

RADIOSHACK CORP
Form 424B3
October 13, 2011
Table of Contents

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-177022

PROSPECTUS

\$325,000,000

RadioShack Corporation

Offer to Exchange all outstanding \$325,000,000 6.750% Senior Unsecured Notes due 2019 (the "outstanding notes") for an equal amount of 6.750% Senior Unsecured Notes due 2019, which have been registered under the Securities Act of 1933, as amended (the "exchange notes").

The Exchange Offer

We will exchange all outstanding notes that are validly tendered and not validly withdrawn for \$325,000,000 principal amount of exchange notes that are freely tradable.

You may withdraw tenders of outstanding notes at any time prior to the expiration date of the exchange offer.

The exchange offer expires at 11:59 p.m., New York City time, on November 8, 2011, unless extended. We do not currently intend to extend the expiration date.

The exchange of outstanding notes for exchange notes in the exchange offer will not constitute a taxable event for United States federal income tax purposes.

We will not receive any proceeds from the exchange offer.

The Exchange Notes

The exchange notes are being offered in order to satisfy certain of our obligations under the registration rights agreement entered into in connection with the placement of the outstanding notes.

The terms of the exchange notes to be issued in the exchange offer are substantially identical to the outstanding notes, except that the exchange notes will be freely tradable.

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All of our existing domestic subsidiaries, other than Tandy Life Insurance Company, have guaranteed the outstanding notes and such subsidiaries will guarantee the exchange notes.

Resales of Exchange Notes

The exchange notes may be sold in the over-the-counter market, in negotiated transactions or through a combination of such methods. We do not plan to list the exchange notes on a national market.

All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and in the indenture. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act of 1933, as amended, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act of 1933, as amended, and applicable state securities laws. Other than in connection with the exchange offer, we do not currently anticipate that we will register the outstanding notes under the Securities Act of 1933, as amended.

You should consider carefully the Risk Factors beginning on page 16 of this prospectus before participating in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the exchange notes to be distributed in the exchange offer or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is October 12, 2011.

Table of Contents

TABLE OF CONTENTS

	Page
<u>Industry and Market Data</u>	ii
<u>Summary</u>	1
<u>Risk Factors</u>	16
<u>Forward-Looking Statements</u>	31
<u>Use of Proceeds</u>	32
<u>Description of Other Indebtedness</u>	33
<u>Ratio of Earnings to Fixed Charges</u>	35
<u>The Exchange Offer</u>	36
<u>Description of the Exchange Notes</u>	46
<u>Certain United States Federal Income Tax Consequences of the Exchange Offer</u>	104
<u>Certain ERISA Considerations</u>	105
<u>Plan of Distribution</u>	106
<u>Legal Matters</u>	107
<u>Experts</u>	107
<u>Information Incorporated by Reference</u>	107

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the exchange notes (as defined below) offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Table of Contents

BASIS OF PRESENTATION

In this prospectus, unless the context otherwise requires (including when describing the exchange notes offered hereby) or as otherwise indicated, company, we, us, our and RadioShack refer to RadioShack Corporation, a company incorporated in Delaware, and its consolidated subsidiaries.

Certain of the titles and logos of our products referenced in this prospectus are our intellectual property. Each trade name, trademark or servicemark of any other company appearing in this prospectus is the property of its holder.

INDUSTRY AND MARKET DATA

We obtained the industry and market data used throughout this prospectus and the documents incorporated by reference in this prospectus from our own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, we have not independently verified such data and we do not make any representation as to the accuracy of such information. Similarly, we believe our internal research is reliable, but it has not been verified by any independent sources.

Table of Contents

SUMMARY

This summary contains a general overview of the information contained or incorporated by reference in this prospectus. This summary may not contain all of the information that is important to you, and it is qualified in its entirety by the more detailed information and historical consolidated financial statements, including the notes to those financial statements, that are part of our Annual Report on Form 10-K for the year ended December 31, 2010 (our 2010 10-K), as revised by our Current Report on Form 8-K filed with the Securities and Exchange Commission on September 27, 2011 (our September 2011 8-K), our Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (our March 2011 10-Q) and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011 (our June 2011 10-Q), which are incorporated by reference in this prospectus. You should carefully consider the information contained in or incorporated by reference in this prospectus, including the information set forth under the captions Risk Factors and Forward-Looking Statements in this prospectus and Item 1A. Risk Factors in our 2010 10-K and in our March 2011 10-Q.

Our Company

We are a leading national consumer electronics goods and services retailer. We offer a broad selection of mobile technology products and services, as well as products related to personal and home technology and power supply needs. As of June 30, 2011, we operated 4,463 U.S. company-operated stores, 1,481 kiosks, 211 company-operated stores in Mexico and approximately 1,142 dealer and other outlets. We seek to differentiate ourselves from our various competitors by providing:

Innovative mobile technology products and services, as well as products related to personal and home technology and power supply needs at competitive prices;

Convenient neighborhood locations;

Knowledgeable, objective and friendly service; and

Unique private brand offers and exclusive branded promotions.

Our day-to-day focus is concentrated on:

Providing our customers a positive in-store experience;

Growing gross profit dollars; and

Controlling costs continuously throughout the organization.

At June 30, 2011, we operated 4,463 U.S. company-operated stores under the RadioShack brand located throughout the United States, including Puerto Rico and the U.S. Virgin Islands. Our stores are located in strip centers and major shopping malls, as well as individual storefronts. Each of our convenient locations carry a broad assortment of both name brand and private label consumer electronics products at competitive prices. We consistently strive to improve our merchandising strategy through ongoing reallocation of space and product offerings in our stores toward popular and growing segments, particularly mobility products and some of our signature categories, such as accessories, power, service and technical. For the fiscal year ended December 31, 2010, sales from our U.S. company-operated stores were \$3,808.2 million, which represented 89.3% of total company sales and a 4.3% increase from the fiscal year ending December 31, 2009. For the six months ended June 30, 2011, sales from our U.S. company-operated stores were \$1,693.0 million, which represented 86.4% of total company sales.

Our other operations include business activities that are not separately reportable, which include our kiosks operations, sales to our independent dealers, sales to other third parties through our service centers, sales generated by our www.radioshack.com website and our Mexican subsidiary,

sales to commercial customers, and

Table of Contents

sales to other third parties through our global sourcing and manufacturing operations. For the fiscal year ended December 31, 2010, sales from our other operations were \$457.6 million, which represented 10.7% of total company sales and a 8.3% increase from fiscal year ending December 31, 2009. For the six months ended June 30, 2011, sales from our other operations were \$266.3 million, which represented 13.6% of total company sales.

Our more than 7,200 locations in the U.S. and internationally give us a competitive advantage in scale, reach and convenience. We feature a lineup of leading national brands and wireless carriers, as well as exclusive private brands.

For the fiscal year ended December 31, 2010, we generated net sales and operating revenues of \$4,265.8 million, net income of \$206.1 million and adjusted EBITDA from continuing operations of \$433.6 million. For the six months ended June 30, 2011, we generated net sales and operating revenues of \$1,959.3 million, net income of \$60.0 million and adjusted EBITDA from continuing operations of \$154.2 million. See

Summary Financial and Other Data for a discussion of adjusted EBITDA from continuing operations and a reconciliation of the differences between adjusted EBITDA from continuing operations and the most directly comparable GAAP financial measure, net income.

Product Platform Consolidation: To reflect more closely how we manage our merchandise and product assortment, we have consolidated our product platform reporting structure into three platforms: mobility, signature and consumer electronics.

These platforms include the following product categories and reflect distinctive merchandising strategies:

Mobility: The mobility platform consists of many products and services that were formerly in our wireless platform. The mobility platform includes postpaid and prepaid wireless handsets, commissions, residual income, prepaid wireless airtime, e-readers and tablet computers. Our GPS and scanners categories, which were previously included in our wireless platform, are now included in our consumer electronics platform.

Signature: The signature platform consists of many products and services that were previously in our accessory, power, service and technical platforms. The signature platform includes wireless accessories, music accessories, computer and video game accessories, home entertainment accessories (including digital television converter boxes), general purpose and special purpose power products, technical products and services. Our prepaid wireless airtime category, which was previously included in our service platform, is now included in our mobility platform.

Consumer Electronics: The consumer electronics platform consists of many products and services that were formerly in our personal electronics and modern home platforms. The consumer electronics platform includes digital music players, personal computing products, laptop computers, cameras, residential telephones, home audio, digital televisions and other consumer electronics products. Our e-readers category, which was previously included in our personal electronics platform, is now included in our mobility platform. Our tablet computers category and our netbooks with embedded network capability category, which were previously included in our modern home platform, are now included in our mobility platform.

Table of Contents

The following table provides a summary of our net sales and operating revenues by new platform and as a percent of net sales and operating revenues in 2010, 2009 and 2008.

(In millions)	Consolidated Net Sales and Operating Revenues					
	Year Ended December 31,					
	2010		2009		2008	
Mobility ⁽¹⁾	\$ 1,884.8	44.2%	\$ 1,375.0	33.8%	\$ 1,056.4	26.2%
Signature ⁽²⁾	1,307.4	30.6	1,486.7	36.5	1,610.3	39.9
Consumer electronics	1,040.8	24.4	1,170.8	28.7	1,315.9	32.6
Other sales ⁽³⁾	32.8	0.8	41.1	1.0	52.2	1.3
Consolidated net sales and operating revenues	\$ 4,265.8	100.0%	\$ 4,073.6	100.0%	\$ 4,034.8	100.0%

(1) The aggregate amount of upfront commission revenue and residual income received from wireless service providers and recorded in this platform was \$1,270.5 million, \$926.5 million and \$723.2 million for 2010, 2009 and 2008, respectively.

(2) The sales decrease from 2009 to 2010 in the signature platform includes a decrease in sales of digital converter boxes. Consolidated sales of converter boxes were \$33.7 million and \$170.1 million in 2010 and 2009, respectively.

(3) Other sales include outside sales from repair services and outside sales of our global sourcing operations and domestic and overseas manufacturing facilities.

RadioShack Corporation is a publicly traded company, and its common stock is listed on the New York Stock Exchange under the symbol RSH. As of September 13, 2011, our market capitalization was approximately \$1.2 billion.

Our Competitive Strengths

We believe that the following key competitive strengths differentiate our business:

Vast store network with wide-ranging consumer reach. We have a significant presence in the United States with 4,463 company operated stores, 1,481 kiosks and 1,142 dealer outlets, as of June 30, 2011. Our network of convenient neighborhood locations, combined with our small store format and knowledgeable, highly trained sales staff provides a convenient shopping experience for consumers and contributes to our strong brand awareness. We also have access to our customers through our www.radioshack.com website.

Well-positioned to gain share in growing mobility segment. We believe that mobility and wireless products serve as our main growth driver. We have relationships with all major national wireless carriers and each U.S. RadioShack company-operated store and wireless kiosk is able to offer services from at least three major national carriers. On September 15, 2011 we began offering Verizon Wireless postpaid and prepaid wireless products and services in more than 4,400 RadioShack U.S. company-operated stores. In addition, we ceased offering T-Mobile wireless products and services in our U.S. company-operated stores on September 14, 2011. We expect to continue to grow our mobility business by taking advantage of our multiple wireless carrier retail position, the strong product growth cycle, the growth in smartphone penetration and the introduction of new mobility products such as e-readers and tablet computers. We carry in-demand mobile devices, including the HTC EVO, Apple iPhone, Samsung Galaxy S, Motorola Atrix and the Apple iPad 2 tablet, at competitive prices. We complement our mobility devices by carrying a compelling accessory assortment and offering enhanced in-store merchandising and sales support. Our mobility platform sales increased 36.9% from 2009 to 2010. For the fiscal year ended December 31, 2010, mobility sales represented 44.1% of our total sales. Our mobility platform sales increased 1.7% in the first six months of 2011 compared to the first six months of 2010.

Table of Contents

Strong historical cash flow generation. Over the last three years, we have consistently generated strong cash flows, despite global economic headwinds. During the three fiscal years ended December 31, 2010, we generated, on average each year, cash provided by operating activities of approximately \$225 million and our average annual capital expenditures were approximately \$82 million. This resulted in average cash provided by operating activities less capital expenditures of approximately \$143 million per year. In the year ended December 31, 2010, our cash provided by operating activities was \$155.0 million and our capital expenditures were \$80.1 million over the same period. The base level of annual capital expenditures required to support our operations ranges from \$40 million to \$60 million. We anticipate that our capital expenditure requirements for 2011 will range from \$100 million to \$125 million.

Experienced management team. We have a strong, dedicated and proven management team with substantial experience in the consumer electronics and retail industries. Under the leadership of our current management, we have substantially strengthened our balance sheet and positioned the Company for profitable growth moving forward.

Our Business Strategy and Performance

Our business strategy focuses on three specific goals:

Strengthen our financial position and flexibility;

Improve the quality of our operations, especially customer service; and

Strengthen our product offerings and revitalize and contemporize our brand.

By taking a disciplined approach to cost control and focusing on profitable sales and the strength of our balance sheet, we have been able to make substantial progress toward all three goals.

Over the past four years we have focused on strengthening our financial profile through cost reductions, financial controls and operating rigor. At the same time, we continued to make operational improvements that reinforced our strategic themes of mobility, innovation and service. In the third quarter of 2009, we added T-Mobile as a third national wireless carrier to our RadioShack-branded stores, positioning us to meet our customers' desire for multi-carrier options and to develop more aggressively our position in the mobility market. In addition, we launched our new brand platform The Shack that began to capture the attention of consumers and the marketplace. On September 15, 2011 we began offering Verizon Wireless postpaid and prepaid wireless products and services in more than 4,400 RadioShack U.S. company-operated stores. In addition, we ceased offering T-Mobile wireless products and services in our U.S. company-operated stores on September 14, 2011.

We have continued to invest in strategic initiatives to drive our long-term success, including:

Growing our mobility business by taking advantage of our multiple wireless carrier retail position, the strong product growth cycle, the growth in penetration of smartphones and the introduction of new mobility products such as e-readers and tablet computers;

Strengthening the offering in our non-wireless product platforms by improving our merchandising talent, transitioning to a more productive product assortment, adding more national brands and increasing exposure of these categories in targeted advertising and marketing;

Increasing our dealer and franchise operations by increasing our wireless offerings through these channels and developing a consistent brand experience;

Partnering with other retailers such as Target stores to provide wireless service offerings in their stores;

Table of Contents

Improving our use of real estate and taking advantage of the current commercial real estate market by reevaluating our leases for improved terms or reduced costs; and

Developing our international growth opportunities through our company-owned stores in Mexico.

Competitive Landscape

Due to consumer demand for wireless products and services, as well as rapid consumer acceptance of new digital technology products, the consumer electronics retail business continues to be highly competitive, driven primarily by technology and product cycles.

In the consumer electronics retailing business, competitive factors include price, quality, features, product availability, consumer services, manufacturing and distribution capability, brand reputation and the number of competitors. We compete in the sale of our products and services with several retail formats, including national, regional and independent consumer electronics retailers. We compete with department and specialty retail stores in more select product categories. We compete with wireless providers in the wireless handset category through their own retail and online presence. We compete with mass merchandisers and other alternative channels of distribution, such as mail order and e-commerce retailers, on a more widespread basis. Numerous domestic and foreign companies also manufacture products similar to ours for other retailers, which are sold under nationally-recognized brand names or private brands.

We believe two primary factors differentiate us from our competition. First, we have an extensive physical retail presence with convenient locations throughout the United States. Second, our specially trained sales staff is capable of providing cost-effective solutions for our customers, assisting with the selection of appropriate products and accessories and, when applicable, assisting customers with service activation.

We cannot assure you that we will compete successfully in the future, given the highly competitive nature of the consumer electronics retail business. Also, in light of the ever-changing nature of the consumer electronics retail industry, we would be materially adversely affected if our competitors were able to offer their products at significantly lower prices. Additionally, we would be materially adversely affected if our competitors were able to introduce innovative or technologically superior products not yet available to us, or if we were unable to obtain certain products in a timely manner in adequate quantities, or for an extended period of time. Furthermore, our business would be materially adversely affected if we failed to offer value-added solutions or if our competitors were to enhance their ability to provide these value-added solutions.

Corporate Information

RadioShack is a Delaware corporation. Our executive office is located at 300 RadioShack Circle, Fort Worth, TX 76102, and our telephone number at that location is (817) 415-3011. Our website address is www.radioshackcorporation.com. Our website is not part of this prospectus.

Table of Contents

The Exchange Offer

On May 3, 2011, we completed the private offering of \$325,000,000 aggregate principal amount of our 6.750% Senior Unsecured Notes due 2019, which we refer to in this prospectus as the outstanding notes. The term exchange notes refers to the 6.750% Senior Unsecured Notes due 2019 as registered under the Securities Act of 1933, as amended (the Securities Act). References to the notes in this prospectus are references to both the outstanding notes and the exchange notes. This prospectus is part of a registration statement covering the exchange of the outstanding notes for the exchange notes.

We and the guarantors entered into a registration rights agreement with the initial purchasers in the private offering of outstanding notes in which we and the guarantors agreed to deliver this prospectus to you as part of the exchange offer and agreed to use all commercially reasonable efforts to have the registration statement covering the exchange to be declared effective on or prior to the date 220 days after the closing of such private offering (or if such 220th day is not a business day, the next succeeding business day). You are entitled to exchange in the exchange offer your outstanding notes for exchange notes, which are identical in all material respects to the outstanding notes except:

the exchange notes have been registered under the Securities Act;

the exchange notes are not entitled to certain registration rights which are applicable to the outstanding notes under the registration rights agreement; and

certain special interest rate provisions are not applicable.

The Exchange Offer

We are offering to exchange up to \$325,000,000 aggregate principal amount of our 6.750% Senior Unsecured Notes due 2019, which have been registered under the Securities Act, for up to \$325,000,000 aggregate principal amount of our existing 6.750% Senior Unsecured Notes due 2019. Outstanding notes may be exchanged only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Resale

Based on an interpretation by the staff of the Securities and Exchange Commission (the SEC) set forth in no-action letters issued to third parties, we believe that the exchange notes issued pursuant to the exchange offer in exchange for the outstanding notes may be offered for resale, resold and otherwise transferred by you (unless you are an affiliate within the meaning of Rule 405 under the Securities Act of RadioShack or any guarantor) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

you are acquiring the exchange notes in the ordinary course of your business; and

you have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of the exchange notes.

If you are a broker-dealer and receive exchange notes for your own account in exchange for outstanding notes that you acquired as a result of market-making activities or other trading activities, you must acknowledge that you will deliver this prospectus in connection with any resale of the exchange notes. See Plan of Distribution.

Table of Contents

Any holder of outstanding notes who:

is an affiliate of RadioShack or any guarantor;

does not acquire exchange notes in the ordinary course of its business; or

tenders its outstanding notes in the exchange offer with the intention to participate, or for the purpose of participating, in a distribution of exchange notes;

cannot rely on the position of the staff of the SEC enunciated in *Morgan Stanley & Co. Incorporated* (available June 5, 1991) and *Exxon Capital Holdings Corporation* (available May 13, 1988), as interpreted in *Shearman & Sterling* (available July 2, 1993), or similar no-action letters and, in the absence of an exemption therefrom, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes.

Expiration Date; Withdrawal of Tender

The exchange offer will expire at 11:59 p.m., New York City time, on November 8, 2011, unless extended by us. We do not currently intend to extend the expiration date. You may withdraw the tender of your outstanding notes at any time prior to the expiration of the exchange offer. We will return to you any of your outstanding notes that are not accepted for any reason for exchange, without expense to you, promptly after the expiration or termination of the exchange offer.

Conditions to the Exchange Offer

The exchange offer is subject to customary conditions, which we may waive. See [The Exchange Offer Conditions to the Exchange Offer](#) of this prospectus for more information.

Procedures for Tendering Outstanding Notes

If you wish to participate in the exchange offer, you must complete, sign and date the accompanying letter of transmittal, or a facsimile of such letter of transmittal, according to the instructions contained in this prospectus and the letter of transmittal. You must then mail or otherwise deliver the letter of transmittal, or a facsimile of such letter of transmittal, together with your outstanding notes and any other required documents, to the exchange agent at the address set forth on the cover page of the letter of transmittal.

If you hold outstanding notes through The Depository Trust Company (DTC) and wish to participate in the exchange offer, you must comply with the Automated Tender Offer Program procedures of DTC by which you will agree to be bound by the letter of transmittal. By signing, or agreeing to be bound by, the letter of transmittal, you will represent to us that, among other things:

you are not an affiliate within the meaning of Rule 405 under the Securities Act of RadioShack or any guarantor;

Table of Contents

you are not engaged in, and do not intend to engage in, and have no arrangement or understanding with any person or entity to participate in, a distribution of the exchange notes; and

if you are a broker-dealer that will receive exchange notes for your own account in exchange for outstanding notes that were acquired as a result of market-making activities, you will deliver a prospectus, as required by law, in connection with any resale of such exchange notes.

Special Procedures for Beneficial Owners

If you are a beneficial owner of outstanding notes which are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender such outstanding notes in the exchange offer, you should contact such registered holder promptly and instruct such registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.

Guaranteed Delivery Procedures

If you wish to tender your outstanding notes and your outstanding notes are not immediately available or you cannot deliver your outstanding notes, the letter of transmittal or any other required documents, or you cannot comply with the procedures under DTC's Automated Tender Offer Program for transfer of book-entry interests prior to the expiration date, you must tender your outstanding notes according to the guaranteed delivery procedures set forth in this prospectus under "The Exchange Offer - Guaranteed Delivery Procedures."

Effect on Holders of Outstanding Notes

As a result of the making of, and upon acceptance for exchange of all validly tendered outstanding notes pursuant to the terms of the exchange offer, we and the guarantors will have fulfilled our covenant contained in the registration rights agreement and, accordingly, there will be no increase in the interest rate on the outstanding notes under the circumstances described in the registration rights agreement. If you are a holder of outstanding notes and you do not tender your outstanding notes in the exchange offer, you will continue to hold such outstanding notes and you will be entitled to all the rights and limitations applicable to the outstanding notes as set forth in the indenture, except we and the guarantors will not have any further obligations to you to provide for the exchange and registration of untendered outstanding notes under the registration rights agreement. To the extent that outstanding notes are tendered and accepted in the exchange offer, the trading market for outstanding notes that are not so tendered and accepted could be adversely affected.

Table of Contents

Consequences of Failure to Exchange	All untendered outstanding notes will continue to be subject to the restrictions on transfer provided for in the outstanding notes and in the indenture. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, we and the guarantors do not currently anticipate that we will register the outstanding notes under the Securities Act.
United States Federal Income Tax Consequences	The exchange of outstanding notes for exchange notes in the exchange offer will not constitute a taxable event for United States federal income tax purposes. See Certain United States Federal Income Tax Consequences of the Exchange Offer.
Accounting Treatment	We will record the exchange notes in our accounting records at the same carrying value as the outstanding notes, which is the aggregate principal amount as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes upon the consummation of the exchange offer. We will record the expenses of the exchange offer as incurred.
Regulatory Approvals	Other than compliance with the Securities Act and qualification of the indenture governing the notes under the Trust Indenture Act of 1939, as amended (the Trust Indenture Act), there are no federal or state regulatory requirements that must be complied with or approvals that must be obtained in connection with the exchange offer.
Use of Proceeds	We will not receive any cash proceeds from the issuance of exchange notes pursuant to the exchange offer. See Use of Proceeds.
Exchange Agent	Wells Fargo Bank, National Association is the exchange agent for the exchange offer. The address and telephone number of the exchange agent are set forth in the section captioned The Exchange Offer Exchange Agent of this prospectus.

Table of Contents

The Exchange Notes

The following summary contains basic information about the exchange notes and is not intended to be complete. For a more complete understanding of the outstanding notes and the exchange notes, please refer to the section entitled "Description of the Exchange Notes" in this prospectus.

Issuer	RadioShack Corporation.
Securities	\$325,000,000 aggregate principal amount of 6.750% Senior Notes due 2019.
Maturity	May 15, 2019.
Interest	6.750% per year. Interest will accrue from May 3, 2011.
Interest Payment Dates	Each May 15 and November 15, commencing November 15, 2011.
Optional Redemption	<p>At any time prior to May 15, 2014, we may redeem up to 35% of the original principal amount of the notes with the proceeds of certain equity offerings at a redemption price of 106.750% of the principal amount of the notes, together with accrued and unpaid interest, if any, to the date of redemption.</p> <p>We may also redeem some or all of the notes at a price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, plus a make-whole premium.</p>
Mandatory Offers to Purchase	<p>The occurrence of a change of control will require us to offer to purchase from you all or a portion of your notes at a price equal to 101% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase.</p> <p>Certain asset dispositions will also require us to use the proceeds from those asset dispositions to make an offer to purchase the notes at 100% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase if such proceeds are not otherwise used within a specified period to repay indebtedness or to invest in assets related to our business or capital stock of a restricted subsidiary (as defined under the heading "Description of the Exchange Notes").</p>
Guarantees	<p>The notes are and will be required to be guaranteed, jointly and severally, on a senior unsecured basis by all of our existing and future direct and indirect subsidiaries that borrow under or guarantee any obligation under the asset-based revolving credit facility or that guarantee our indebtedness or indebtedness of another guarantor. On the date of the exchange offer, the notes will be guaranteed by all of our existing domestic subsidiaries, other than Tandy Life Insurance Company. Under certain circumstances, subsidiary guarantors may be released from their guarantees without the consent of the holders of notes. See "Description of the Exchange Notes" Guarantees.</p>

Table of Contents

For the year ended December 31, 2010 and six months ended June 30, 2011, our non-guarantor subsidiaries together represented less than 5% of our net sales and operating revenue and less than 5% of our operating income.

As of both December 31, 2010 and June 30, 2011, our non-guarantor subsidiaries together represented less than 10% of our total assets. As of December 31, 2010 and June 30, 2011, our non-guarantor subsidiaries together had total liabilities, including debt and trade payables but excluding intercompany liabilities, of approximately \$47 million and \$26 million, respectively.

Ranking

The notes and the subsidiary guarantees are our and the guarantors' senior unsecured obligations and:

rank equally in right of payment with all of our and the guarantors' existing and future senior indebtedness;

rank senior in right of payment to all of our and the guarantors' existing and future subordinated indebtedness;

are effectively subordinated to any of our and the guarantors' existing and future secured debt, to the extent of the value of the assets securing such debt, including borrowings and our obligation to reimburse letters of credit under our asset-based revolving credit facility, which are secured by substantially all of our inventory, accounts receivable, cash and cash equivalents; and

are structurally subordinated to all of the existing and future liabilities (including trade payables) of each of our subsidiaries that do not guarantee the notes.

As of June 30, 2011:

we had \$31.3 million of letters of credit outstanding and an additional \$418.7 million of borrowing capacity under our asset-based revolving credit facility;

we had the option to increase the asset-based revolving credit facility commitments up to an additional \$200.0 million, under certain circumstances, to which the notes would be effectively subordinated if borrowed; and

our non-guarantor subsidiaries together had approximately \$26 million of total liabilities (including trade payables but excluding intercompany liabilities), all of which would have been structurally senior to the notes.

Covenants

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The notes are and will be governed by an indenture with Wells Fargo Bank, National Association, as trustee.

Table of Contents

The indenture, among other things, limits our ability and the ability of our restricted subsidiaries to:

incur additional indebtedness and guarantee indebtedness, and issue preferred stock;

pay dividends or make other distributions in respect of, or repurchase or redeem, capital stock;

prepay, redeem or repurchase certain debt;

make loans and investments;

sell or otherwise dispose of assets;

incur liens;

enter into transactions with affiliates;

enter into agreements restricting our subsidiaries' ability to pay dividends; and

consolidate, merge or sell all or substantially all of our assets.

These covenants are subject to a number of important exceptions and qualifications. For more details, see Description of the Exchange Notes.

Certain of these covenants cease to apply to the notes at all times when the notes have investment grade ratings from both Moody's Investor Service, Inc. and Standard & Poor's. For more details, see Description of the Exchange Notes Certain Covenants Effectiveness of Covenants.

Use of Proceeds

There will be no cash proceeds to us from the exchange offer.

Risk Factors

In evaluating an investment in the exchange notes, prospective investors should carefully consider, along with the other information in this prospectus, the specific factors set forth under Risk Factors for risks involved with an investment in the exchange notes.

Table of Contents**Summary Financial and Other Data**

The following tables set forth summary consolidated financial information and other data for RadioShack Corporation and its consolidated subsidiaries. The consolidated financial position and consolidated results of operations for RadioShack Corporation as of December 31, 2010, 2009 and 2008 and for the years ended December 31, 2010, 2009 and 2008 were derived from our audited consolidated financial statements, and the consolidated financial position and consolidated results of operations for RadioShack Corporation as of and for the six months ended June 30, 2011 and 2010 were derived from our unaudited financial statements.

Historical results are not indicative of future performance. The following summary historical consolidated financial information and other data of RadioShack Corporation should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the historical financial statements and the notes to those statements included in our 2010 10-K and our June 2011 10-Q, each as revised by our September 2011 8-K and incorporated by reference in this prospectus.

(Dollars in millions, except ratios, locations, square

footage and percentages)	For the Years Ended			For the Six Months	
	2010	December 31, 2009	2008	2011 Ended June 30,	2010
Income Statement Data:					
Net sales and operating revenues	\$ 4,265.8	\$ 4,073.6	\$ 4,034.8	\$ 1,959.3	\$ 1,954.0
Cost of products sold	2,352.1	2,200.5	2,202.8	1,072.8	1,030.3
Gross profit	1,913.7	1,873.1	1,832.0	886.5	923.7
Selling, general and administrative	1,483.8	1,435.0	1,435.1	734.9	710.4
Depreciation and amortization	75.7	81.1	83.0	36.6	39.1
Impairment of long-lived assets	4.0	1.5	2.8	1.0	0.7
Operating income	350.2	355.5	311.1	114.0	173.5
Interest income	2.6	4.8	14.6	0.8	1.3
Interest expense	(41.9)	(44.1)	(34.9)	(20.6)	(20.6)
Other loss		(1.6)	(2.4)	(4.1)	
Income from continuing operations before income taxes	310.9	314.6	288.4	90.1	154.2
Income tax expense	120.2	118.1	105.2	35.2	59.4
Income from continuing operations	190.7	196.5	183.2	54.9	94.8
Discontinued operations, net of income taxes	15.4	8.5	6.2	5.1	8.3
Net income	\$ 206.1	\$ 205.0	\$ 189.4	\$ 60.0	\$ 103.1
Cash Flow Data:					
Net cash provided by operating activities	\$ 155.0	\$ 245.8	\$ 274.6	\$ 101.5	\$ 42.0
Net cash used in investing activities	(80.0)	(80.8)	(124.3)	(41.5)	(25.6)
Net cash (used in) provided by financing activities	(413.8)	(71.6)	154.8	(77.2)	6.5
Balance Sheet Data (at period end):					
Cash and cash equivalents	\$ 569.4	\$ 908.2	\$ 814.8	\$ 552.2	\$ 931.1
Total assets	2,175.4	2,429.3	2,254.0	2,064.3	2,395.7
Total debt	639.8	627.8	659.5	662.2	633.6
Total stockholders' equity	842.5	1,048.3	860.8	808.0	1,159.5
Store Data (at period end):					
Number of retail locations at period end:					
U.S. RadioShack company-operated stores	4,486	4,476	4,453	4,463	4,469
Kiosks	1,267	562	688	1,481	533
Mexico RadioShack company-operated stores	211	204	200	211	203

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Dealer and other outlets	1,219	1,321	1,411	1,142	1,267
Total number of retail locations	7,183	6,563	6,752	7,297	6,472
Average square footage per U.S. RadioShack company-operated store	2,482	2,504	2,505	n/a	n/a
Comparable stores sales increase (decrease) ⁽¹⁾	4.1%	0.8%	(0.9%)	(4.1%)	4.9%

Table of Contents

- (1) Comparable store sales include the sales of U.S. and Mexico RadioShack company-operated stores and kiosks with more than 12 full months of recorded sales. Following their closure as Sprint-branded kiosks in August 2009, certain former Sprint-branded kiosk locations became multiple wireless carrier RadioShack-branded locations. At December 31, 2009, we managed and reported 111 of these locations as extensions of existing RadioShack company-operated stores located in the same shopping malls. For purposes of calculating our comparable store sales, we include sales from these locations for periods after they became extensions of existing RadioShack company-operated stores, but we do not include sales from these locations for periods while they were operated as Sprint-branded kiosks.

(Dollars in millions, except ratios)	For the Years Ended December 31,			For the Twelve Months Ended June 30,	
	2010	2009	2008	2011	2010
Other Financial Data:					
Adjusted EBITDA from continuing operations ^(a)	\$ 433.6	\$ 445.8	\$ 405.3	\$ 371.3	\$ 452.9
Capital expenditures	\$ 80.1	\$ 81.0	\$ 85.6	\$ 95.9	\$ 62.8
Cash interest ^(b)	\$ (26.7)	\$ (30.4)	\$ (29.9)	\$ (25.3)	\$ (27.9)
Total debt to adjusted EBITDA from continuing operations	1.5x	1.4x	1.6x	1.8x	1.4x

- (a) Adjusted EBITDA from continuing operations (Adjusted EBITDA), a non-GAAP financial measure, is defined as earnings from continuing operations before interest, taxes, depreciation, and amortization. Our calculation of Adjusted EBITDA is also adjusted for other income or loss. The comparable financial measure to Adjusted EBITDA under GAAP is income from continuing operations. Adjusted EBITDA is used by management to evaluate the operating performance of our business for comparable periods. Adjusted EBITDA should not be used by investors or others as the sole basis for formulating investment decisions, as it excludes a number of important items. We compensate for this limitation by using GAAP financial measures as well in managing our business. In the view of management, Adjusted EBITDA is an important indicator of operating performance because Adjusted EBITDA excludes the effects of financing and investing activities by eliminating the effects of interest, and depreciation costs.

The following table sets forth a reconciliation of Adjusted EBITDA from continuing operations to income from continuing operations:

Reconciliation of adjusted EBITDA from continuing operations to income from continuing operations:

(in millions)	For the Years Ended December 31,			For the Six Months Ended June 30,	For the Twelve Months Ended June 30,	
	2010	2009	2008	2011	2011	2010
Adjusted EBITDA from continuing operations	\$ 433.6	\$ 445.8	\$ 405.3	\$ 154.2	\$ 371.3	\$ 452.9
Interest expense, net of interest income	(39.3)	(39.3)	(20.3)	(19.8)	(39.8)	(39.0)
Income tax expense	(120.2)	(118.1)	(105.2)	(35.2)	(96.0)	(122.8)
Depreciation and amortization	(83.4)	(90.3)	(94.2)	(40.2)	(80.6)	(87.6)
Other income (loss)		(1.6)	(2.4)	(4.1)	(4.1)	(1.6)
Income from continuing operations	\$ 190.7	\$ 196.5	\$ 183.2	\$ 54.9	\$ 150.8	\$ 201.9

Table of Contents

- (b) Cash interest is total interest expense less non-cash interest expense. Non-cash interest expense primarily includes amounts recognized for the amortization of the discount on the \$375 million principal amount of convertible senior notes due August 1, 2013 (the 2013 Convertible Notes), which we issued in August 2008 in a private offering.

The following table sets forth a reconciliation of cash interest to total interest expense:

Reconciliation of cash interest to total interest expense:

(in millions)	For the Years Ended December 31,			For the Twelve Months Ended June 30,	
	2010	2009	2008	2011	2010
Cash interest	\$ (26.7)	\$ (30.4)	\$ (29.9)	\$ (25.3)	\$ (27.9)
Non-cash interest expense	(15.2)	(13.7)	(5.0)	(16.6)	(14.2)
Total interest expense	\$ (41.9)	\$ (44.1)	\$ (34.9)	\$ (41.9)	\$ (42.1)

Table of Contents

RISK FACTORS

An investment in the notes involves substantial risks. You should carefully consider the following factors in addition to the other information set forth in this prospectus before you decide to tender outstanding notes in the exchange offer. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we do not presently know about or that we currently believe are immaterial may also adversely impact our business operations. If any of the following risks actually occur, our business, results of operations, cash flows and financial condition and our ability to make payments on the notes would likely suffer.

Risks Related to the Exchange Offer

If you choose not to exchange your outstanding notes, the present transfer restrictions will remain in force and the market price of your outstanding notes could decline.

If you do not exchange your outstanding notes for exchange notes in the exchange offer, then you will continue to be subject to the transfer restrictions on the outstanding notes as set forth in the offering circular distributed in connection with the private offering of the outstanding notes. In general, the outstanding notes may not be offered or sold unless they are registered or exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the outstanding notes under the Securities Act. You should refer to [Summary The Exchange Offer](#) and [The Exchange Offer](#) for information about how to tender your outstanding notes.

The tender of outstanding notes under the exchange offer will reduce the principal amount of the outstanding notes outstanding, which may have an adverse effect upon, and increase the volatility of, the market price of the outstanding notes due to a reduction in liquidity.

Certain persons who participate in the exchange offer must deliver a prospectus in connection with resales of the exchange notes.

Based on interpretations of the staff of the SEC contained in *Exxon Capital Holdings Corp.*, SEC no-action letter (April 13, 1988), *Morgan Stanley & Co. Inc.*, SEC no-action letter (June 5, 1991) and *Shearman & Sterling*, SEC no-action letter (July 2, 1983), we believe that you may offer for resale, resell or otherwise transfer the exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act. However, in some instances described in this prospectus under [Plan of Distribution](#), certain holders of exchange notes will remain obligated to comply with the registration and prospectus delivery requirements of the Securities Act to transfer the exchange notes. If such a holder transfers any exchange notes without delivering a prospectus meeting the requirements of the Securities Act or without an applicable exemption from registration under the Securities Act, such a holder may incur liability under the Securities Act. We do not and will not assume, or indemnify such a holder against, this liability.

Risks Relating to the Notes

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the notes.

We have a significant amount of indebtedness. As of June 30, 2011, our total debt was approximately \$662.2 million, and we would have had unused commitments of \$418.7 million under our asset-based revolving credit facility (after giving effect to \$31.3 million of outstanding letters of credit). In addition, we may, subject to certain conditions, increase the lender commitments under the asset-based revolving credit facility from \$450.0 million to \$650.0 million.

Table of Contents

Subject to the limits contained in the credit agreement governing our asset-based revolving credit facility, the indenture governing the notes and our other debt instruments, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our high level of debt could intensify. Specifically, our significant amount of indebtedness could have important consequences to the holders of the notes, including:

making it more difficult for us to satisfy our obligations with respect to the notes and our other debt;

limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;

requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;

increasing our vulnerability to general adverse economic and industry conditions;

exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under the asset-based revolving credit facility, are at variable rates of interest;

limiting our flexibility in planning for and reacting to changes in the industry in which we compete;

placing us at a disadvantage compared to other, less leveraged competitors; and

increasing our cost of borrowing.

In addition, the indenture governing the notes and the credit agreement governing our asset-based revolving credit facility contain restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt.

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and meet our other cash needs, and we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations, including the notes, and to fund planned capital expenditures, dividends and other cash needs depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes, or to fund our dividends and other liquidity needs.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness, including the notes. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The credit agreement governing the asset-based revolving credit facility and the indenture governing the notes restrict our ability to dispose of assets and use the proceeds from those dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

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In addition, we conduct a substantial portion of our operations through our subsidiaries, certain of which are and will not be guarantors of the notes or our other indebtedness. Accordingly, repayment of our indebtedness, including the notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such

Table of Contents

cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the notes or our other indebtedness, our subsidiaries do not have any obligation to pay amounts due on the notes or our other indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indenture governing the notes and the credit agreement governing the asset-based revolving credit facility limit the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the notes.

If we cannot make scheduled payments on our debt, we will be in default and holders of the notes could declare all outstanding principal and interest to be due and payable, the lenders under the asset-based revolving credit facility could terminate their commitments to loan money, the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. All of these events could result in your losing your investment in the notes.

Despite our current level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described above.

We and our subsidiaries may be able to incur significant additional indebtedness in the future. Although the indenture governing the notes and the credit agreement governing our asset-based revolving credit facility contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. If we incur any additional indebtedness that ranks equally with the notes, subject to collateral arrangements, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our company. This may have the effect of reducing the amount of proceeds paid to you. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. In addition, as of June 30, 2011, we had unused commitments of \$418.7 million under our asset-based revolving credit facility (after giving effect to \$31.3 million of outstanding letters of credit), which could increase by \$200.0 million subject to certain conditions. All of those borrowings would be secured indebtedness. If new debt is added to our current debt levels, the related risks that we and the guarantors now face could intensify. See Description of Other Indebtedness and Description of the Exchange Notes.

The terms of the credit agreement governing our asset-based revolving credit facility and the indenture governing the notes restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

The indenture governing the notes and the credit agreement governing our asset-based revolving credit facility contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including restrictions on our ability to:

incur additional indebtedness;

pay dividends or make other distributions or repurchase or redeem capital stock;

prepay, redeem or repurchase certain debt;

Table of Contents

make loans and investments;

sell assets;

incur liens;

enter into transactions with affiliates;

enter into agreements restricting our subsidiaries' ability to pay dividends; and

consolidate, merge or sell all or substantially all of our assets.

In addition, the restrictive covenants in the credit agreement governing our asset-based revolving credit facility will require us to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control.

A breach of the covenants under the indenture governing the notes or under the credit agreement governing our asset-based revolving credit facility could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the credit agreement governing our asset-based revolving credit facility would permit the lenders under our asset-based revolving credit facility to terminate all commitments to extend further credit under that facility. Furthermore, if we were unable to repay the amounts due and payable under our asset-based revolving credit facility, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. As a result of these restrictions, we may be:

unable to raise additional debt or equity financing to operate during general economic or business downturns; or

unable to compete effectively or to take advantage of new business opportunities.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our asset-based revolving credit facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. Assuming all revolving loans are fully drawn, each quarter point change in interest rates would result in a \$1.125 million change in annual interest expense on our indebtedness under our asset-based revolving credit facility. In the future, we may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

The notes are and will be effectively subordinated to our and our subsidiary guarantors' indebtedness, under the asset-based revolving credit facility and any other secured indebtedness of our company to the extent of the value of the assets securing that indebtedness.

The notes will not be secured by any of our or our subsidiary guarantors' assets. As a result, the notes and the guarantees will be effectively subordinated to our and our subsidiary guarantors' indebtedness under the asset-based revolving credit facility with respect to the assets that secure that indebtedness. As of June 30, 2011, we had \$31.3 million in letters of credit outstanding under our asset-based revolving credit facility, resulting in total unused availability of approximately \$418.7 million. In addition, we may incur additional secured debt in the future subject to the limits in the indenture. The effect of this subordination is that upon a default in payment on, or the acceleration of, any of our secured indebtedness, or in the event of bankruptcy, insolvency, liquidation,

Table of Contents

dissolution or reorganization of our company or the subsidiary guarantors, the proceeds from the sale of assets securing our secured indebtedness will be available to pay obligations on the notes only after all indebtedness under the asset-based revolving credit facility and that other secured debt has been paid in full. As a result, the holders of the notes will likely receive less, ratably, than the holders of secured debt in the event of our or our subsidiary guarantors' bankruptcy, insolvency, liquidation, dissolution or reorganization.

The notes are and will be structurally subordinated to all obligations of our existing and future subsidiaries that are not and do not become guarantors of the notes.

The notes are and will be guaranteed by each of our existing and subsequently acquired or organized subsidiaries that guarantee the asset-based senior credit facility or that, in the future, guarantee our other indebtedness or indebtedness of another guarantor. Our subsidiaries that do not guarantee the notes, including all of our non-domestic subsidiaries, will have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The notes are and will be structurally subordinated to all indebtedness and other obligations of any non-guarantor subsidiary such that in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any subsidiary that is not a guarantor, all of that subsidiary's creditors (including trade creditors) would be entitled to payment in full out of that subsidiary's assets before we would be entitled to any payment.

In addition, the indenture governing the notes does, subject to some limitations, permit these subsidiaries to incur additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by these subsidiaries.

For the year ended December 31, 2010 and six months ended June 30, 2011, our non-guarantor subsidiaries together represented less than 5% of our net sales and operating revenue and less than 5% of our operating income. As of both December 31, 2010 and June 30, 2011, our non-guarantor subsidiaries together represented less than 10% of our total assets. As of December 31, 2010 and June 30, 2011, our non-guarantor subsidiaries together had total liabilities, including debt and trade payables but excluding intercompany liabilities of approximately \$47 million and \$26 million, respectively.

In addition, our subsidiaries that provide, or will provide, guarantees of the notes will be automatically released from those guarantees upon the occurrence of certain events, including the following:

the designation of that subsidiary guarantor as an unrestricted subsidiary;

the release or discharge of any guarantee or indebtedness that resulted in the creation of the guarantee of the notes by such subsidiary guarantor; or

the sale or other disposition, including the sale of substantially all the assets, of that subsidiary guarantor.

If any subsidiary guarantee is released, no holder of the notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that subsidiary will be effectively senior to the claim of any holders of the notes. See "Description of the Exchange Notes - Guarantees."

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all outstanding notes at 101% of their principal amount, plus accrued and unpaid interest to the purchase date. Additionally, under the credit agreement governing the asset-based revolving credit facility, a change of control (as defined therein) constitutes an event of default that permits the lenders to accelerate the maturity of borrowings under the credit agreement and terminate their commitments to lend. The source of funds for any purchase of the notes and repayment of borrowings under our asset-based revolving credit facility would be our

Table of Contents

available cash or cash generated from our and our subsidiaries' operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a change of control because we may not have sufficient financial resources to purchase all of the debt securities that are tendered upon a change of control and repay our other indebtedness that will become due. We may require additional financing from third parties to fund any such purchases, and we may be unable to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the notes may be limited by law. In order to avoid the obligations to repurchase the notes and events of default and potential breaches of the credit agreement governing our asset-based revolving credit facility, we may have to avoid certain change of control transactions that would otherwise be beneficial to us.

In addition, some important corporate events, such as leveraged recapitalizations, may not, under the indenture governing the notes, constitute a change of control that would require us to repurchase the notes, even though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes. See Description of the Exchange Notes Repurchase at the Option of Holders Change of Control.

Holders of the notes may not be able to determine when a change of control giving rise to their right to have the notes repurchased has occurred following a sale of substantially all of our assets.

The definition of change of control in the indenture governing the notes includes a phrase relating to the sale of all or substantially all of our assets. There is no precise established definition of the phrase substantially all under applicable law. Accordingly, the ability of a holder of notes to require us to repurchase its notes as a result of a sale of less than all our assets to another person may be uncertain.

Federal and state fraudulent transfer laws may permit a court to void the notes and/or the guarantees, and if that occurs, you may not receive any payments on the notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes and the incurrence of the guarantees of the notes. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or the guarantees thereof could be voided as a fraudulent transfer or conveyance if we or any of the guarantors, as applicable, (a) issued the notes or incurred the guarantees with the intent of hindering, delaying or defrauding creditors or (b) received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the guarantees and, in the case of (b) only, one of the following is also true at the time thereof:

we or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the guarantees;

the issuance of the notes or the incurrence of the guarantees left us or any of the guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on the business;

we or any of the guarantors intended to, or believed that we or such guarantor would, incur debts beyond our or the guarantor's ability to pay such debts as they mature; or

we or any of the guarantors were a defendant in an action for money damages, or had a judgment for money damages docketed against us or the guarantor if, in either case, the judgment is unsatisfied after final judgment.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is secured or satisfied. Because a portion of the proceeds from the offering of outstanding notes was used to fund the repurchase of common stock from our shareholders, a court could conclude that the notes were issued for less than reasonably equivalent value. A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its guarantee to the extent the guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the notes.

Table of Contents

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the notes or the guarantees would be subordinated to our or any of our guarantors' other debt. In general, however, a court would deem an entity insolvent if:

the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they became due.

If a court were to find that the issuance of the notes or the incurrence of a guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or that guarantee, could subordinate the notes or that guarantee to presently existing and future indebtedness of ours or of the related guarantor or could require the holders of the notes to repay any amounts received with respect to that guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. Further, the avoidance of the notes could result in an event of default with respect to our and our subsidiaries' other debt that could result in acceleration of that debt.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the notes to other claims against us under the principle of equitable subordination if the court determines that (1) the holder of notes engaged in some type of inequitable conduct, (2) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of notes and (3) equitable subordination is not inconsistent with the provisions of the bankruptcy code. Additionally, the guarantees by our subsidiaries will contain a provision intended to limit each subsidiary guarantor's liability to the maximum amount that it could incur without causing its guarantee to be a fraudulent transfer. However, this provision may automatically reduce one or more of a subsidiary guarantor's obligations to an amount that effectively makes the guarantee worthless and, in any case, this provision may not be effective to protect a guarantee from being avoided under fraudulent transfer laws. For example, in a recent Florida bankruptcy case, a similar provision was found to be ineffective to protect similar guarantees.

There are significant restrictions on your ability to transfer or resell the notes.

The outstanding notes were offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws. Therefore, you may transfer or resell the outstanding notes in the United States only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time.

Under the registration rights agreement, we have agreed to file with the SEC an exchange offer registration statement or, under some circumstances, a shelf registration statement with respect to the outstanding notes and to use our best efforts to cause the registration statement to become effective. The SEC, however, has broad discretion to declare any registration statement effective and may delay, defer or suspend the effectiveness of any registration statement for a variety of reasons. If issued under an effective registration statement, the exchange notes generally may be resold or otherwise transferred by each holder of the exchange notes with no need for further registration. However, the exchange notes will constitute a new issue of securities with no established trading market. An active trading market for the exchange notes may not develop, or, in the case of non-exchanging holders of the outstanding notes, the trading market for the outstanding notes following the exchange offer may not continue.

Table of Contents

Your ability to transfer the notes may be limited by the absence of an active trading market and an active trading market may not develop for the notes.

The outstanding notes were new issues of securities for which there was no established trading market. We believe the outstanding notes may be eligible for trading by qualified institutional buyers, as defined under Rule 144A of the Securities Act (Rule 144A), but we do not intend to list the outstanding notes or any exchange notes on any national securities exchange or include the outstanding notes or any exchange notes in any automated quotation system. The initial purchasers of the outstanding notes advised us that they intended to make a market in the outstanding notes after the completion of the offering. However, the initial purchasers are not obligated to make a market in the outstanding notes, and they may discontinue their market-making activities at any time without notice.

Therefore, an active market for the outstanding notes or the exchange notes may not develop or be maintained, which would adversely affect the market price and liquidity of the notes. In that case, the holders of the notes may not be able to sell their notes at a particular time or at a favorable price.

Even if there is an active trading market for the notes, there is no guarantee that it will continue. Historically, the market for non-investment grade debt has been subject to severe disruptions that have caused substantial volatility in the prices of securities similar to the notes or the exchange notes. The market, if any, for the notes may experience similar disruptions, and any such disruptions may adversely affect the liquidity in that market or the prices at which you may sell your notes. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital.

Our debt currently has a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the notes. Our credit ratings are based upon information furnished by us or obtained by a rating agency from its own sources and are subject to revision, suspension or withdrawal by one or more rating agencies at any time. Rating agencies may review the ratings assigned to us due to developments that are beyond our control, including as a result of new standards requiring the agencies to re-assess rating practices and methodologies. Credit ratings are not recommendations to purchase, hold or sell the notes. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the notes. Any downgrade by either Standard & Poor's or Moody's would increase the interest rate on our asset-based revolving credit facility, decrease earnings and may result in higher borrowing costs.

Any future lowering of our ratings likely would negatively affect perception of us by lenders and other third parties and make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating assigned to the notes is subsequently lowered or withdrawn for any reason, you may not be able to resell your notes without a substantial discount.

Risks Relating to Our Business

We may be unable to successfully execute our strategy to provide cost-effective solutions to meet the routine consumer electronics needs and distinct consumer electronics wants of our customers.

To achieve our strategy, we have undertaken a variety of strategic initiatives. Our failure to successfully execute our strategy or the occurrence of certain events, including the following, could materially adversely affect our ability to maintain or grow our comparable store sales and our business generally:

Our inability to recognize evolving consumer electronics trends and offer products that customers need or want;

Table of Contents

Our employees inability to provide solutions, answers, and information related to increasingly complex consumer electronics products; and

Our inability to keep our extensive store distribution system updated and conveniently located near our target customers;
Adverse changes in national and world-wide economic conditions could negatively affect our business.

The continued uncertainty in the economy could have a significant negative effect on U.S. consumer spending, particularly discretionary spending for consumer electronics products, which, in turn, could directly affect our sales. Consumer confidence, recessionary and inflationary trends, equity market levels, consumer credit availability, interest rates, consumers disposable income and spending levels, energy prices, job growth, income tax rates and unemployment rates may affect the volume of customer traffic and level of sales in our locations. Continued negative trends of any of these economic conditions, whether national or regional in nature, could materially adversely affect our results of operations and financial condition.

In addition, potential disruptions in the capital and credit markets could have a significant effect on our ability to access the U.S. and global capital and credit markets, if needed. These potential disruptions in the capital and credit market conditions could materially adversely affect our ability to borrow under our asset-based revolving credit facility, or materially adversely affect the banks that underwrote our asset-based revolving credit facility. The availability of financing will depend on a variety of factors, such as economic and market conditions, the availability of credit, and our credit ratings. If needed, we may not be able to successfully obtain any necessary additional financing on favorable terms, or at all.

Our inability to increase or maintain profitability of our operations could materially adversely affect our results of operations and financial condition.

A critical component of our business strategy is to improve our overall profitability. Our ability to increase profitable sales in existing stores may be affected by:

Our success in attracting customers into our stores;

Our ability to choose the correct mix of products to sell;

Our ability to keep stores stocked with merchandise customers will purchase;

Our ability to maintain fully-staffed stores with appropriately trained employees;

Our ability to remain relevant to the consumer;

Our ability to adapt to changes and trends in consumer electronics technology; and

Our ability to sustain existing retail channels such as our kiosks.

Our products must appeal to a broad range of consumers whose preferences cannot be predicted with certainty and are subject to change. Our success depends upon our ability to anticipate and respond in a timely manner to trends in consumer preferences relating to consumer electronics, particularly in the wireless industry, which preferences are subject to frequent changes. If we fail to identify and respond to these changes, our sales of these products will decline.

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In addition, consumer spending remains uncertain, which makes it more challenging for us to maintain or grow our operating income rate. As a result, we must continue to control our expense structure. Failure to manage our labor and benefit rates, advertising and marketing expenses, other store expenses or indirect spending could delay or prevent us from achieving increased profitability or otherwise have a material adverse impact on our results of operations.

Table of Contents

Any reductions or changes in the growth rate of the wireless industry or other changes in the dynamics of the industry could materially adversely affect our results of operations and financial condition.

Sales of wireless handsets and the related commissions and residual income constitute a significant portion of our total revenue. Consequently, changes in the wireless industry, such as those discussed below, could materially adversely affect our results of operations and financial condition.

Lack of growth in the wireless industry tends to have a corresponding effect on our wireless sales. Wireless handsets are subject to significant technological changes, and it is possible that new products will never achieve widespread consumer acceptance or will be supplanted by alternative products and technologies that do not offer us a similar sales opportunity or are sold at lower price points or margins. Because growth in the wireless industry is often driven by the adoption rate of new wireless handset and wireless service technologies, the absence of these new technologies, our suppliers not providing us with these new technologies, or the lack of consumer interest in adopting these new technologies, could materially adversely affect our business.

Another change in the wireless industry that could materially adversely affect our business is wireless industry consolidation. Consolidation in the wireless industry could lead to a concentration of competitive strength among a few wireless carriers, which could materially adversely affect our business if our ability to obtain competitive offerings from our wireless suppliers is reduced or if competition increases from wireless carrier stores or other retailers. For example, in March 2011, AT&T Inc. and Deutsche Telekom AG announced an agreement for the acquisition of T-Mobile USA, Inc. by AT&T Inc. On August 31, 2011, the U.S. Department of Justice filed a civil antitrust lawsuit to block AT&T Inc.'s proposed acquisition of T-Mobile USA, Inc.

Our competition is both intense and varied, and our failure to effectively compete could materially adversely affect our results of operations and financial condition.

In the retail consumer electronics marketplace, the level of competition is intense. We compete with consumer electronics retail stores as well as big-box retailers, large specialty retailers, discount and warehouse retailers, and alternative channels of distribution such as e-commerce, telephone shopping services and mail order. We also compete with wireless carriers' retail presence, as discussed above. Some of these competitors are large, have great market presence, and possess significant financial and other resources, which may provide them with competitive advantages over us.

Changes in the amount and degree of promotional intensity or merchandising strategy exerted by our current and potential competitors could present us with difficulties in retaining and attracting customers. In addition, pressure from our competitors, particularly competitors who successfully establish an extensive physical retail presence with product offerings similar to ours, could require us to reduce prices or increase our costs in one product category or across all our product categories. As a result of this competition, we may experience lower sales, margins or profitability, which could materially adversely affect our results of operations and financial condition.

Some of our competitors may use strategies such as lower pricing, value-added services, wider selection of products, larger store size, higher advertising intensity, improved store design, and more efficient sales methods. While we attempt to differentiate ourselves from our competitors by focusing on the electronics specialty retail market, our business model may not enable us to compete successfully against existing and future competitors.

We are dependent upon our relationships with a limited number of name brand product and service providers, and our inability to create, maintain and renew relationships with these parties on favorable terms could materially adversely affect our results of operations and financial condition.

A significant portion of our net sales and operating revenues is attributable to a limited selection of name brand products and service providers. The concentration of net sales and operating revenues in certain of our platforms, such as our wireless platform, may mean that our sales are more dependent upon a limited number

Table of Contents

of service providers such as Sprint, AT&T, T-Mobile and Verizon. In the aggregate, these relationships have or are expected to have a significant effect on both our operations and financial strategy. If we are unable to create, maintain or renew our relationships with such third parties on favorable terms or at all, our results of operations and financial condition could be materially adversely affected.

On July 26, 2011, we announced that we would begin offering Verizon Wireless products and services in our U.S. company-operated stores beginning on September 15, 2011, and that we would cease offering T-Mobile wireless products and services in our U.S. company-operated stores on September 14, 2011. In conjunction with this transition, we recognized a \$3.0 million inventory valuation loss in the second quarter with respect to T-Mobile wireless handsets we had on hand at June 30, 2011, which was classified as additional cost of products sold. Furthermore, in conjunction with this transition, we will incur an additional charge to earnings of approximately \$23 million in the third quarter of 2011 relating to a payment to T-Mobile and an estimated additional inventory valuation loss for handsets purchased after June 30, 2011. We will continue to offer T-Mobile postpaid wireless products and services in approximately 680 of the Target Mobile centers we operate.

Our inability to maintain our historical gross margin levels could materially adversely affect our results of operations and financial condition.

Historically, we have maintained gross margin levels ranging from 45% to 48%. We may not be able to maintain these margin levels in the future due to various factors, including increased sales of lower margin products, such as personal electronics products and name brand products, or declines in average selling prices of key products. If sales of lower margin items continue to increase and become a larger percentage of our business without an overall growth in our sales, our gross profit could be materially adversely affected.

Our inability to collect receivables from our vendors and service providers could materially adversely affect our results of operations and financial condition.

We maintain significant receivable balances from various vendors and service providers such as Sprint, AT&T, T-Mobile, and Verizon consisting of commissions and other funds related to these relationships. At June 30, 2011 and December 31, 2010, our net receivables from vendors and service providers were \$201.0 million and \$291.0 million, respectively. The average payment term for these receivable balances is approximately 45 days. We do not factor these receivables. Changes in the financial condition of one or more of these vendors or service providers could cause a delay or failure in collecting these receivable balances. A significant delay or failure in collecting these receivable balances could materially adversely affect our results of operations and financial condition.

Our inability to effectively manage our inventory levels, particularly excess or inadequate amounts of inventory, could materially adversely affect our results of operations and financial condition.

We source inventory both domestically and internationally, and our inventory levels are subject to a number of factors, some of which are beyond our control. These factors, including technology advancements, reduced consumer spending and consumer disinterest in our product offerings, could lead to excess inventory levels. Additionally, we may not accurately assess product life cycles, leaving us with excess inventory. To reduce this excess inventory, we may be required to lower our prices, which could materially adversely affect our results of operations and financial condition.

Alternatively, we may have inadequate inventory levels for particular items, including popular merchandise, due to factors such as unanticipated high demand for certain products, unavailability of products from our vendors, import delays, labor unrest, untimely deliveries, or the disruption of international, national or regional transportation systems. The effect of the occurrence of any of these factors on our inventory supply could materially adversely affect our results of operations and financial condition.

Table of Contents

Our inability to attract, retain and grow an effective management team or changes in the cost or availability of a suitable workforce to manage and support our strategies could materially adversely affect our business.

Our success depends in large part upon our ability to attract, motivate and retain a qualified management team and employees. Qualified individuals needed to fill necessary positions could be in short supply. The inability to recruit and retain such individuals on a continuous basis could result in high employee turnover at our stores and in our company generally, which could materially adversely affect our business and results of operations. Additionally, competition for qualified employees requires us to continually assess our compensation structure. Competition for qualified employees has required, and in the future could require, us to pay higher wages to attract a sufficient number of qualified employees, resulting in higher labor compensation expense. In addition, mandated changes in the federal minimum wage or in health care reform may materially increase our compensation expense.

Our inability to successfully identify and enter into relationships with developers of new technologies or the failure of these new technologies to be adopted by the market could materially adversely affect our ability to increase or maintain our sales and profitability. Additionally, the absence of new services or products and product features in the categories we sell could materially adversely affect our sales and profitability.

Our ability to maintain and increase revenues depends, to a large extent, on the periodic introduction and availability of new products, services and technologies. If we fail to identify these new products, services and technologies, or if we fail to enter into relationships with their developers prior to widespread distribution within the market, our sales and profitability could be materially adversely affected. Any new products, services or technologies we identify may have a limited sales life.

Furthermore, it is possible that new products, services or technologies will never achieve widespread consumer acceptance, also adversely affecting our sales and profitability. Finally, the lack of innovative consumer electronics products, features or services that can be effectively featured in our store model could also materially adversely affect our ability to increase or maintain our sales and profitability.

The occurrence of severe weather events or natural disasters could significantly damage or destroy our retail locations, could prohibit consumers from traveling to our retail locations, or could prevent us from resupplying our stores or distribution centers, especially during the peak winter holiday shopping season.

If severe weather or a catastrophic natural event, such as a hurricane or earthquake, occurs in a particular region and damages or destroys a significant number of our stores in that area, our sales could be materially adversely affected. In addition, if severe weather, such as heavy snowfall or extreme temperatures, discourages or restricts customers in a particular region from traveling to our stores, our sales could also be materially adversely affected. If severe weather occurs during the fourth quarter holiday season, the adverse effect on our sales and gross profit could be even greater than at other times during the year because we generate a disproportionate amount of our sales and gross profit during this period.

Failure to comply with, or the additional implementation of, laws, rules, and regulations regarding our business could materially adversely affect our business and our results of operations and financial condition.

We are subject to various foreign, federal, state, and local laws, rules and regulations including, but not limited to, the Fair Labor Standards Act and ERISA, each as amended, and regulations promulgated by the Federal Trade Commission, SEC, Internal Revenue Service, United States Department of Labor, Occupational Safety and Health Administration, and Environmental Protection Agency. Failure to properly adhere to these and other applicable laws, rules and regulations could result in the imposition of penalties or adverse legal judgments and could materially adversely affect our results of operations and financial condition. Similarly, the cost of complying with newly-implemented laws, rules and regulations could materially adversely affect our business and our results of operations.

Table of Contents

Risks associated with the supply chain from which we source our raw materials and products could materially adversely affect our results of operations and financial condition.

We utilize a large number of suppliers located in various parts of the world to obtain raw materials, private brand merchandise, and other products. If any of our key vendors fail to supply us with products, we may not be able to meet the demands of our customers, and our sales and profitability could be materially adversely affected.

We purchase a significant portion of our inventory from manufacturers located in China. Changes in trade regulations (including tariffs on imports) could increase the cost of those items. Although our purchases are denominated in U.S. dollars, changes in the Chinese currency exchange rate against the U.S. dollar or other foreign currencies could cause our vendors to increase the prices of items we purchase from them. The occurrence of any of these events could materially adversely affect our results of operations.

To a lesser extent, we also manufacture certain products that are sold through our retail outlets. From time to time we experience manufacturing disruptions, increased manufacturing costs and costs associated with restructuring or closing our facilities.

Our ability to find qualified vendors that meet our standards and supply products, or manufacture products, in a timely and efficient manner is a significant challenge, especially with respect to goods sourced from or manufactured outside the United States. Merchandise quality issues, trade restrictions, difficulties in enforcing intellectual property rights in foreign countries, work stoppages, transportation capacity and costs, tariffs, political or financial instability, foreign currency exchange rates, monetary, tax and fiscal policies, inflation, deflation, outbreak of pandemics and other factors relating to foreign trade are beyond our control. In addition, concerns regarding the safety of products that we source from our suppliers and then sell could cause shoppers to avoid purchasing certain products from us, even if the basis for the concern is outside of our control. Any lost confidence on the part of our customers would be difficult and costly to reestablish. These and other issues affecting our vendors and manufacturing activities could materially adversely affect our sales and profitability.

Our business is heavily dependent upon information systems, which could result in higher maintenance costs and business disruption.

Our business is heavily dependent upon information systems, given the number of individual transactions we process each year. Our information systems include an in-store point-of-sale system that helps us track sales performance, inventory replenishment, product availability, product margin and customer information. In addition, we are in the process of upgrading our in-store point-of-sale system and related processes. These systems are complex and require integration with each other, with some of our service providers, and with our business processes, which may increase the risk of disruption.

Our information systems are also subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, security breaches, catastrophic events and usage errors by our employees. If we encounter damage to our systems, difficulty implementing new systems, or difficulty maintaining and upgrading current systems, our business operations could be disrupted, our sales could decline, and our expenses could increase.

Failure to protect the integrity and security of our customers' information could materially damage our standing with our customers and expose us to litigation.

Increasing costs associated with information security, including increased investments in technology, the costs of compliance with consumer protection laws, and costs resulting from consumer fraud could materially adversely affect our results of operations. Additionally, if a significant compromise in the security of our customer information, including personal identification data, were to occur, it could materially adversely affect our reputation, business, results of operations, financial condition, and business operations and could increase the costs we incur to protect against such security breaches.

Table of Contents

We are subject to other litigation risks and may face liabilities as a result of allegations and negative publicity.

Our operations expose us to litigation risks, such as class action lawsuits involving employees, consumers and shareholders. For example, from time to time putative class actions have been brought against us relating to various labor matters. Defending against lawsuits and other proceedings may involve significant expense and divert management's attention and resources from other matters. In addition, if any lawsuits were brought against us and resulted in a finding of substantial legal liability, it could cause significant reputational harm to us and otherwise materially adversely affect our business, results of operations, financial condition, and business operations.

We conduct business outside the United States, which presents potential risks.

We have offices, assets, and generate a portion of our revenue in Mexico, China, including the special administrative region of Hong Kong, and Taiwan. Part of our growth strategy is to expand our international business because we believe the growth rates and the opportunity to implement operating improvements may be greater than those typically achievable in the United States. International operations entail significant risks and uncertainties, including, without limitation:

Economic, social and political instability in any particular country or region;

Changes in currency exchange rates;

Changes in government restrictions on converting currencies or repatriating funds;

Changes in foreign laws and regulations or in trade, monetary or fiscal policies

High inflation and monetary fluctuations;

Changes in restrictions on imports and exports;

Difficulties in hiring, training and retaining qualified personnel, particularly finance and accounting personnel with U.S. GAAP expertise;

Inability to obtain access to fair and equitable political, regulatory, administrative and legal systems;

Changes in government tax policy;

Difficulties in enforcing our contractual rights or enforcing judgments or obtaining a just result in foreign jurisdictions; and

Potentially adverse tax consequences of operating in multiple jurisdictions

Any of these factors, by itself or in combination with others, could materially adversely affect our results of operations and financial condition.

We may be unable to keep existing stores in current locations or open new stores in desirable locations, which could materially adversely affect our sales and profitability.

We may be unable to keep existing stores in current locations or open new stores in desirable locations in the future. We compete with other retailers and businesses for suitable locations for our stores. Local land use, local zoning issues, environmental regulations and other regulations may affect our ability to find suitable locations and also influence the cost of leasing, building or buying our stores. We also may have difficulty negotiating real estate leases and purchase agreements on acceptable terms. Further, to relocate or open new stores successfully, we must hire and train employees for the new locations. Construction, environmental, zoning and real estate delays may negatively affect store openings and increase costs and capital expenditures. In addition, when we open new stores in markets where we already have a presence, our existing locations may experience a decline in sales as a result, and when we open stores in new markets, we may encounter difficulties in attracting customers due to a lack of customer familiarity with our brand, our lack of familiarity with local customer preferences, and seasonal differences in the market. We cannot be certain that new or relocated stores will produce the anticipated sales or return on investment or that existing stores will not be materially adversely affected by new or expanded competition in their market areas.

Table of Contents

Terrorist activities and governmental efforts to thwart them could materially adversely affect our results of operations.

A terrorist attack or series of attacks on the United States could have a significant adverse effect on its economy. This downturn in the economy could, in turn, materially adversely affect our results of operations. The potential for future terrorist attacks, the national and international responses to terrorist attacks, and other acts of war or hostility could cause greater uncertainty and cause the economy to suffer in ways that we cannot predict.

Table of Contents

FORWARD-LOOKING STATEMENTS

Matters included or incorporated by reference in this prospectus include forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are statements that are not historical and may be identified by the use of words such as expect, believe, anticipate, estimate, intend, target, project, plan, seek, may, assume, potential or similar words. These matters include statements of management's plans and objectives relating to our operations or economic performance and related assumptions. Forward-looking statements are based on management's current expectations, beliefs, estimates, forecasts and projections about us and future events and, therefore, involve a number of assumptions, risks and uncertainties, including the risks described under the caption Risk Factors. Management cautions that forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions, some of which are difficult to predict, and actual outcomes and results could differ materially from those expressed or implied in the forward-looking statements. Except as required, we do not have any intention or obligation to update publicly any forward-looking statements after the distribution of this prospectus, whether as a result of new information, future events, changes in assumptions or otherwise.

Table of Contents

USE OF PROCEEDS

We will not receive any proceeds from the exchange of the notes. We are making this exchange offer solely to satisfy our obligations under the registration rights agreement. In consideration for issuing the exchange notes as contemplated by this prospectus, we will receive outstanding notes in a like principal amount. The form and terms of the exchange notes are identical in all respects to the form and terms of the outstanding notes, except that the exchange notes are registered under the Securities Act, are not entitled to the registration rights which are applicable to the outstanding notes, and are not subject to certain special interest rate provisions applicable to the outstanding notes. The outstanding notes surrendered in exchange for the exchange notes will be retired and canceled and will not be reissued. Accordingly, the issuance of the exchange notes will not result in any change in our outstanding indebtedness.

Table of Contents**DESCRIPTION OF OTHER INDEBTEDNESS****Asset-Based Revolving Credit Facility**

On January 4, 2011, we terminated our \$325 million credit facility and entered into a five-year, \$450 million revolving credit agreement with a group of lenders with Bank of America, N.A., as administrative agent. The asset-based revolving credit facility expires on January 4, 2016. The asset-based revolving credit facility may be used for general corporate purposes and the issuance of letters of credit. The asset-based revolving credit facility is secured by substantially all of our inventory, accounts receivable, cash and cash equivalents, and certain other personal property. Our obligations under the asset-based revolving credit facility are unconditionally guaranteed jointly and severally on a senior secured basis by TRS Quality, Inc., RadioShack Customer Service LLC, RadioShack Global Sourcing Corporation, RadioShack Global Sourcing Limited Partnership, RadioShack Global Sourcing, Inc., SCK, Inc., Tandy Finance Corporation, TE Electronics LP and Ignition L.P. These subsidiaries will also be guarantors of the notes.

Borrowings under the asset-based revolving credit facility are subject to a borrowing base of certain secured assets and bear interest, at our option, at (i) the greater of (a) the federal funds rate plus 0.500%, (b) the administrative agent's prime rate and (c) the rate on LIBOR loans with a maturity of one month plus 1.000% plus 1.250% to 1.750% or (ii) LIBOR multiplied by the reserve percentage set by the Board of Governors of the Federal Reserve System plus 2.250% to 2.750%. The applicable rates in these ranges will be determined based on the average availability under the asset-based revolving credit facility. If at any time our outstanding borrowings under the asset-based revolving credit facility exceed the lesser of the borrowing base or the aggregate amount of lenders' commitments, we will be required to prepay an amount equal to such excess.

We may, subject to certain conditions, increase the lender commitments under the asset-based revolving credit facility from \$450 million to \$650 million. In addition, the asset-based revolving credit facility contains a \$150 million sub-limit for the issuance of standby and commercial letters of credit. Issued letters of credit will reduce the amount available under the asset-based revolving credit facility. Letter of credit fees include 2.250% to 2.750% for standby letters of credit, 1.125% to 1.375% for commercial letters of credit and other customary fees. The asset-based revolving credit facility includes swingline loans of up to \$50 million.

We pay commitment fees to the lenders at an annual rate of 0.375% to 0.500% of the average unused commitments under the asset-based revolving credit facility. As of June 30, 2011, we had no borrowings and \$31.3 million of outstanding letters of credit under the asset-based revolving credit facility.

The asset-based revolving credit facility contains affirmative and negative covenants that, among other things, require: the preservation of corporate existence, maintenance of property, payment of taxes, and maintenance of insurance; and place limitations on: indebtedness (including guarantee obligations of other indebtedness); liens; mergers, consolidations, liquidations and dissolutions; sales of assets; dividends and other payments in respect of capital stock; acquisitions, investments, loans and advances; payments and cancellation of certain indebtedness; transactions with affiliates; negative pledge clauses and clauses restricting subsidiary distributions and other certain payments; and changes in the nature of our business. Also, we will be subject to a minimum consolidated fixed charge coverage ratio of 1.00 to 1.00 if our unused amount under the asset-based revolving credit facility is less than the greater of 12.5% of the maximum borrowing amount and \$45.0 million. The asset-based revolving credit facility also contains customary events of default. Upon the occurrence of an event of default, the lenders may terminate the loan commitments, accelerate all loans, require that outstanding letters of credit be cash collateralized and exercise any of their rights under the asset-based revolving credit facility and the ancillary loan documents as a secured party.

We are generally free to pay dividends and repurchase shares as long as the current and pro forma unused amounts under the asset-based revolving credit facility are greater than 17.5% of the maximum borrowing amount and a minimum consolidated fixed charge coverage ratio of 1.10 to 1.00 is maintained. We may pay

Table of Contents

dividends and repurchase shares without regard to our consolidated fixed charge coverage ratio as long as the current and pro forma unused amounts under the asset-based revolving credit facility is greater than 75% of the maximum borrowing amount and cash on hand is used for dividends or share repurchases.

2013 Convertible Notes

In August 2008, we issued the 2013 Convertible Notes in a private offering. The 2013 Convertible Notes were issued at par and bear interest at a rate of 2.50% per annum. Interest is payable semiannually, in arrears, on February 1 and August 1.

Each \$1,000 of principal of the 2013 Convertible Notes is initially convertible, under certain circumstances, into 41.2414 shares of our common stock (or a total of approximately 15.5 million shares), which is the equivalent of \$24.25 per share, subject to adjustment upon the occurrence of specified events set forth under terms of the 2013 Convertible Notes. Upon conversion, we would pay the holder the cash value of the applicable number of shares of our common stock, up to the principal amount of the note. Amounts in excess of the principal amount, if any (the excess conversion value), may be paid in cash or in stock, at our option. Holders may convert their 2013 Convertible Notes into common stock on the net settlement basis described above at any time from May 1, 2013, until the close of business on July 29, 2013, or prior to May 1, 2013 if, and only if, one of the following conditions has been met:

during any fiscal quarter, and only during such fiscal quarter, in which the closing price of our common stock for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter exceeds 130% of the conversion price per share of common stock in effect on the last day of such preceding fiscal quarter;

during the five consecutive business days immediately after any 10 consecutive trading day period in which the average trading price per \$1,000 principal amount of 2013 Convertible Notes was less than 98% of the product of the closing price of the common stock on such date and the conversion rate on such date; or

we make specified distributions to holders of our common stock or specified corporate transactions occur.

The 2013 Convertible Notes were not convertible at the holders' option at any time during 2010 and 2009.

Holders who convert their 2013 Convertible Notes in connection with a change in control may be entitled to a make-whole premium in the form of an increase in the conversion rate. In addition, upon a change in control, liquidation, dissolution or delisting of our common stock, the holders of the 2013 Convertible Notes may require us to repurchase for cash all or any portion of their 2013 Convertible Notes for 100% of the principal amount of the notes plus accrued and unpaid interest, if any. As of June 30, 2011, none of the conditions allowing holders of the 2013 Convertible Notes to convert or requiring us to repurchase the 2013 Convertible Notes had been met.

In connection with the issuance of the 2013 Convertible Notes, we entered into separate convertible note hedge transactions and separate warrant transactions with respect to our common stock to reduce the potential dilution upon conversion of the 2013 Convertible Notes. The convertible note hedges and warrants will generally have the effect of increasing the economic conversion price of the 2013 Convertible Notes to \$36.60 per share of our common stock, representing a 100% conversion premium based on the closing price of our common stock on August 12, 2008. See Note 6 Stockholders' Equity in the financial statements included in our 2010 10-K for more information on the convertible note hedges and warrants.

Because the principal amount of the 2013 Convertible Notes will be settled in cash upon conversion, the 2013 Convertible Notes will only affect diluted earnings per share when the price of our common stock exceeds the conversion price (initially \$24.25 per share). We will include the effect of the additional shares that may be issued from conversion in our diluted net income per share calculation using the treasury stock method.

The indenture that governs the 2013 Convertible Notes contains customary events of default.

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES

	Year Ended December 31,					Six Months Ended
	2006	2007	2008	2009	2010	June 30, 2011
Ratio of earnings to fixed charges	2.10	3.98	3.56	3.59	3.59	2.51

For purposes of calculating the ratio of earnings to fixed charges, earnings are the sum of:

pre-tax income; and

fixed charges (excluding capitalized interest);
and fixed charges are the sum of:

interest expense (including capitalized interest) and amortization, including debt discount;

amortization of issuance expense; and

that portion of rent expense (33 1/3%) estimated to be representative of the interest factor.

Table of Contents**THE EXCHANGE OFFER****Purpose and Effect of the Exchange Offer**

We and the guarantors have entered into a registration rights agreement with the initial purchasers of the outstanding notes in which we and the guarantors agreed, under some circumstances, to file a registration statement relating to an offer to exchange the outstanding notes for exchange notes. Upon the effectiveness of the registration statement, we will offer to the holders of outstanding notes pursuant to the exchange offer who are able to make certain representations the opportunity to exchange their outstanding notes for exchange notes. We also agreed to use all commercially reasonable efforts to cause the exchange offer registration statement to be consummated under the Securities Act no later than 220 days, or the next proceeding business day, after the closing date of the offering of the outstanding notes. We and the guarantors are required to maintain an effective registration statement relating to the exchange notes, a registration statement that has been continuously effective and an exchange offer that has been kept open for a period not less than the minimum period required under applicable federal and state securities laws (and not less than 20 business days) and exchange notes that have been delivered to the holders. The exchange notes will have terms substantially identical to the outstanding notes, except that the exchange notes will not contain terms with respect to transfer restrictions, registration rights and special interest for failure to observe certain obligations in the registration rights agreement. The outstanding notes were issued on May 3, 2011.

If the exchange offer is not permissible under applicable law or SEC policy, or for any reason the exchange offer is not consummated within 220 days after May 3, 2011, or any holder of Transfer Restricted Securities (defined below) notifies us that such holder is prohibited by applicable law or SEC policy from participating in the Exchange Offer or is a broker-dealer and owns outstanding notes acquired directly from us or an affiliate of us, we will, upon such holder's request, cause to be filed with the SEC a shelf registration statement (the *Shelf Registration Statement*) to provide for resales of all Transfer Restricted Securities by the holders thereof, which shall have satisfied certain conditions relating to the provision of information in connection with the Shelf Registration Statement.

The registration rights agreement also provides that, unless the exchange offer would not be permissible under applicable law or SEC policy, we will issue exchange notes in exchange for all outstanding notes tendered prior thereto in the exchange offer.

Additionally, if:

- (1) the exchange offer has not been consummated within 220 days after May 3, 2011;
- (2) if required to be filed, the Shelf Registration Statement is not filed and declared effective on or prior to the 30th day after the date on which such filing obligation arises (or if such 30th day is not a business day, the next succeeding business day); or
- (3) any registration statement required by the registration rights agreement is filed and declared effective but shall thereafter cease to be effective or fail to be usable for its intended purpose without being succeeded immediately by a post-effective amendment to such registration statement that cures such failure and that is immediately declared effective (each such event referred to in clauses (1) through (3) above, a *Registration Default*),

then the interest rate borne by the Transfer Restricted Securities shall be increased by 0.25% per annum during the 90-day period immediately following the occurrence of any Registration Default, and shall increase by 0.25% per annum at the end of each subsequent 90-day period, but in no event shall such increase exceed 1.00% per annum (*Additional Interest*). Following the cure of all Registration Defaults relating to any particular Transfer Restricted Securities, the interest rate borne by the relevant Transfer Restricted Securities will be reduced to the original interest rate borne by such Transfer Restricted Securities; *provided, however*, that, if after any such reduction in interest rate, a different Registration Default occurs, the interest rate borne by the relevant Transfer Restricted Securities shall again be increased pursuant to the foregoing.

Table of Contents

Holders of outstanding notes will be required to make certain representations to us (as described in the registration rights agreement) in order to participate in the exchange offer and will be required to deliver certain information to be used in connection with the Shelf Registration Statement, within 20 business days after receipt of a request therefor, in order to have their outstanding notes included in the Shelf Registration Statement. By acquiring outstanding notes, a holder is deemed to have agreed to indemnify us against certain losses arising out of information furnished by such holder in writing for inclusion in any Shelf Registration Statement. Holders of Notes are also required to suspend their use of the prospectus included in the Shelf Registration Statement under certain circumstances for up to 90 days in each 365-day period upon receipt of written notice to that effect from us.

Transfer Restricted Securities means each initial outstanding note, until the earliest to occur of (a) the date on which such initial outstanding note is exchanged in the exchange offer for an exchange note entitled to be resold to the public by the holder thereof without complying with the prospectus delivery requirements of the Securities Act, (b) the date on which such initial outstanding note has been effectively registered under the Securities Act and disposed of in accordance with a Shelf Registration Statement and (c) the date on which such initial outstanding note is distributed to the public by a broker-dealer pursuant to the Plan of Distribution.

Resale of Exchange Notes

Based on interpretations by the SEC set forth in no-action letters issued to third parties, we believe that you may resell or otherwise transfer exchange notes issued in the exchange offer without complying with the registration and prospectus delivery provisions of the Securities Act if:

you are not our affiliate or an affiliate of any guarantor within the meaning of Rule 405 under the Securities Act;

you do not have an arrangement or understanding with any person to participate in a distribution of the exchange notes;