

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

RS LEGACY CORPORATION, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 15-10197 (BLS)  
(Jointly Administered)

**Hearing Date: April 3, 2019 at 10:00 a.m.**  
**Objection Deadline: March 5, 2019 at 4:00 p.m.**

**LIQUIDATING TRUSTEE'S THIRTIETH OMNIBUS OBJECTION TO  
CERTAIN (A) OVERSTATED CLAIMS; (B) MISCLASSIFIED CLAIMS; (C)  
OVERSTATED AND MISCLASSIFIED CLAIMS; (D) NO LIABILITY  
CLAIMS; AND (E) WRONG CASE CLAIMS (SUBSTANTIVE)**

Peter Kravitz, as Liquidating Trustee (the "Liquidating Trustee") of the RSH Liquidating Trust, by and through his undersigned counsel, hereby submits this thirtieth omnibus objection (the "Objection") for entry of an order (the "Proposed Order"), pursuant to sections 105(a), 502 and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), Rule 3007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), (i) reducing the overstated claims listed on Exhibit A to the Proposed Order; (ii) reclassifying the misclassified claims listed on Exhibit B to the Proposed Order; (iii) reducing and reclassifying the overstated and misclassified claims listed on Exhibit C to the Proposed Order; (iv) disallowing and

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<sup>1</sup> The Debtors are the following eighteen entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): RS Legacy Corporation (f/k/a RadioShack Corporation) (7710); Atlantic Retail Ventures, Inc. (6816); Ignition L.P. (3231); ITC Services, Inc. (1930); Merchandising Support Services, Inc. (4887); RS Legacy Customer Service LLC (f/k/a RadioShack Customer Service LLC) (8866); RS Legacy Global Sourcing Corporation (f/k/a RadioShack Global Sourcing Corporation) (0233); RS Legacy Global Sourcing Limited Partnership (f/k/a RadioShack Global Sourcing Limited Partnership) (8723); RS Legacy Global Sourcing, Inc. (f/k/a RadioShack Global Sourcing, Inc.) (3960); RS Ig Holdings Incorporated (8924); RSIgnite, LLC (0543); SCK, Inc. (9220); RS Legacy Finance Corporation (f/k/a Tandy Finance Corporation) (5470); RS Legacy Holdings, Inc. (f/k/a Tandy Holdings, Inc.) (1789); RS Legacy International Corporation (f/k/a 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 17000 Ventura Blvd., Suite 300, Encino, CA 91316.

expunging the no basis claims listed on Exhibit D to the Proposed Order; and (v) disallowing and expunging the wrong case claims listed on Exhibit E to the Proposed Order. In support of the Objection, the Liquidating Trustee submits the *Declaration of Colleen Flansaas in Support of the Liquidating Trustee's Thirtieth Omnibus Objection to Certain (A) Overstated Claims; (B) Misclassified Claims; (C) Overstated and Misclassified Claims; (D) No Liability Claims; and (E) Wrong Case Claims (Substantive)* (the "Flansaas Declaration") attached hereto as Exhibit 2. In further support of the Objection, the Liquidating Trustee respectfully represents as follows:

### **JURISDICTION**

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.<sup>2</sup>

### **BACKGROUND**

#### **A. The Instant Bankruptcy Proceedings**

2. On February 5, 2015, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

3. On March 16, 2015, each of the Debtors filed its *Schedule of Assets and Liabilities and Statement of Financial Affairs* [Docket Nos. 1097, 1099, 1100, 1102, 1104, 1108, 1111, 1114, 1115, 1117, 1118, 1119, 1122, 1123, 1126, 1130, 1132, 1134, 1142, 1144, 1145, 1149, 1152, 1154, 1155, 1157, 1158, 1161, 1163, 1164, 1165, 1167, 1168, 1169, 1171, 1173] (collectively, the "Schedules").

4. On May 21, 2015, the Court entered the *Order (I) Establishing Bar Dates for Filing Claims and (II) Approving the Form and Manner of Notice Thereof* [Docket No.

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<sup>2</sup> Pursuant to Local Rule 9103-1(f), the Liquidating Trustee hereby confirms his consent to the entry of a final order by this Court in connection with this Objection if it is later determined that this Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

2214] (the “Bar Date Order”) establishing July 10, 2015 at 5:00 p.m. (prevailing Eastern Time) (the “General Bar Date”) as the last date for all creditors holding a “claim” (as such term is defined in section 101(5) of the Bankruptcy Code) against the Debtors (collectively, the “Claimants”) to file and serve a written proof of claim for payment of any such claim.<sup>3</sup> Notice of the General Bar Date was provided by first class mail, electronic mail, and publication in accordance with the procedures outlined in the Bar Date Order.

5. On September 14, 2015, the Debtors filed the *First Amended Joint Plan of Liquidation of RS Legacy Corporation and Its Debtor Affiliates, as Modified* [Docket No. 2969] (the “Plan”). On August 12, 2015, the Debtors filed the *Joint Disclosure Statement of RS Legacy Corporation and its Debtor Affiliates (Solicitation Version)* [Docket No. 2784] (the “Disclosure Statement”).

6. On October 2, 2015, the Court entered the *Order Confirming the First Amended Plan of Liquidation of RS Legacy Corporation and Its Debtor Affiliates, as Modified* [Docket No. 3067], confirming the Plan and approving the Disclosure Statement. On October 7, 2015, the Effective Date occurred under the Plan [Docket No. 3114]. Pursuant to the Plan, the Liquidating Trust was established, substantially all of the Debtors’ remaining assets were transferred to the Liquidating Trust, and the Liquidating Trustee was appointed to administer the Liquidating Trust.

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<sup>3</sup> To comply with section 502(b)(9) of the Bankruptcy Code, the bar date for all “governmental units” (as such term is defined in section 101(27) of the Bankruptcy Code) was fixed as August 4, 2015 at 5:00 p.m. (prevailing Eastern Time).

**B. The General Wireless Operations Inc. Bankruptcy Proceedings**

7. On March 8, 2017, General Wireless Operations Inc. dba Radioshack and three affiliated debtors (the “GW Debtors”) each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The GW Debtors’ bankruptcy cases are pending in this Court and are jointly administered under Case No. 17-10506-BLS (the “GW Cases”).

8. On May 23, 2017, the Court entered the *Order (I) Establishing Bar Dates for Filing Claims and (II) Approving the Form and Manner of Notice Thereof* [Docket No. 651] (the “GW Bar Date Order”) in the GW Cases, establishing July 18, 2017 at 5:00 p.m. (prevailing Eastern Time) (the “GW General Bar Date”) as the last date for all creditors holding a “claim” (as such term is defined in section 101(5) of the Bankruptcy Code) against the GW Debtors (collectively, the “GW Claimants”) to file and serve a written proof of claim for payment of any such claim.<sup>4</sup> Notice of the GW General Bar Date was provided by first class mail, electronic mail, and publication in accordance with the procedures outlined in the GW Bar Date Order.

9. On September 6, 2017, the GW Debtors filed the *First Amended Joint Plan of Reorganization of General Wireless Operations Inc. dba Radioshack and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 940] (the “GW Plan”). On September 6, 2017, the GW Debtors filed the *First Amended Disclosure Statement for the Joint Plan of Reorganization of General Wireless Operations Inc. dba Radioshack and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 942] (the “GW Disclosure Statement”).

10. On October 26, 2017, the Court entered the *Findings of Fact, Conclusions of Law, and Order (I) Approving Debtors’ (A) Disclosure Statement, (B) Solicitation of Votes and*

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<sup>4</sup> The bar date for all “governmental units” (as such term is defined in section 101(27) of the Bankruptcy Code) was fixed as September 5, 2017 at 5:00 p.m. (prevailing Eastern Time) in the GW Cases.

*Voting Procedures and (C) Form of Ballots, and (II) Confirming Modified First Amended Joint Plan of Reorganization of General Wireless Operations Inc. dba Radioshack and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1117], confirming the GW Plan and approving the GW Disclosure Statement. On October 26, 2015, the Effective Date occurred under the GW Plan [Docket No. 1238].

### **THE CLAIMS RESOLUTION PROCESS**

11. In the ordinary course of business, the Debtors each maintained books and records (the “Books and Records”) that reflect, among other things, the Debtors’ liabilities and the amounts owed to their creditors. On the Effective Date of the Plan, the Books and Records were transferred to the Liquidating Trust.

12. The Debtors’ register of claims (the “Claims Register”), prepared and provided to the Liquidating Trustee by the Debtors’ claims agent, Prime Clerk LLC, reflects that, as of the General Bar Date, approximately 14,421 proofs of claim (collectively, the “Proofs of Claim”) were filed in these chapter 11 cases asserting claims against the Debtors. The Liquidating Trustee and his advisors are comprehensively reviewing and reconciling all claims, including both the claims listed on the Schedules and the claims asserted in the Proofs of Claim (including any supporting documentation) filed in these chapter 11 cases. The Liquidating Trustee is also comparing the claims asserted in the Proofs of Claim with the Books and Records to determine the validity of such asserted claims.

13. This reconciliation process has included identifying particular categories of claims that may be disallowed and expunged, reduced and/or reclassified. The Liquidating Trustee has already filed twenty-seven omnibus objections to claims and he anticipates filing additional omnibus objections to further avoid improper recoveries by Claimants.

**RELIEF REQUESTED**

14. By this Objection, and for the reasons described more fully below, the Liquidating Trustee objects to the claims set forth on Exhibits A through E attached to the Proposed Order (the “Claims”) pursuant to sections 105(a), 502 and 507 of the Bankruptcy Code, Bankruptcy Rules 3007 and 9014, and Local Rule 3007-1. The Liquidating Trustee respectfully requests entry of the Proposed Order reducing, reclassifying, and/or disallowing and expunging the Claims.

**LEGAL BASES FOR OBJECTION**

15. When asserting a proof of claim against a bankrupt estate, a claimant must allege facts that, if true, would support a finding that the debtor is legally liable to the claimant. *In re Allegheny Int’l, Inc.*, 954 F.2d 167, 173 (3d Cir. 1992); *Matter of Int’l Match Corp.*, 69 F.2d 73, 76 (2d Cir. 1934) (finding that a proof of claim should at least allege facts from which legal liability can be seen to exist). Where the claimant alleges sufficient facts to support its claim, its claim is afforded *prima facie* validity. *In re Allegheny Int’l Inc.*, 954 F.2d at 173. A party wishing to dispute such a claim must produce evidence in sufficient force to negate the claim’s *prima facie* validity. *Id.* In practice, the objecting party must produce evidence that would refute at least one of the allegations essential to the claim’s legal sufficiency. *Id.* Once the objecting party produces such evidence, the burden shifts back to the claimant to prove the validity of his or her claim by a preponderance of the evidence. *Id.* The burden of persuasion is always on the claimant. *Id.*

16. For the reasons set forth below, there is ample evidence to rebut the *prima facie* validity of each Claim.

**A. Overstated Claims**

17. After reconciling each of the Claims and supporting materials against the Debtors' Books and Records, which have been and are maintained in the ordinary course of business and which the Liquidating Trustee believes to be accurate, the Liquidating Trustee has identified certain Claims listed on Exhibit A to the Proposed Order (the "Overstated Claims") that were filed in incorrect amounts.

18. The claimants asserting the Overstated Claims (a) asserted amounts that are higher than the amount of liabilities reflected on the Books and Records or (b) asserted charges, fees, interest or other amounts to which the respective claimant is not entitled under contract or applicable law.

19. Accordingly, the Overstated Claims should be modified by reducing the amounts to the dollar values listed under the column titled "Modified Claim Amount" in Exhibit A. Failure to modify the Overstated Claims will result in the respective claimants receiving an excessive recovery against the Debtors' estates to the detriment of other creditors. Accordingly, the Liquidating Trustee (a) objects to the allowance of each of the Overstated Claims and (b) seeks entry of an order reducing the amount of the Overstated Claims to the correct amount as listed on Exhibit A to the Proposed Order under the heading "Modified Claim Amount by Priority."

**B. Misclassified Claims**

20. The Liquidating Trustee has identified certain Claims listed on Exhibit B to the Proposed Order that were filed incorrectly by asserting administrative, secured, or priority unsecured status where no basis for such treatment exists under the Bankruptcy Code and/or the Plan (the "Misclassified Claims").

21. In evaluating the Misclassified Claims, the Liquidating Trustee has reviewed the Books and Records and the relevant Proofs of Claim, as well as the supporting documentation provided by the claimant, and has determined that the Misclassified Claims are improperly and incorrectly classified for the reasons set forth on Exhibit B. Some of the reasons may include, but are not limited to:

- Misclassified Claims asserting priority unsecured status pursuant to section 507(a)(4)(A) where the claimed “wages, salaries or commissions” (i) were earned outside of the 180-day time period set forth in section 507(a)(4) or (ii) exceed the statutory maximum specified in section 507(a)(4), inclusive of any amounts previously paid under a relevant “first day” order entered in this case;
- Misclassified Claims asserting secured status where either the claimant has not asserted any basis for a security interest in or lien on any property of any Debtor’s estate and/or no such basis exists
- Misclassified Claims asserting administrative expenses under section 503(b)(1) of the Bankruptcy Code, where the underlying claims reflect prepetition not post-petition liabilities of one or more of the Debtors; and
- Misclassified Claims asserting administrative claims under section 503(b)(9) of the Bankruptcy Code, where the underlying claims (i) reflect liabilities incurred in connection with claimant’s provision of services, not goods; (ii) seek compensation for the value of goods received by a Debtor outside of the 20-day prepetition period specified by section 503(b)(9), and/or (iii) were not asserted on account of goods sold to a Debtor in the ordinary course of its business.

22. The Liquidating Trustee therefore (a) objects to the Misclassified Claims and (b) seeks entry of an order modifying the Misclassified Claims by requesting reclassification to reflect the priority listed in the “Modified Claim Amount by Priority” column of Exhibit B.

**C. Overstated and Misclassified Claims**

23. The Liquidating Trustee has identified certain Claims listed on Exhibit C to the Proposed Order that are overstated for the same reasons set forth in Section A above, and



are misclassified for one or more of the reasons set forth in Section B above (the “Overstated and Misclassified Claims”).

24. The Liquidating Trustee therefore (a) objects to the Overstated and Misclassified Claims and (b) seeks entry of an order both reducing and reclassifying the Overstated and Misclassified Claims as set forth in the “Modified Claim Amount by Priority” columns on Exhibit C.

**D. No Liability Claims**

25. Section 502(b)(1) of the Bankruptcy Code provides that a claim asserted in a proof of claim shall be allowed, except to the extent “such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law.” 11 U.S.C. § 502(b)(1).

26. The Liquidating Trustee has identified certain Claims listed on Exhibit D to the Proposed Order (the “No Liability Claims”) that he is unable to reconcile with the Debtors’ Books and Records. The Liquidating Trustee believes that the No Liability Claims are not valid claims because: (i) the Books and Records do not reflect the existence of the asserted claim or of the claimant asserting such claim, or otherwise indicate a scheduled liability of zero with respect to such claim; (ii) the product was not sold or the service was not provided to any of the Debtors, or is the legal responsibility of a third party; (iii) the claims are not enforceable against the Debtors or their property under any agreement or applicable law; or (iv) the claimant waived, released or is estopped from asserting the claim against any of the Debtors’ estates.

27. Based on the Liquidating Trustee’s review and analysis of the Books and Records, the Claims Register, the Flansaas Declaration and the Proofs of Claim and supporting documentation, the No Liability Claims are not enforceable under any applicable law or

agreement within the meaning of section 502(b)(1) of the Bankruptcy Code and, therefore, the Debtors' estates are not liable for such claims. Accordingly, the Liquidating Trustee (i) objects to the No Liability Claims and (ii) requests entry of an order disallowing and expunging each of the No Liability Claims listed on Exhibit D.

**E. Wrong Case Claims**

28. The Liquidating Trustee has identified certain Claims (the "Wrong Case Claims") listed on Exhibit E to the Proposed Order that have been erroneously filed in these cases. Three of the Claims should have been asserted against the GW Debtors in the GW Cases and one of the Claims should have been asserted against the debtors in the Toys "R" Us, Inc. bankruptcy cases pending in the United States Bankruptcy Court for the Eastern District of Virginia.

29. Further, in evaluating the Wrong Case Claims, the Liquidating Trustee has reviewed the Books and Records and the relevant Proofs of Claim, as well as the supporting documentation provided by the claimant, and has confirmed that the respective claimants do not have valid claims against the Debtors.

30. The Liquidating Trustee objects to the Wrong Case Claims and seeks the entry of an order disallowing and expunging the Wrong Case Claims.

**RESPONSES TO OMNIBUS OBJECTIONS**

31. To contest an objection, a Claimant must file and serve a written response to this Objection (a "Response") so that it is **received no later than March 5, 2019 at 4:00 p.m. (prevailing Eastern Time)** (the "Response Deadline"). Every Response must be filed with the Office of the Clerk of the United States Bankruptcy Court for the District of Delaware at 824

Market Street, Wilmington, Delaware 19801, and served upon the following entities such that the Response is received no later than the Response Deadline, at the following addresses:

COOLEY LLP  
1114 Avenue of the Americas  
New York, New York 01136  
Attn: Jay R. Indyke, Esq. and Cathy Hershcopf, Esq.

-and-

WHITEFORD, TAYLOR & PRESTON LLC  
The Renaissance Centre  
405 North King Street, Suite 500  
Wilmington, Delaware 19801  
Attn: Christopher M. Samis, Esq., L. Katherine Good, Esq.,  
and Stephen B. Gerald, Esq.,

32. Every Response to this Objection must contain at a minimum the following information:

- (a) a caption setting forth the name of the Court, the name of the Debtor, the case number, and the title of the Objection to which the Response is directed;
- (b) the name of the Claimant, his/her/its claim number, and a description of the basis for the amount of the Claim;
- (c) the specific factual basis and supporting legal argument upon which the party will rely in opposing this Objection;
- (d) any supporting documentation to the extent it was not included with the Proof of Claim previously filed with the clerk or claims agent, upon which the party will rely to support the basis for and amounts asserted in the Proof of Claim; and
- (e) the name, address, telephone number, fax number and email address, as applicable, of the person(s) (which may be the Claimant or the Claimant's legal representative) with whom counsel for the Liquidating Trustee should communicate with respect to the Objection and Response and who possesses authority to reconcile, settle or otherwise resolve the Objection and Response on behalf of the Claimant.

33. If a Claimant fails to file and serve a timely Response by the Response Deadline, the Liquidating Trustee may present to the Court an appropriate order modifying or disallowing the claim, as set forth in Exhibits A through E to the Proposed Order without further notice to the Claimant or a hearing.

### **REPLIES TO RESPONSES**

34. Consistent with Local Rule 9006-1(d), the Liquidating Trustee may, at his option, file and serve a reply to any Response no later than 4:00 p.m. (prevailing Eastern Time) one day prior to the deadline for filing the agenda on any hearing to consider the Objection.

### **SEPARATE CONTESTED MATTERS**

35. To the extent that a response is filed regarding any Claim listed in the Objection and the Liquidating Trustee is unable to resolve the response, each such Claim, and the objection by the Liquidating Trustee to each such Claim asserted herein, shall constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. Any order entered by the Court regarding any individual objection asserted in the Objection shall be deemed a separate order with respect to each affected Claim.

### **RESERVATION OF RIGHTS**

36. The Liquidating Trustee hereby reserves the right to object in the future to any of the Proofs of Claim listed in this Objection or on the exhibits attached hereto on any ground and to amend, modify, and/or supplement this Objection.

37. Notwithstanding anything contained in this Objection or the exhibits attached to the Proposed Order, nothing herein shall be construed as a waiver of any rights that the Liquidating Trustee may have to: (a) bring avoidance actions under the applicable section of the Bankruptcy Code against the holders of claims subject to the Objection; (b) exercise his

rights of setoff against the holders of such claims relating to such avoidance actions; or (c) otherwise contest such claims.

**NOTICE**

38. Notice of this Objection will be given to: (a) the United States Trustee, (b) all parties requesting notice pursuant to Bankruptcy Rule 2002, and (c) all holders of Claims affected by this Objection. Due to the nature of the relief requested herein, the Liquidating Trustee respectfully submits that no other or further notice of this Objection is required.

**COMPLIANCE WITH LOCAL RULE 3007-1**

39. To the best of the Liquidating Trustee's knowledge and belief, this Objection and related Exhibits A through E to the Proposed Order comply with Local Rule 3007-1. To the extent that this Objection does not comply in all respects with the requirements of Local Rule 3007-1, the undersigned believes such deviations are not material and respectfully requests that any such requirement be waived.

*[remainder of page intentionally left blank]*

WHEREFORE, the Liquidating Trustee respectfully requests that the Court enter the Proposed Order, substantially in the form attached hereto as Exhibit 1, granting the relief requested herein and grant such other relief as the Court deems just and proper.

Dated: February 19, 2019  
Wilmington, Delaware

Respectfully submitted,

/s/ Stephen B. Gerald

Christopher M. Samis (No. 4909)  
L. Katherine Good (No. 5101)  
Stephen B. Gerald (No. 5857)  
WHITEFORD, TAYLOR & PRESTON LLC  
The Renaissance Centre, Suite 500  
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Telephone: (302) 353-4144  
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and

Jay R. Indyke  
Cathy Hershcopf  
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1114 Avenue of the Americas  
New York, NY 10036  
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Facsimile: (212) 479-6275  
Email: jindyke@cooley.com  
chershcopf@cooley.com

*Co-Counsel for the Liquidating Trustee*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

RS LEGACY CORPORATION, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 15-10197 (BLS)  
(Jointly Administered)

**Hearing Date: April 3, 2019 at 10:00 a.m.**  
**Objection Deadline: March 5, 2019 at 4:00 p.m.**

**NOTICE OF LIQUIDATING TRUSTEE'S THIRTIETH OMNIBUS OBJECTION  
TO CERTAIN (A) OVERSTATED CLAIMS; (B) MISCLASSIFIED CLAIMS; (C)  
OVERSTATED AND MISCLASSIFIED CLAIMS; (D) NO LIABILITY CLAIMS;  
AND (E) WRONG CASE CLAIMS (SUBSTANTIVE)**

PLEASE TAKE NOTICE that, on February 19, 2019, Peter Kravitz, as Liquidating Trustee of the RSH Liquidating Trust, filed the **Liquidating Trustee's Thirtieth Omnibus Objection to Certain (A) Overstated Claims; (B) Misclassified Claims; (C) Overstated and Misclassified Claims; (D) No Liability Claims; and (E) Wrong Case Claims (Substantive)** (the "Objection").

THE OBJECTION SEEKS TO ALTER YOUR RIGHTS. THEREFORE, YOU SHOULD READ THE OBJECTION AND THE EXHIBITS THERETO CAREFULLY AND DISCUSS THEM WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE. **THE EXHIBITS ATTACHED TO THE**

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<sup>1</sup> The Debtors are the following eighteen entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): RS Legacy Corporation (f/k/a RadioShack Corporation) (7710); Atlantic Retail Ventures, Inc. (6816); Ignition L.P. (3231); ITC Services, Inc. (1930); Merchandising Support Services, Inc. (4887); RS Legacy Customer Service LLC (f/k/a RadioShack Customer Service LLC) (8866); RS Legacy Global Sourcing Corporation (f/k/a RadioShack Global Sourcing Corporation) (0233); RS Legacy Global Sourcing Limited Partnership (f/k/a RadioShack Global Sourcing Limited Partnership) (8723); RS Legacy Global Sourcing, Inc. (f/k/a RadioShack Global Sourcing, Inc.) (3960); RS Ig Holdings Incorporated (8924); RSIgnite, LLC (0543); SCK, Inc. (9220); RS Legacy Finance Corporation (f/k/a Tandy Finance Corporation) (5470); RS Legacy Holdings, Inc. (f/k/a Tandy Holdings, Inc.) (1789); RS Legacy International Corporation (f/k/a 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 17000 Ventura Blvd., Suite 300, Encino, CA 91316.

**PROPOSED ORDER<sup>2</sup> LIST ALL CLAIMS THAT ARE THE SUBJECT OF THE OBJECTION.**

PLEASE TAKE FURTHER NOTICE that any responses to the Objection must be (i) in writing (ii) filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, **on or before March 5, 2018 at 4:00 p.m. (Eastern Time)** (the “Response Deadline”) and (iii) served so as to be *actually received* no later than the Response Deadline by the undersigned counsel to the Liquidating Trustee.

PLEASE TAKE FURTHER NOTICE that if a response is timely filed, served and received and such response is not otherwise timely resolved, a hearing to consider the response and the Objection will be held before The Honorable Brendan L. Shannon, United States Bankruptcy Judge, at the United States Bankruptcy Court for the District of Delaware, 6th Floor, Courtroom No. 1, 824 Market Street, Wilmington, Delaware 19801 **on April 3, 2019 at 10:00 a.m. (Eastern Time)**.

PLEASE TAKE FURTHER NOTICE THAT IF NO RESPONSES TO THE OBJECTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE OBJECTION WITHOUT FURTHER NOTICE OR OPPORTUNITY FOR A HEARING.

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Objection.



Dated: February 19, 2018  
Wilmington, Delaware

/s/ Stephen B. Gerald  
Christopher M. Samis (No. 4909)  
L. Katherine Good (No. 5101)  
Stephen B. Gerald (No. 5857)  
WHITEFORD, TAYLOR & PRESTON LLC  
The Renaissance Centre  
405 North King Street, Suite 500  
Wilmington, Delaware 19801  
Telephone: (302) 353-4144

-and-

Jay R. Indyke, Esq.  
Cathy Hershcopf, Esq.  
COOLEY LLP  
1114 Avenue of the Americas  
New York, New York 01136  
Telephone: (212) 479-6000

*Co-counsel for the Liquidating Trustee*

**EXHIBIT 1**

**(Proposed Order)**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

RS LEGACY CORPORATION, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 15-10197 (BLS)  
(Jointly Administered)

Re: Docket No. \_\_\_\_\_

**ORDER SUSTAINING LIQUIDATING TRUSTEE'S THIRTIETH OMNIBUS  
OBJECTION TO CERTAIN (A) OVERSTATED CLAIMS; (B) MISCLASSIFIED  
CLAIMS; (C) OVERSTATED AND MISCLASSIFIED CLAIMS;  
(D) NO LIABILITY CLAIMS; AND (E) WRONG CASE CLAIMS (SUBSTANTIVE)**

Upon the *Liquidating Trustee's Thirtieth Omnibus Objection to Certain (A) Overstated Claims; (B) Misclassified Claims; (C) Overstated and Misclassified Claims; (D) No Liability Claims; and (E) Wrong Case Claims (Substantive)* (the "Objection")<sup>2</sup>; and it appearing that notice of the Objection was good and sufficient upon the particular circumstances and that no other or further notice need be given; and the Court having considered the Objection, the claims listed on Exhibits A through E annexed hereto, and any responses thereto; and the Court having reviewed and considered the Flansaa's Declaration; and after due deliberation thereon and good and sufficient cause appearing therefore; it is hereby

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<sup>1</sup> The Debtors are the following eighteen entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): RS Legacy Corporation (f/k/a RadioShack Corporation) (7710); Atlantic Retail Ventures, Inc. (6816); Ignition L.P. (3231); ITC Services, Inc. (1930); Merchandising Support Services, Inc. (4887); RS Legacy Customer Service LLC (f/k/a RadioShack Customer Service LLC) (8866); RS Legacy Global Sourcing Corporation (f/k/a RadioShack Global Sourcing Corporation) (0233); RS Legacy Global Sourcing Limited Partnership (f/k/a RadioShack Global Sourcing Limited Partnership) (8723); RS Legacy Global Sourcing, Inc. (f/k/a RadioShack Global Sourcing, Inc.) (3960); RS Ig Holdings Incorporated (8924); RSIgnite, LLC (0543); SCK, Inc. (9220); RS Legacy Finance Corporation (f/k/a Tandy Finance Corporation) (5470); RS Legacy Holdings, Inc. (f/k/a Tandy Holdings, Inc.) (1789); RS Legacy International Corporation (f/k/a 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 17000 Ventura Blvd., Suite 300, Encino, CA 91316.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Objection.

**FOUND AND DETERMINED THAT:**

- A. The Objection is a core proceeding under 28 U.S.C. § 157(b)(2);
- B. Each holder of a Claim listed on Exhibits A through E attached hereto was properly and timely served with a copy of the Objection, this Order, the accompanying exhibits and the notice of hearing and response deadline;
- C. Any entity known to have an interest in the Claims subject to the Objection has been afforded reasonable opportunity to respond to, or be heard regarding, the relief requested in the Objection; and
- D. The relief requested in the Objection is in the best interests of the Debtors, their estates, their creditors, and other parties in interest.

**IT IS THEREFORE ORDERED THAT:**

- 1. The Objection is SUSTAINED.
- 2. Each of the Overstated Claims listed on the attached Exhibit A is hereby reduced to the dollar amount listed under the corresponding column titled “Modified Claim Amount by Priority” on Exhibit A.
- 3. Each of the Misclassified Claims listed on the attached Exhibit B is hereby reclassified to reflect the priority listed in the “Modified Claim Amount by Priority” Column on Exhibit B;
- 4. Each of the Overstated and Misclassified Claims listed on the attached Exhibit C is hereby reclassified in priority and reduced to the dollar amount set forth in the “Modified Claim Amount by Priority” column on Exhibit C.
- 5. Each of the No Liability Claims listed on the attached Exhibit D is hereby disallowed and expunged in its entirety.

6. Each of the Wrong Case Claims listed on the attached Exhibit E is hereby disallowed and expunged in its entirety.

7. Nothing in the Objection or this Order shall be construed as an allowance of any Claim.

8. Should one or more of the grounds of objection stated in the Objection be dismissed, the Liquidating Trustee's rights to object on other stated grounds or any other grounds that the Liquidating Trustee discovers during the pendency of these chapter 11 cases are further preserved.

9. This Court shall retain jurisdiction over the Liquidating Trustee, the Debtors and the Claimants whose Claims are subject to the Objection with respect to any matters related to or arising from the Objection or the implementation of this Order.

10. Each Claim and the objections by the Liquidating Trustee to such Claim, as addressed in the Objection and as set forth on Exhibits A through E hereto, constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014 and Local Rule 3007-1. This Order shall be deemed a separate Order with respect to each Claim. Any stay of this Order pending appeal by any Claimants whose Claims are subject to this Order shall only apply to the contested matter which involves such Claimant and shall not act to stay the applicability and/or finality of this Order with respect to the other contested matters listed in the Objection or this Order.

Dated: \_\_\_\_\_, 2019  
Wilmington, Delaware

\_\_\_\_\_  
THE HONORABLE BRENDAN L SHANNON  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT A**

**(Overstated Claims)**

EXHIBIT A  
Overstated Claims

No.	Claimant	Claim #	Claim Amount	Modified Claim Amount	Original Claim Amount by Priority	Modified Claim Amount by Priority	Reason for Modification
1)	HSIAO CHILDREN'S TRUST 1, HSIAO CHILDREN'S TRUST 2, HSIAO CHILDREN'S TRUST 3, ANDREW HSIAO	5300	\$19,245.69	\$1,731.51	\$19,245.69 Administrative.	\$1,731.51 Administrative.	Claim amount should be reduced to \$1,731.51 administrative per debtors' books and records for pro-rated 2015 annual billing for insurance, water, property taxes and trash for store 01-3056. March Rent of \$5,838.06 paid with ck# 610001524 10/20/15. April rent of \$5,838.06 paid with ck# 610003079 4/20/15. May rent of \$5,838.06 paid with ck# 6100041493 5/11/15.
2)	LA HABRA ASSOCIATES, LLC	7405	\$48,337.04	\$44,436.66	\$44,436.66 General Unsecured. \$3,900.38 Administrative.	\$44,436.66 General Unsecured. \$0.00 Administrative.	Claim amount should be reduced to \$44,436.66 general unsecured per debtors' books and records. The asserted portion of \$3,900.38 is subsumed in claim 8865. Per D.I. 3108 claimant was allowed an administrative expense of \$6,400.38 and was paid on 11/6/2015 with check 1170.

**EXHIBIT B**

**(Misclassified Claims)**



EXHIBIT B  
Misclassified

No.	Claimant	Claim #	Claim Amount	Modified Claim Amount	Original Claim Amount by Priority	Modified Claim Amount by Priority	Reason for Modification
1)	D-Link Systems, Inc.	4682	\$191,631.92	\$191,631.92	Secured	General Unsecured	Claimed amount should be reclassified to General Unsecured per Debtors' books and records. Claim asserts secured status based on consignment rights. Claimant has failed to show that an authenticated certification was sent to the Debtors' secured creditors that have a blanket lien on all assets. Because those secured creditors have not been paid in full D-Link's claim should be reclassified to general unsecured. Moreover, claimant cannot trace any lien it may have had to remaining proceeds

**EXHIBIT C**

**(Overstated and Misclassified Claims)**

EXHIBIT C

Misclassified Overstated Claims

No.	Claimant	Claim #	Claim Amount	Modified Claim Amount	Original Claim Amount by Priority	Modified Claim Amount by Priority	Reason for Modification
1)	RAMIREZ, DUFAY	12938	\$200.00	\$86.19	Administrative 503(b)(9)	General Unsecured	Claim amount should be reclassified to General Unsecured and reduced to \$86.19 per the Debtors' books and records gift card database.

**EXHIBIT D**

**(No Liability Claims)**

EXHIBIT D  
No Liability

No.	Claimant	Claim #	Claim Amount	Modified Claim Amount	Priority Status	Reason for Disallowance
1)	DELUCA, RICHARD M	3346	\$30,199.00	\$0.00	Priority, General Unsecured	Claim does not have a basis in Debtors Books & Records. Claim is for severance benefits and damages under NY WARN Act. Regarding severance, Debtors had the right to terminate prepetition severance program at any time retroactively for any reason. Employees had no rights to benefits and were not vested under the program, which was terminated on February 2, 2015. Claimant did receive his retention bonus on 03/12/15 with check # 9343309. Regarding WARN claim, NY WARN Act is not applicable because, among other reasons, the location where claimant was employed did not have the requisite number of full time employees. Even if applicable, the Debtors complied with notice requirements under the Act.
2)	RUSSO, JASON	7137	\$100.00	\$0.00	Secured	Claim has no basis in debtor's books and records. Claimant was paid \$100.00 on 7/11/2016 with check 3349 for claim 11679, and was paid \$100.00 on 7/11/2016 with check 3350 for claim 10650. Claim 7137 gift card number is the same as what was asserted in claims 10650 and 11679.

**EXHIBIT E**

**(Wrong Case Claims)**

No.	Claimant	Claim #	Claim Amount	Debtors(s)	Intended Debtors(s)	Reason for Modification
1)	AJ Bart/Capital One Bank	19343	\$307,885.82 General Unsecured	RS Legacy Corporation fka RadioShack Corporation (15-10197)	General Wireless Operations Inc. dba RadioShack (17-10506)	Claim asserted in wrong bankruptcy case
2)	Coffee County Trustee	19350	\$94.00 Priority	RS Legacy Corporation fka RadioShack Corporation (15-10197)	General Wireless Operations Inc. dba RadioShack (17-10506)	Claim asserted in wrong bankruptcy case
3)	KING JR., LARRY M.	19344	\$1,903.77 General Unsecured	RS Legacy Corporation fka RadioShack Corporation (15-10197)	General Wireless Operations Inc. dba RadioShack (17-10506)	Claim asserted in wrong bankruptcy case
4)	MADGETT, MICHELLE	19331	\$40.00 General Unsecured	RS Legacy Corporation fka RadioShack Corporation (15-10197)	Toys "R" Us, Inc. (17-34665)	Claim asserted in wrong bankruptcy case

**EXHIBIT 2**

**(Flansaas Declaration)**



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

RS LEGACY CORPORATION, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 15-10197 (BLS)  
(Jointly Administered)

**DECLARATION OF COLLEEN FLANSAAS IN SUPPORT OF THE  
LIQUIDATING TRUSTEE'S THIRTIETH OMNIBUS OBJECTION TO  
CERTAIN (A) OVERSTATED CLAIMS; (B) MISCLASSIFIED CLAIMS; (C)  
OVERSTATED AND MISCLASSIFIED CLAIMS; (D) NO LIABILITY CLAIMS;  
AND (E) WRONG CASE CLAIMS (SUBSTANTIVE)**

I, Colleen Flansaas hereby declare that the following is true to the best of my knowledge, information and belief:

1. I am an analyst at the Province Firm, working at the direction of Peter J. Kravitz, liquidating Trustee of the RSH Liquidating Trust (the "Liquidating Trustee"). This declaration (the "Flansaas Declaration") is submitted in support of the *Liquidating Trustee's Thirtieth Omnibus Objection to Certain (A) Overstated Claims; (B) Misclassified Claims; (C) Overstated and Misclassified Claims; (D) No Liability Claims; and (E) Wrong Case Claims (Substantive)* (the "Objection"),<sup>2</sup> pursuant to which the Liquidating Trustee is requesting that this Court enter

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<sup>1</sup> The Debtors are the following eighteen entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): RS Legacy Corporation (f/k/a RadioShack Corporation) (7710); Atlantic Retail Ventures, Inc. (6816); Ignition L.P. (3231); ITC Services, Inc. (1930); Merchandising Support Services, Inc. (4887); RS Legacy Customer Service LLC (f/k/a RadioShack Customer Service LLC) (8866); RS Legacy Global Sourcing Corporation (f/k/a RadioShack Global Sourcing Corporation) (0233); RS Legacy Global Sourcing Limited Partnership (f/k/a RadioShack Global Sourcing Limited Partnership) (8723); RS Legacy Global Sourcing, Inc. (f/k/a RadioShack Global Sourcing, Inc.) (3960); RS Ig Holdings Incorporated (8924); RSIgnite, LLC (0543); SCK, Inc. (9220); RS Legacy Finance Corporation (f/k/a Tandy Finance Corporation) (5470); RS Legacy Holdings, Inc. (f/k/a Tandy Holdings, Inc.) (1789); RS Legacy International Corporation (f/k/a 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 17000 Ventura Blvd., Suite 300, Encino, CA 91316.

<sup>2</sup> Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Objection.

an order substantially in the form of the Proposed Order, reducing, reclassifying and disallowing certain claims.

2. All statements in the Flansaas Declaration are based upon my personal knowledge, my review (or the review of the advisors and/or consultants under my supervision) of business records kept by the Debtors in the ordinary course of business, my review (or the review by my advisors and/or consultants under my supervision) of the relevant proofs of claim, and/or my review (or the review of the advisors and/or consultants under my supervision) of the Claims Register.

3. Either I, persons under my supervision, or the advisors and/or consultants under my supervision have reviewed the Overstated Claims, the Misclassified Claims, the Overstated and Misclassified Claims, the No Liability Claims, and the Wrong Case Claims, copies of which were provided by Prime Clerk LLC ("Prime Clerk"), the Debtors' claims and noticing agent. In addition, Prime Clerk prepared and transmitted the Claims Register to me. I, and my advisors and/or consultants, then reviewed the Overstated Claims, the Misclassified Claims, the Overstated and Misclassified Claims, the No Liability Claims, the Wrong Case Claims, and the Debtors' current books and records. The objections set forth in the Objection are based on the review conducted by myself, my advisors and/or consultants and the knowledge of myself and my advisors and/or consultants. I have personally reviewed the Objection and to the best of my knowledge and belief, the information contained on Exhibits A through E to the Proposed Order attached as Exhibit 1 to the Objection is true and correct.

4. On March 8, 2017, General Wireless Operations Inc. dba Radioshack and three affiliated debtors (the "GW Debtors") each filed a voluntary petition for relief under chapter 11

of the Bankruptcy Code. The GW Debtors' bankruptcy cases are pending in this Court and are jointly administered under Case No. 17-10506-BLS (the "GW Cases").

**Claim Objections**

A. Overstated Claims

5. To the best of my knowledge and belief, and based on the information and records available to me, the Overstated Claims identified on Exhibit A to the Proposed Order were filed in incorrect amounts.

6. If the relief sought is granted, the Overstated Claims identified under the column titled "Claim Number" on Exhibit A to the Proposed Order will be modified by reducing the amount to the dollar values listed under the column titled "Modified Claim Amount by Priority" on Exhibit A to the Proposed Order.

B. Misclassified Claims

7. To the best of my knowledge and belief, and based on the information and records available to me, the Misclassified Claims set forth on Exhibit B to the Proposed Order were filed, incorrectly asserting administrative, secured or priority unsecured status where no basis for such respective treatment exists under the applicable sections of the Bankruptcy Code. Based on a review of the Books and Records and the supporting documentation provided by the Claimant, the Misclassified Claims are improperly and incorrectly classified for the reasons set forth on Exhibit B to the Proposed Order.

8. If the relief sought is granted, the Misclassified Claims listed under the column titled "Claim Number" on Exhibit B to the Proposed Order will be reclassified as listed in the "Modified Claim Amount by Priority" column on Exhibit B to the Proposed Order.

C. Overstated and Misclassified Claims

9. To the best of my knowledge and belief, and based on the information and records available to me, the Overstated and Misclassified Claims set forth on Exhibit C to the Proposed Order were not only filed in the incorrect amounts based upon the Debtors' Books and Records, but also were filed incorrectly asserting administrative, secured or priority unsecured status where no basis for such treatment exists under the applicable sections of the Bankruptcy Code and/or the Plan. Based on a review of the Books and Records and the Supporting Documentation provided by the Claimant, the Overstated and Misclassified Claims improperly state their amount and classification for the reasons set forth on Exhibit C to the Proposed Order.

10. If the relief sought is granted, the Overstated and Misclassified Claims identified under the column titled "Claim Number" on Exhibit C to the Proposed Order will be modified by reducing the amount to the dollar values and the priority listed in the "Modified Claim Amount by Priority" column on Exhibit C to the Proposed Order.

D. No Liability Claims

11. To the best of my knowledge and belief, and based on the information and records available to me, the No Liability Claims set forth on Exhibit D to the Proposed Order cannot be reconciled with the Debtors' Books and Records. To the best of my knowledge and belief, and based on the information and records available to me, the No Liability Claims are not valid because, *inter alia*: (i) the Books and Records do not reflect the existence of the asserted Claim or of the Claimant asserting such Claim, or otherwise indicate a scheduled liability of zero with respect to such claim; (ii) the product was not sold or the service was not provided to any of the Debtors, or is the legal responsibility of a third party; (iii) the Claims are not enforceable against

the Debtors or their property under any agreement or applicable law; or (iv) the Claimant waived, released and/or is estopped from asserting the claim against any of the Debtors' estates.

12. If the relief sought is granted, those No Liability Claims listed on Exhibit D to the Proposed Order will be disallowed and expunged in their entirety.


E. Wrong Case Claims

13. To the best of my knowledge and belief, and based on the information and records available to me, the Wrong Case Claims set forth on Exhibit E to the Proposed Order should have been asserted against the GW Debtors in the GW Cases or the debtors in the Toys "R" Us, Inc. bankruptcy cases pending in the United States Bankruptcy Court for the Eastern District of Virginia, but were erroneously filed against the Debtors in the instant cases. Further, in evaluating the Wrong Case Claims, the Liquidating Trustee has reviewed the Books and Records and the relevant Proofs of Claim, as well as the supporting documentation provided by the claimants, and has confirmed that the respective claimants do not have valid claims against the Debtors.

14. If the relief sought is granted, the Wrong Case Claims identified under the column titled "Claim Number" on Exhibit E to the Proposed Order will be disallowed and expunged in their entirety.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 15th day of February, 2019

  
Colleen Flansaas  
Analyst  
Province Firm