

Presentment Date: November 1, 2013 at 12:30 p.m. (prevailing Eastern Time)
Objection Deadline: November 1, 2013 at 12:00 p.m. (prevailing Eastern Time)

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Counsel to the Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
THE SOUTHERN DISTRICT OF NEW YORK**

In re:

ATARI, INC. *et al.*,

Debtors.¹

Chapter 11

Case No. 13-10176 (JMP)

Jointly Administered

**NOTICE OF PRESENTMENT OF STIPULATION AND AGREED
ORDER MODIFYING AND ALLOWING CERTAIN CLAIMS**

PLEASE TAKE NOTICE that the undersigned counsel for the above-captioned debtors and debtors in possession (collectively, the “*Debtors*”) intend to present to the Honorable James

¹ The Debtors are Atari, Inc., Atari Interactive, Humongous, Inc., and California U.S. Holdings, Inc.

M. Peck, United States Bankruptcy Judge, for signature on **November 1, 2013 at 12:30 p.m. (prevailing Eastern time)**, the *Stipulation and Agreed Order Modifying and Allowing Certain Claims* (the “*Stipulation and Order*”), attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that responses or objections, if any, to the Stipulation and Order (i) must be in writing; (ii) shall conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York; (iii) be filed in accordance with General Order M-399 of the Bankruptcy Court, which can be found at www.nysb.uscourts.gov; (iv) shall set forth the name of the responding or objecting party and the basis for the response or objection and the specific grounds therefore; (v) shall be filed with the Clerk of the Court (with a courtesy copy delivered directly to the Chambers of the Honorable James M. Peck), together with the proof of service thereof; and (vi) shall be served in a manner so as to actually be received by (a) Akin Gump Strauss Hauer & Feld LLP, counsel to the Debtors, One Bryant Park, New York, New York 10036 (Attn.: Ira S. Dizengoff, Esq. and Kristine G. Manoukian, Esq.), 1333 New Hampshire Avenue, N.W., Washington, D.C. 20036 (Attn.: Scott L. Alberino, Esq.); (b) Olshan Frome Wolosky LLP, counsel to the Debtors, Park Avenue Tower, 65 East 55th Street, New York, New York 10022 (Attn.: Michael S. Fox, Esq.); (c) the Office of the United States Trustee for the Southern District of New York, 201 Varick Street, Room 1006, New York, New York 10014 (Attn.: Richard C. Morrissey, Esq.); (d) counsel to the Official Committee of Unsecured Creditors, Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036 (Attn.: Cathy Hershcopf, Esq. and Jeffrey Cohen, Esq.); (e) counsel to Alden Global Value Recovery Master Fund, L.P., Bracewell & Giuliani, 1251 Avenue of the Americas, 49th Floor, New York, New York 10020 (Attn.: Robert G. Burns, Esq. and Andrew J. Schouder, Esq.); (f) counsel to Atari, S.A., Allen & Overy LLP, 1221 Avenue of

the Americas, New York, New York 10020 (Attn.: Ken Coleman, Esq.); (g) counsel to Interplay Entertainment, Corp., Drinker Biddle & Reath LLP, 1177 Avenue of the Americas, 41st Floor, New York, New York 10036 (Attn.: Heath Rosenblat, Esq.); and (h) the Debtors' claims and noticing agent, BMC Group, Inc. ("**BMC**"), P.O. Box 3020, Chanhassen, MN 55317-3020 (Attn.: Atari, Inc. Claims Processing) no later than **November 1, 2013 at 12:00 p.m. (prevailing Eastern time)** (the "**Response Deadline**").

PLEASE TAKE FURTHER NOTICE that unless a written response or objection to the Stipulation and Order, with proof of service, is filed with the Clerk of the Court and a courtesy copy is delivered to the Bankruptcy Judge's chambers by the Response Deadline, there will not be a hearing and the order may be signed.

PLEASE TAKE FURTHER NOTICE that if no response or objection is timely filed, served and received in accordance with General Order M-399 and this Notice, the Court may enter the Stipulation and Order. If a written response or objection with respect to the Stipulation and Order is timely filed and served in accordance with the General Order M-399 and this Notice, a hearing will be held to consider the Stipulation and Order before the Honorable James M. Peck, United States Bankruptcy Judge, the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004, at a date and time to be established by the Court. The moving and responding parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

PLEASE TAKE FURTHER NOTICE that copies of the Stipulation and Order may be obtained from BMC by visiting the Debtors' case information website at <http://www.bmcgroup.com/atari>. Copies of the Stipulation and Order also may be obtained by

accessing the Court's website at www.nysb.uscourts.gov through an account obtained from Pacer
Service Center at 1-800-676-6856.

New York, New York
Dated: October 18, 2013

AKIN GUMP STRAUSS HAUER & FELD LLP

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EXHIBIT A

Stipulation and Order

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In re:

ATARI, INC. *et al.*,

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Case No. 13-10176 (JMP)

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**STIPULATION AND AGREED ORDER
MODIFYING AND ALLOWING CERTAIN CLAIMS**

¹ The Debtors are Atari, Inc., Atari Interactive, Humongous, Inc., and California U.S. Holdings, Inc.

The above-captioned debtors and debtors-in-possession (collectively, the “*Debtors*”) and Interplay Entertainment Corp. (“*Interplay*,” with the Debtors, each a “*Party*” and collectively, the “*Parties*”), by and through their respective undersigned counsel, hereby agree and stipulate (this “*Stipulation*”) to the modification and allowance of the proofs of claim filed by Interplay, specifically, Claim Numbers 155, 156, 187, and 188 (the “*Interplay Proofs of Claim*”) and respectfully state as follows:

WHEREAS, on January 21, 2013, each of the Debtors commenced a voluntary case pursuant to chapter 11 of title 11 of the United States Code (the “*Bankruptcy Code*”) in the United States Bankruptcy Court for the Southern District of New York;

WHEREAS, on March 21, 2013, the Court entered an order [Docket No. 157] establishing, among other things, April 30, 2013 (the “*Bar Date*”) as the last date for certain parties to file a written proof of claim asserting “*Claims*” (as that term is defined in Bankruptcy Code section 101 (f)) against any of the Debtors with respect to each such Claim;

WHEREAS, on the Bar Date, Interplay timely filed two (2) proofs of claim, Claim Number 155 and Claim Number 156, asserting a general unsecured claim in the amount of \$4,500,000 against, respectively, Atari, Inc. and Atari Interactive, Inc. (“*Interactive*”), on alleged grounds of breach of contract and tortious interference with respect to an April 27, 2006, exclusive license agreement between Interplay and Atari, Inc. (the “*License Agreement*”); such claims were subsequently amended as general unsecured claims and, respectively, assigned Claims Numbers 187 (amending Claim Number 155) and 188 (amending Claim Number 156);

WHEREAS, the Debtors dispute, for reasons asserted in First Omnibus Objection to Certain Claims (the “*First Omnibus Objection*”) [Docket No. 363], the validity and amount of each of Interplay Proofs of Claim, including as amended;

WHEREAS, on September 18, 2013, Interplay filed a response to the First Omnibus Objection;

WHEREAS, the Parties desire to avoid the costs of litigation and have agreed to resolve their disputes with respect to the Interplay Proofs of Claim and all claims and causes of action between Interplay and the Debtors or their estates on the terms and conditions set forth herein;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, based upon the foregoing recitals, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, and intending to be legally bound hereby, the Parties, subject only to Bankruptcy Court approval, hereto agree, by and through their respective counsel, as follows:

1. This Stipulation shall become effective upon the date it is “So Ordered” by the Bankruptcy Court (the “*Effective Date*”). This Stipulation shall be null and void if it is not approved by the Bankruptcy Court.

2. On and after the Effective Date, Interplay will be allowed one (1) Claim, Claim Number 187, and Claim Number 187 is hereby reduced and allowed as a general unsecured claim against Debtor Atari Inc. in the total amount of \$800,000 (the “*Interplay Allowed General Unsecured Claim*”).

3. Upon the Effective Date, Claim Numbers 155, 156, and 188 shall be deemed withdrawn, with prejudice, and the Debtors’ claims and noticing agent shall be authorized to update the official claims registry to reflect such withdrawal. For the avoidance of doubt, the Interplay Allowed General Unsecured Claim is allowed by this Stipulation.

4. Upon the Effective Date, (a) Interplay hereby releases, acquits and forever discharges the Debtors, and Atari, Inc., Interactive, Humongous, Inc., and California U.S.

Holdings, Inc., as such entities are reorganized upon the effective date of the Plan (the “*Reorganized Debtors*”), and the Debtors’ predecessors, successors, assigns, subsidiaries, current and former employees, current and former directors, officers, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals (collectively, the “*Debtors’ Releasees*”) of and from any and all claims, liabilities, demands, damages, actions, causes of action, rights, costs, losses, expenses, adverse consequences, debts, deficiencies, diminution in value, or liens Interplay may have against the Debtors’ Releasees with respect to the License Agreement and Interplay Proofs of Claim through the Effective Date, except for the Interplay Allowed General Unsecured Claim; and (b) the Debtors, on behalf of themselves, their estates, and the Reorganized Debtors hereby release, acquit and forever discharge Interplay and its affiliates, agents, representatives, attorneys, current and former officers and directors, employees and other professionals (collectively, the “*Interplay Releasees*”) of and from any and all known or unknown claims, liabilities, demands, damages, actions, causes of action, rights, costs, losses, expenses, adverse consequences, debts, deficiencies, diminution in value, or liens the Debtors and their estates may have against the Interplay Releasees with respect to the License Agreement and the Interplay Proofs of Claim, including, but not limited, to any claims under Chapter 5 of the Bankruptcy Code.

5. Interplay agrees that it will not file any objection to the Debtors’ proposed plan of reorganization presently filed or any amended or subsequent plan of reorganization, nor support any other party’s objection to any plan of reorganization *provided* that the Interplay Allowed General Unsecured Claim is treated (a) as a Class 4 General Unsecured Claim under the pending proposed plan or (b) similarly situated and treated as a general unsecured claim under any amended or subsequently proposed plan by the Debtors.

6. This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original, including any facsimile or “PDF” counterparts, and which together shall constitute one and the same agreement.

7. This Stipulation constitutes the entire agreement between the Parties with respect to the subject matter of the License Agreement, the Interplay Proofs of Claim and the Interplay Allowed General Unsecured Claim and supersedes all prior agreements and undertakings between the Parties relating to the subject matter hereof. There are no other covenants, promises, agreements, conditions or understandings, either oral or written, express or implied, between the Parties, except for this Stipulation with respect to its subject matter. The terms are contractual and not merely recitals. No alteration, amendment or modification shall be effective or binding upon any Party unless in writing and duly executed by all Parties or by further order of the Bankruptcy Court.

8. The Parties acknowledge that with respect to any liability whatsoever as to any Party nothing in this Stipulation shall be construed or interpreted as an admission, as an acknowledgement by any of the Parties (or by anyone acting on the Parties’ behalf), or be binding upon the Parties in the event that an order approving this Stipulation is not entered by the Bankruptcy Court or such order is later set aside.

9. The Parties have participated jointly in the negotiation and drafting of this Stipulation. In the event an ambiguity or question of intent or interpretation arises with respect to this Stipulation, this Stipulation shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Stipulation.

10. This Stipulation shall be filed and become part of the record in the Debtors' chapter 11 cases.

11. Each Party and signatory to this Stipulation represents and warrants to each other Party hereto that such Party or signatory has full power, authority and legal right and has obtained all approvals and consents necessary to execute, deliver and perform all actions required under this Stipulation.

12. This Stipulation is binding on the Parties' successors and assigns, including any Chapter 7 Trustee that may be appointed in these chapter 11 cases.

13. The Court shall retain jurisdiction to hear any matters or disputes arising from or relating to this Stipulation.

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Dated: New York, New York
October 18, 2013

Dated: New York, New York
October 18, 2013

OLSHAN FROME WOLOSKY LLP

DRINKER BIDDLE & REATH LLP

By:

By:

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Counsel to the Debtors and Debtors in Possession

SO ORDERED:

Date: _____, 2013

THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE