

## Use Your Blockbuster Gift Card Before April 7, 2011!

**What to do when a Gift Card Issuer Files for Bankruptcy:** When a gift card issuer seeks bankruptcy protection, cardholders will be treated as unsecured creditors, and their prospects for recovery often depend on whether the case is a Chapter 7 or Chapter 11 bankruptcy.

If a company files for a Chapter 11 (reorganization) bankruptcy, the company intends to stay in business, so they often ask the bankruptcy court for permission to honor gift cards in an effort to maintain goodwill; however, issuers may limit redemption to a limited time frame.



If a company files for a Chapter 7 (liquidation) bankruptcy or if the bankruptcy court denies authority to redeem gift cards to Chapter 11 cases, a card holder's only option is to file a proof of claim.

The Consumerist reports that Blockbuster will not accept gift cards after April 6, 2011, according to a notice posted at a Blockbuster store. The notice stated that Blockbuster Inc. had filed for bankruptcy on 8/23/10 and later requested authority to sell its assets. In connection with this sale process, effective as of 4/7/11, BLOCKBUSTER GiftCards® ("GiftCards") WILL NO LONGER BE HONORED. Blockbuster intends to honor GiftCards presented by consumers through 4/6/11.

According to Blockbuster's website, gift cards purchased on or after 11/6/2007 are not subject to any service fees or expiration dates. However, gift cards sold prior to 11/6/2007 may be subject to an expiration date and all terms and conditions on the back of the gift cards remain in effect.

For more information about Blockbuster's bankruptcy filing, [click here](#).  
For more information about gift cards and gift certificates, [click here](#).