

Debtor:	Circuit City Stores, Inc.	
Status:	Chapter 11	Actively following case – Updated March 23, 2009
U.S. Bankruptcy Court: Eastern District of Virginia Bankruptcy Court (Richmond, VA) Address: 701 East Broad Street, Richmond, VA 23219-1888		
Filing Date:	November 10, 2008	Total Assets: \$3.40 billion at 8/31/08
Case No.:	08-35653	Total Liabilities: \$2.32 billion at 8/31/08
Judge:	Honorable Kevin R. Huennekens	
Attorneys for Debtor:		Attorneys for Debtor:
<p>Gregg M. Galardi, Esq. Ian S. Fredericks, Esq. Skadden, Arps, Slate, Meagher & Flom, LLP One Rodney Square, PO Box 636 Wilmington, DE 19899-0636 T: (302) 651-3000 F: (302) 651-3001 http://www.skadden.com</p>		<p>Dion W. Hayes McGuireWoods LLP One James Center, 901 E. Cary St. Richmond, VA 23219 804-775-1144 Email: dhayes@mcquirewoods.com</p>
Counsel for the Official Committee of Unsecured Creditors:		United States Trustee
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Key Dates in Chapter 11 Case, Comment and Date

First Day Orders Hearing	11/10/08
Interim approval of DIP Facility	11/11/08
Committee of Unsecured Creditors Appointed	11/13/08
Bar Date for Filing Administrative Expense Claims	12/19/08
Court authorizes final approval of DIP Facility	12/23/08
DIP Facility maximum borrowings change (see details under "DIP Financing")	12/30/08, 1/1/09 and 1/18/09
DIP Facility amendments announced (see details under "Current Events")	12/31/08
Meeting of Unsecured Creditors' Committee	1/9/09
Agreement to liquidate	1/16/09
Bankruptcy Court approval of liquidation agreement	1/16/09
Bar Date for Filing Proofs Of Claim	1/30/09
Agreement to Sell Canadian Operations	3/2/09
Liquidation sales end; all stores closed	3/8/09
Bankruptcy Court approves sale of Canadian operations to Bell Canada	3/20/09
Exclusive period to file a Plan of Liquidation	7/8/09
Exclusive period to solicit acceptances to the Plan of Liquidation	9/6/09

Committee of Unsecured Creditors

Hewlett-Packard Company
 Samsung Electronics America, Inc.
 LG Electronics USA, Inc.
 Alliance Entertainment
 Garmin International, Inc.
 Simon Property Group, Inc.

Weidler Settlement Class
 Developers Diversified Realty Corp.
 Pension Benefit Guarantee Corporation
 Toshiba America Consumer Products, LLC
 Paramount Home Entertainment

Meeting of Creditors' Committee

January 9, 2009 at 10:00 a.m.
 Office of the United States Trustee
 701 E. Broad Street, Suite 4300,
 Richmond, Virginia 23219

50 Largest Unsecured Creditors

<i>Creditor</i>	<i>Amount</i>	<i>Creditor</i>	<i>Amount</i>
Hewlett-Packard	\$118,767,964	Fuji Photo Film USA	\$4,874,187
Samsung Electronics America	\$115,925,716	Hinsense USA Corp	\$4,426,106
Sony Computer Entertainment	\$60,009,803	Onkyo USA Corp	\$4,266,989
Zenith Electronics Corp	\$41,162,162	Bethesda Softworks	\$3,870,734
Toshiba America Business Solutions	\$17,919,395	Buena Vista Home Video	\$3,739,930
Alliance Entertainment	\$15,799,754	Columbia Tristar Home Video	\$3,729,702
Garmin International	\$15,444,498	Audiovox	\$3,592,806
Olympus Corporation	\$15,095,651	Klipsch Audio Technologies LLC	\$3,569,854
Nikon	\$14,926,445	Graphic Communications	\$3,462,238
Paramount Home Video	\$13,761,444	Dlink Systems	\$3,155,142
Panasonic North America	\$13,283,002	Incomm	\$3,104,531
Mitsubishi Digital Electronics	\$12,883,892	Lexmark International Inc.	\$2,967,613
Eastman Kodak Co	\$11,510,410	Navarre Corporation	\$2,560,319
Lenovo, Inc.	\$10,920,887	Lexmar Media Inc.	\$2,433,849
Warner Home Video	\$10,738,637	Apex Digital Inc	\$2,352,283
IBM	\$9,354,353	Omnimount Systems Inc.	\$2,327,571
Oncorp US, Inc	\$8,470,923	Pioneer Electronics Service	\$2,298,164
Microsoft Corp Consignment	\$8,088,245	Stillwater Designs Inc.	\$2,274,743
Sharp Electronics	\$7,054,093	Kensington	\$2,141,615
Vizio	\$6,951,769	THQ Inc	\$2,051,626
Linksys	\$6,342,319	VTech Communications Inc.	\$1,862,546
Sandisk	\$5,920,978	Belkin	\$1,754,552
Fox Home Entertainment	\$5,786,069	Simpletech	\$1,727,378
Monster Cable Products	\$5,452,554	Kinsington Technologies	\$1,652,180
		Advertising.com	\$1,556,384
		Mitac USA Inc.	\$1,527,031

Affiliate Filings

Circuit City Stores, Inc.
 Circuit City Stores West Coast, Inc.
 Ventoux International, Inc.
 Circuit City Purchasing Company, LLC
 CC Aviation, LLC
 CC Distribution Company of Virginia, Inc.
 Circuit City Properties, LLC
 Kinzer Technologies, LLC
 Abbott Advertising, Inc.

Patapsco Designs, Inc.
 Sky Venture Corporation
 PRAHS, Inc.
 XS Stuff, LLC
 Mayland MN, LLC
 Courchevel, LLC
 Orbyx Electronics, LLC
 Circuit City Stores PR, LLC
 InterTAN, Inc.

Administrative Expense Claims

Bar Date for Filing Administrative Expense Claims Under Section 503(b)(9): December 19, 2008 at 5:00 pm Pacific time

Relates to goods sold in the ordinary course of business and received by the Debtors within 20 days before November 10, 2008 (the Petition Date) (i.e., between October 21, 2008 and November 9, 2008)

Mail to:
 Circuit City Stores, Inc., et al., Claims Processing
 Kurtzman Carson Consultants LLC
 2335 Alaska Avenue
 El Segundo, CA 90245

By mail, hand-delivery, or overnight courier. Faxes or emails are not acceptable.

Proofs of Claim

Bar Date for Filing Proofs of Claim: January 30, 2009 at 5:00 p.m. (Pacific time)

Mail to:
Circuit City Stores, Inc., et al., Claims Processing
Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245

By mail, hand-delivery, or overnight courier. Faxes or emails are not acceptable.

Debtor-In-Possession Financing

Original Facility Date	November 11, 2008 (Approved on an interim basis). Final approval on December 23, 2008
Date of Amendment	December 23, 2008
Maturity Date	The earlier of: (i) November 10, 2009; or (ii) confirmation of a Plan of Reorganization. The DIP Facility requires the Company to file a Plan of Reorganization and Disclosure Statement by March 1, 2009. The DIP Facility and the Prepetition Indebtedness (as defined) must be paid in full on the Effective Date.
Agent Bank	Bank of America, N.A.
Other Banks	GE Capital Markets, Inc., and Wells Fargo Retail Finance, LLC
Maximum Borrowings	Originally \$1.10 billion, of which up to \$50.0 million is for Intertan \$910.0 million from January 1, 2009 through and including January 17, 2009; \$900.0 million on January 18, 2009, and thereafter
L/C Sublimit:	\$350.0 million
Availability	Not yet disclosed. Subject to a borrowing base and availability reserves.
Borrowing Base:	Formula based on eligible inventory and eligible credit card receivables. Intertan is subject to a separate borrowing base.
Interest Rate	Prime Rate plus 4.0%, or LIBOR plus 4.0%
Security	All assets
Covenants	Maximum levels of cash expenditures; minimum levels of inventory and net availability. Also covenants related to the progress of the bankruptcy proceedings, including actions relating to the Company's plan to close certain domestic stores, and filing a Plan of Reorganization on or before March 1, 2009.

Current Events:

3/20/09 – The Bankruptcy Court approved the sale of the Canadian operations of Circuit City Stores Inc., DIP to telecommunications company Bell Canada. Previously, Bell Canada agreed to buy InterTAN Canada Ltd., which operates about 750 “The Source by Circuit City” stores in Canada, most of them former Radio Shack locations. The ruling means that both the U.S. and Canadian courts have approved the sale. Financial terms were not disclosed, and the sale is expected to close at the end of June 2009. Bell Canada has stated it wants to use the stores to carry a range of consumer services, such as Bell Mobility and Solo Mobile cell phones as well as television, Internet and phone products. The Source stores will continue to operate independently from Bell Canada.

3/4/09 – The US Bankruptcy Court approved a motion to extend Circuit City Stores Inc., DIP's exclusive period within which to file a Plan of Liquidation, or a motion to further extend the Plan, through and including July 8, 2009. The exclusive period within which to file a Plan of liquidation was scheduled to expire on March 10, 2009. The Court also granted a motion to extend the exclusive period during which to solicit acceptances to the Plan of Liquidation until September 6, 2009.

3/2/09 - Circuit City Stores, Inc., DIP, announced that Bell Canada Enterprises has agreed to acquire certain assets related to its Canadian subsidiary, InterTAN Canada Ltd., which operates more than 750 “The Source” stores. The acquisition is subject to court approval in both the United States and Canada and customary closing procedures. The parties will not disclose the purchase price until a court order is issued.

Circuit City acquired InterTAN Canada in May 2004. InterTAN is the subject of a court-monitored sales process following its entry into creditor protection in Canada in November 2008. The sale is being managed by NM Rothschild & Sons Canada Limited, and is expected to close in the third calendar quarter of 2009.

On January 16, 2009, Circuit City began liquidating the assets of the Company and its subsidiaries as part of its Chapter 11 proceedings.

Commenting on the development, James A. Marcum, vice chairman and acting president and chief executive officer of Circuit City Stores, Inc., said, "The acquisition of our Canadian operations by Bell Canada follows an active sales process that saw considerable interest in this business. This is a positive outcome for Circuit City, InterTAN and its employees, suppliers and customers."

1/16/09 –U.S. Bankruptcy Court Judge Kevin Huennkens granted approval to Circuit City Stores, Inc.'s agreement to liquidate. Earlier in the day, the Company filed documents with the US Bankruptcy Court disclosing that it entered into an agency agreement with a group of liquidators consisting of Great American Group WF, LLC, Hudson Capital Partners, LLC, SB Capital Group, LLC, and Tiger Capital Group, LLC to sell the merchandise in the Company's remaining 567 US stores and distribution centers. The agreement was reached after negotiations apparently failed to produce a buyer or a refinancing arrangement. The agreement is subject to Bankruptcy Court approval at a hearing scheduled later today. The Company expects to begin closing its remaining stores on January 17, 2009, pending court approval.

InterTAN Canada Ltd., an indirect wholly-owned subsidiary of US-based Circuit City Stores, Inc. confirmed that The Source by Circuit City stores in Canada will remain open for business and are not included in the Company's US liquidation. On November 10, 2008, InterTAN sought and obtained creditor protection by the Ontario Superior Court of Justice under the Companies' Creditors Arrangement Act. Since that time, the Company has been working with NM Rothschild & Sons Canada Limited to pursue a sale of the Canadian operations as a going concern and has been in active discussions with a number of interested bidders. InterTAN expects to receive formal proposals with respect to a going concern transaction on or before January 23, 2009. The Canadian sales process is separate and distinct from the sales process followed by Circuit City in the US.

1/12/09 – Circuit City Stores, Inc., DIP gained Bankruptcy Court approval to put the Company up for sale as a going concern, as separate business units, or as individual assets, including the sale of inventory. The auction, scheduled to conclude tomorrow, could result in the sale of the Company as a going concern, or a sale of any or all of its assets. Presently, the Company has been in discussions with two potential buyers, one of which is characterized as "financial" and the other as "strategic." It has been speculated that the "strategic" buyer is Mexican billionaire Ricardo Salinas Pliego, who bought 30.3 million shares of Circuit City's stock in November 2008. The "financial" buyer could be a private-equity firm. The Bankruptcy Court scheduled a sale hearing for January 16. If none of the above alternatives has been accomplished by that hearing, the Company could face liquidation. In documents filed with the Bankruptcy Court, the Company stated, "Poor macro-economic conditions and the Debtors' worse than anticipated performance also contributed to further erosion of vendor confidence. As a result, many vendors, including some of the Debtors' key merchandise vendors, were unwilling to relax strict trade terms or provide meaningful trade credit. Indeed, many vendors continued to provide goods or services only on cash in advance terms."

"In light of the foregoing and in particular the results of the Initial Store Closing Sales, the Debtors, the DIP Agent and Lenders, and the Creditors' Committee grew increasingly concerned that future appraisals of DIP Lenders' collateral would be lower than expected. A lower than expected appraisal would directly impact the Debtors' availability under the DIP Facility, which, in turn, could strangle the Debtors ability to continue to operate. Faced with these conditions, the Debtors, after consultation with their advisors, as well as the Creditors' Committee and the DIP Agent, determined that an immediate sale of their business as a going concern or additional financing to facilitate a successful restructuring was in the best interests of creditors and other parties in interest. To that end, the Debtors believe, in an exercise of their business judgment, that implementing an expedited process for the sale of all or part of their business is in the best interests of creditors, other parties in interest and these estates."

12/31/08 - Circuit City Stores, Inc. announced that its DIP Facility was amended to: (i) eliminate the requirement that the Company obtain a term loan of at least \$75.0 million on or before January 17, 2009 in order to prepay amounts outstanding under the DIP Facility; (ii) eliminate a covenant requiring minimum net availability during certain periods; and (iii) accelerate deadlines and procedures related to a potential sale of assets.

12/23/08 - The Bankruptcy Court authorized final approval of Circuit City Stores, Inc.'s \$1.10 billion DIP Facility. The court order allows the Company to continue using funds under the DIP Facility to support its operations during the Chapter 11 proceedings. Documents previously filed with the Bankruptcy Court revealed that borrowings totaling \$898.0 million were outstanding under the \$1.30 billion prepetition credit facility immediately before the bankruptcy filing on November 10, 2008. An attorney representing the Company stated that sales have been down between 43.0% and 50.0% since the Company filed for bankruptcy. In a separately issued statement, management said that the company is "improving its gross margin rate, which is helping it manage its budget and offset the sales decline."

12/05/08 – A hearing was scheduled to address final approval of the DIP Facility. The Court continued the hearing on final approval of the DIP Facility until December 22, 2008. Additionally, it was reported that a lawyer for the Company cited "significant objections" during the December 5, 2008 proceedings. It appears that the impasse is not procedural, but relates to disagreements among the parties.

11/21/08 – Circuit City's Committee of Unsecured Creditors retained Jefferies & Co. as a financial advisor. The investment bank is expected to focus on merger and acquisition work.

11/20/08 - In the November 18, 2008 edition of Retail News & Views, we reported that Mexican investor Ricardo Salinas Pliego acquired more than 30 million shares of the Company's stock on November 12, 2008, two days after it filed for Chapter 11 bankruptcy protection. The purchases increased his ownership in the Company to 28.0% making him its largest shareholder. The next largest shareholders are First Pacific Advisors and Mark Wattles with 7.4% and 6.5%, respectively. Mr. Pliego is currently chairman of Grupo Elektra, Mexico's largest electronics retailer, and TV Azteca, the country's second largest broadcaster. He also controls Grupo Iusacell, Mexico's third-largest mobile-phone company.

Today, Circuit City filed a Form 13D with the Securities and Exchange Commission which discloses information about Mr. Pliego's purpose behind the stock purchase and also his background.

Purpose of the Transaction

The filing states that Mr. Pliego "acquired the shares with a view towards possibly seeking influence over the management, business and operations of the Company, including its activities following its voluntary petition for reorganization relief under Chapter 11 of the United States Bankruptcy Code. However, no decision in this regard has yet been made. Mr. Pliego may take positions with respect to potential changes in the operations, management, Board composition, ownership, capital structure, strategy and future plans of the Company and may otherwise seek to influence management of the Company. Such suggestions may include one or more plans or proposals, including a possible change in control of the Company. In addition, Mr. Pliego may consider participating in transactions that are part of the Chapter 11 case, including as part of the Company's reorganization efforts and/or sales of significant assets. Mr. Pliego has no present plans or proposals that relate to or would result in any of the actions required to be reported. However, Mr. Pliego expects to evaluate on an ongoing basis the Company's financial condition and prospects. Mr. Pliego may take steps to acquire additional shares from time to time. Mr. Pliego may also dispose of all or a portion of the Company's securities."

Background

The SEC Form 13D included the following information, although it is not directly related to Mr. Pliego's completed purchase of the Circuit City stock. On January 4, 2005 the SEC filed a complaint against Mr. Pliego, among others, in a case captioned SEC v. TV Azteca, S.A. de C.V. et al., United States District Court for the District of Columbia. On September 15, 2006, Mr. Pliego, without admitting or denying the allegations of the complaint, agreed to settle by consenting to the entry of a final judgment, which permanently restrains and enjoins him from violating Sections 10(b) of the Securities Exchange Act, which generally relates to insider trading. Mr. Pliego was ordered to make a payment of \$7.5 million, and he agreed that for a period of five years following the entry of the final judgment, he will not serve as an officer or director of "any issuer that has a class of securities registered under the Securities Act, or that is required to file reports under the Act."

11/13/08 - Circuit City Stores, Inc., DIP provided details of its 13 week budget, as follows. Please note: (i) Through the end of 2008 the Company projects an average drop in comps of 24.0%; (ii) Maximum borrowing capacity under the DIP Facility is \$1.10 billion, reducing to \$900.0 million on December 29, 2008.

\$ in millions								
Week Ending	<u>11/15/08</u>	<u>11/22/08</u>	<u>11/29/08</u>	<u>12/6/08</u>	<u>12/13/08</u>	<u>12/20/08</u>	<u>12/27/08</u>	<u>End 2008</u>
Comps	-35%	-30%	-25%	-20%	-20%	-20%	-20%	-24%
Sales	\$144.7	\$230.8	\$277.9	\$494.5	\$297.1	\$401.1	\$332.1	\$2,178.2
Operating Cash Flow	-\$19.7	\$48.2	\$46.1	\$200.0	\$35.9	\$123.2	\$37.6	\$471.2
Net Cash Flow	-\$61.0	\$40.3	\$22.0	\$171.0	\$22.0	\$114.8	\$25.7	\$334.8
DIP Facility Availability	\$56.4	\$62.3	\$53.4	\$186.2	\$58.2	\$198.0	\$133.2	\$133.2

\$ in millions								13 Weeks
Week Ending	<u>1/3/09</u>	<u>1/10/09</u>	<u>1/17/09</u>	<u>1/24/09</u>	<u>1/31/09</u>	<u>2/7/09</u>		<u>Ending 2/7/09</u>
Comps	-20%	-15%	-15%	-15%	-15%	-10%		-21%
Sales	\$198.2	\$143.4	\$145.3	\$152.8	\$167.9	\$154.0		\$3,139.8
Operating Cash Flow	\$3.2	-\$50.0	-\$24.6	\$16.2	\$18.4	-\$22.3		\$412.1
Net Cash Flow	-\$0.7	-\$58.1	-\$44.4	\$15.2	\$17.3	-\$23.1		\$241.0
DIP Facility Availability	\$103.2	\$91.8	\$76.6	\$90.8	\$80.3	\$57.7		\$57.7

11/11/2008 - The Bankruptcy Court granted interim approval to Circuit City Stores, Inc., DIP, to access its \$1.10 billion DIP Facility (which decreases to \$900.0 million on December 29, 2008). The interim authorization applies until the earlier of: (i) the entry of a final order; or (ii) December 29, 2008. The Court scheduled a hearing to consider final approval of the DIP Facility on December 5, 2008.

Motions filed with the Bankruptcy Court reveal that borrowings totaling \$898.0 million were outstanding on the \$1.30 billion prepetition credit facility immediately before the bankruptcy filing. It should be noted that the DIP Facility gives lenders wide discretion over the amount of borrowing availability. Reserves are determined in part by the amount the DIP lenders believe is "appropriate" to protect their interests. In most cases the amount of reserves are determined by a more objective standard, such as a percentage or a fixed dollar amount.

Additionally, the interest rate on DIP Facility borrowings is determined with reference to the "Applicable Margin," which is 4.0%. If an event of default occurs, interest is determined with reference to the Applicable Margin plus 2.0%, and interest is payable on demand. The Prime Rate is currently 4.0%; consequently, based on the terms of the DIP Facility, borrowings will be at a rate of 8.0%, and if a default occurs, borrowings will increase to a rate of 10.0%.

The DIP Facility requires the Company to file a Plan of Reorganization and Disclosure Statement by March 1, 2009.

11/10/2008 - InterTAN Canada Ltd., the Company's Canadian operating subsidiary, received creditor protection from the Ontario Superior Court of Justice under the Companies' Creditors Arrangement Act (Canada) (the "CCAA"). InterTAN Canada Ltd. will also manage its property and operate its business as a "debtor-in-possession" under the jurisdiction of the Canadian Court and in accordance with the CCAA and orders of the Canadian Court. As required by the CCAA, the Canadian Court also appointed Alvarez & Marsal as Monitor to monitor InterTAN Canada Ltd.'s property and the conduct of its business. InterTAN operates or licenses 772 electronics stores and dealer outlets across Canada under the trade name, The Source by Circuit City (The Source). The Company said the stores will stay fully staffed and open for business.

11/10/2008 - Circuit City Stores, Inc. DIP, filed a voluntary petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court in the Eastern District of Virginia. The Chapter 11 case has been designated case number 08-35653, and has been assigned to the Honorable Kevin R. Huennekens.

The Company said it plans to "continue operating the business without interruption as management focuses on developing and executing a comprehensive corporate restructuring plan. Circuit City's Canadian operations will also be seeking protection under the Companies' Creditors Arrangement Act in Canada (CCAA)."

The Company also said it has negotiated a commitment for a \$1.10 billion debtor-in-possession (DIP) revolving credit facility. The DIP facility replaces the Company's \$1.30 billion asset-based credit facility and is being provided by the same lenders (Bank of America, N.A.).