remaining unredeemed gift cards? (For example, if a gift card were purchased online, can the debtor identify the purchaser?)*
4. *If not, please explain why the Debtors are unable to identify the buyers of each or any gift cards.*

5. *Have the Debtors sent formal notice of the bankruptcy case to the holders of unredeemed gift cards?*
6. *Have the Debtors initiated any claims mechanism? (For example, on Debtors' website explaining how unredeemed gift cards holders may file a claim?)*
7. *Do the Debtors intend to send any notice of the bankruptcy to the holders of unredeemed gift cards?*
8. *Regarding the requested state-by-state breakdown of unredeemed gift cards, please contact us before providing the information so that we may discuss the best format in which to provide it.*

We look forward to hearing from you at your earliest convenience regarding the preferred process (formal or informal) and expected timetable for receipt of this information. Thank you for your anticipated courtesies and assistance in this matter.

Cordially,



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