

Radio Shack deal dogged by fights

By Tom Hals, Reuters

RadioShack Corp's rescue deal to keep 1,740 stores open was attacked on Thursday by the bankrupt retailer's top creditor, a failed bidder who called the auction a sham and sought a new sale.

RadioShack, which filed for bankruptcy last month, told a U.S. Bankruptcy judge it had selected the Standard General hedge fund as the winning bidder in the private four-day auction, which ended just before Thursday's hearing.

The South Lake Tahoe store is staying open and the Incline Village one is closing.

The hedge fund plans to operate the stores in conjunction with wireless phone company Sprint Corp.

While RadioShack's attorney told the court the deal saved 7,500 jobs and was \$23 million more than a bid by liquidators, the deal provided little cash. The hearing to approve the agreement quickly deteriorated into disputes among lenders over the complex agreements that governed the repayment among creditors.

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