

**Hearing Date and Time: November 14, 2013 at 10:00 a.m. (prevailing ET)**  
**Response Deadline: November 7, 2013 at 4:00 p.m. (prevailing ET)**

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*Counsel to the Debtors and Debtors in Possession*

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

	)	
	)	Chapter 11
In re:	)	
	)	Case No. 13-10176 (JMP)
ATARI, INC., <i>et al.</i> ,	)	
Debtors. <sup>1</sup>	)	(Jointly Administered)
	)	

**NOTICE OF HEARING ON THE DEBTORS’  
MOTION FOR AN ORDER AUTHORIZING THE  
DEBTORS TO FILE OMNIBUS CLAIM OBJECTIONS  
AND ESTABLISHING CLAIM SETTLEMENT PROCEDURES**

**PLEASE TAKE NOTICE** that on October 31, 2013, the above-captioned debtors and debtors in possession (collectively, the “*Debtors*”) filed the *Debtors’ Motion for an Order Authorizing the Debtors to File Omnibus Claim Objections and Establishing Claim Settlement Procedures* (the “*Motion*”), which Motion includes the reasons underlying the requested relief.

<sup>1</sup> The “*Debtors*” are Atari, Inc., Atari Interactive, Inc., Humongous, Inc., and California U.S. Holdings, Inc.

**PLEASE TAKE FURTHER NOTICE** that a hearing to consider approval of the Motion will be held on **November 14, 2013 at 10:00 a.m. (prevailing Eastern Time)** before the Honorable James M. Peck, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004 (the “*Bankruptcy Court*”).

**PLEASE TAKE FURTHER NOTICE** that responses, if any, to the relief requested in the Motion: (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](http://www.nysb.uscourts.gov); (iv) shall set forth the name of the objecting party and the basis for the objection and the specific grounds therefore; (v) shall be filed with the Clerk of the Bankruptcy 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) 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.); (c) 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.); (d) 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.); and (e) counsel to Atari, S.A., Allen & Overy LLP, 1221

Avenue of the Americas, New York, New York 10020 (Attn.: Ken Coleman, Esq.), no later than **November 7, 2013 at 4:00 p.m. (prevailing Eastern Time)** (the “*Response Deadline*”).

**PLEASE TAKE FURTHER NOTICE** that if no objection to the Motion has been properly filed and served by the Response Deadline consistent with this Notice, the Bankruptcy Court may enter an order granting the relief requested therein without any further notice.

**PLEASE TAKE FURTHER NOTICE** that copies of the Motion may be obtained from the Debtors’ claims and noticing agent, BMC Group, Inc., by visiting the Debtors’ case information website at <http://www.bmcgroup.com/atari>. Copies of the Motion also may be obtained by accessing the Court’s website at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov) through an account obtained from Pacer Service Center at 1-800-676-6856.

New York, New York  
Dated: October 31, 2013

AKIN GUMP STRAUSS HAUER & FELD LLP

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*Counsel to the Debtors and Debtors in Possession*

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

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In re:

ATARI, INC., *et al.*,

Debtors.<sup>1</sup>

)  
) Chapter 11  
)

) Case No. 13-10176 (JMP)

) (Jointly Administered)  
)  
)

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**DEBTORS' MOTION FOR AN ORDER AUTHORIZING  
THE DEBTORS TO FILE OMNIBUS CLAIM OBJECTIONS  
AND ESTABLISHING CLAIM SETTLEMENT PROCEDURES**

Atari, Inc. ("*Atari*") and certain of its affiliates, as debtors and debtors in possession (collectively, the "*Debtors*"), file this motion (the "*Motion*") for entry of an order (the "*Proposed Order*"), substantially in the form attached hereto as **Exhibit A**, authorizing them to file omnibus

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<sup>1</sup> The "*Debtors*" are Atari, Inc., Atari Interactive, Inc., Humongous, Inc., and California U.S. Holdings, Inc.

objections to claims on substantive grounds and to settle certain claims without further Court approval. In support of the Motion, the Debtors respectfully state as follows:

### **Jurisdiction**

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. The statutory and rule-based predicates for the relief sought herein are section 105(a) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 3007 and 9019(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

### **Background**

3. On January 21, 2013 (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. No request for the appointment of a trustee or an examiner has been made in these cases.

4. By an order entered on January 24, 2013, the Debtors’ chapter 11 cases (the “**Bankruptcy Cases**”) have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b) [Docket No. 27]. On February 6, 2013, the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) appointed the Official Committee of Unsecured Creditors (the “**Committee**”) [Docket No. 64].

5. On March 6, 2013, each of the Debtors filed a Statement of Financial Affairs and Schedules of Assets and Liabilities (collectively, the “**Schedules**”). On April 30, 2013, certain of the Debtors filed amendments to their respective Schedules [Docket No. 200]. On March 21, 2013, the Court entered the *Order (A) Establishing the Deadline for Filing Proofs of Claim*

*Against the Debtors, Including Administrative Claims Pursuant to Bankruptcy Code Section 503(b)(9); (B) Approving the Form and Manner for Filing Such Proofs of Claim; and (C) Approving the form and Manner of Notice Thereof (the “**Bar Date Order**”) [Docket No. 157] establishing April 30, 2013 (the “**Bar Date**”) as the last date by which creditors may timely file proofs of secured, priority, unsecured and section 503(b)(9) administrative claims.*

6. Notice of the Bar Date and certain other deadlines and procedures (the “**Bar Date Notice**”) was served pursuant to the Bar Date Order. Additionally, a form of the Bar Date Notice was published in the *USA Today*.

7. In response to the Bar Date Notice, 192 proofs of claim (collectively, the “**Proofs of Claim**”) have been filed in the Bankruptcy Cases and, when combined with the claims listed in the Schedules (the “**Scheduled Claims**”), a total of approximately 365 active claims (collectively, the “**Claims**”) appear on the Debtors’ claims register.

8. The Debtors are in the process of reconciling the Claims. On August 26, 2013, the Debtors filed their first omnibus objection to approximately twenty-seven Proofs of Claim on non-substantive grounds (the “**First Omnibus Objection**”) [Docket No. 363]. On September 26, 2013, the Court entered an order (the “**First Omnibus Objection Order**”) [Docket No. 394] sustaining the First Omnibus Objection.<sup>2</sup>

### **Relief Requested**

9. In the interest of expediting the claims reconciliation process and reducing the administrative and financial burden imposed on the Court and the Debtors’ estates, by this Motion, the Debtors request authority to (a) file Omnibus Objections (as defined herein) to no

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<sup>2</sup> Consistent with the Debtors’ representations made at the hearing on the First Omnibus Objection, the Debtors’ objection to Proofs of Claim 155 and 155 of Interplay Entertainment, Corp. was adjourned and, as such, those claims were excluded from the relief granted in the First Omnibus Objection Order.

more than 100 claims in a single motion or objection on the terms and procedures set forth herein, and (b) settle certain claims without a notice, hearing or further Court approval as provided herein.

### **Omnibus Objections**

10. All the Proofs of Claim filed in the Bankruptcy Cases must be reviewed for possible objections as part of the claims administration process. Bankruptcy Code section 502(a) provides that “[a] claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a); *see also* 11 U.S.C. § 1111(a) (“A proof of claim . . . is deemed filed under section 501 of this title for any claim . . . that appears in the schedules . . . except a claim . . . that is scheduled as disputed, contingent or unliquidated.”).

11. Bankruptcy Rule 3007(c) prohibits the filing of a single objection to more than one claim (an “*Omnibus Objection*”) unless the ground for the objection is one of those specified in subdivision (d). Bankruptcy Rule 3007(d) provides, in relevant part, that “[u]nless otherwise ordered by the court or permitted by subdivision (d), objections to more than one claim shall not be joined in a single objection.” Fed. R. Bankr. P. 3007(d). Bankruptcy Rule 3007(d) allows a debtor to file an Omnibus Objection when the basis for the objection is that the claims subject to the objection:

- (a) duplicate other claims;
- (b) have been filed in the wrong case;
- (c) have been amended by subsequently filed proofs of claim;
- (d) were not timely filed;
- (e) have been satisfied or released during the case in accordance with the Code, applicable rules, or a court order;

- (f) were presented in a form that does not comply with applicable rules, and the objection states that the objector is unable to determine the validity of the claim because of the noncompliance;
- (g) are interests, rather than claims; or
- (h) assert priority in an amount that exceeds the maximum amount under § 507 of the Code.

See Fed R. Bankr. P. 3007(d). Moreover, Bankruptcy Rule 3007(e) provides that a debtor may file an omnibus objection on these grounds for up to 100 claims at a time. *Id.* at 3007(e).

12. The Debtors anticipate that although they will object to a number of the Claims on the grounds that such Claims are either duplicative or have been satisfied, they will also object to many Claims on additional grounds not set forth in Bankruptcy Rule 3007(d). These grounds include that a claim does not comport with the Debtors' books and records or that the Debtors are not liable to the claimant for the amount claimed. Preparing and filing individual pleadings for each objection not specifically set forth in Bankruptcy Rule 3007(d) would be a time consuming and costly process. The Debtors, therefore, believe that objecting to multiple Claims in an omnibus fashion on grounds other than those set forth in Bankruptcy Rule 3007(d) will ease the administrative burden on the Court and the administrative and financial burden on the Debtors' estates during the claims reconciliation process. Accordingly, the Debtors request that, in addition to the grounds enumerated in Bankruptcy Rule 3007(d), they are permitted to file Omnibus Objections seeking reduction, reclassification and/or disallowance of Claims on one or more of the following additional grounds (the "***Additional Permitted Grounds***"):

- (a) the amount claimed contradicts the Debtors' books and records;
- (b) the claim was incorrectly classified;
- (c) the claim seeks recovery of amounts for which one or more Debtors are not liable; and
- (d) the claim is not accompanied by sufficient documentation to ascertain the validity of the claim.



13. The Debtors will comply with Bankruptcy Rule 3007 in all other respects including that each Omnibus Objection will:

- (a) state in a conspicuous place that claimants receiving the objection should locate their names and claims in the objection;
- (b) list claimants alphabetically, provide a cross-reference to claim numbers, and, if appropriate, list claimants by category of claims;
- (c) state the grounds of the objection to each claim and provide a cross-reference to the pages in the omnibus objection pertinent to the stated grounds;
- (d) state in the title the identity of the objector and the grounds for the objections;
- (e) be numbered consecutively with other omnibus objections filed by the same objector; and
- (f) contain objections to no more than 100 claims.

*See* Fed. R. Bankr. P. 3007(e).

#### **Settlement Procedures**

14. In addition to the relief relating to objections to Claims, the Debtors are also seeking approval of procedures for settling Claims. The Debtors anticipate that a number of objections to the Claims can be settled for relatively small amounts when compared with the overall value of the Debtors' estates. Absent the relief requested in this Motion, the Debtors would be required to seek specific Court approval for each individual compromise and settlement of a Claim. The Debtors believe that it would be far more efficient and cost effective for their estates and creditors if they were authorized to settle certain Claims under the terms and conditions outlined in this Motion. If the Debtors are so authorized, their estates will be spared not only the expense, delay and uncertainty that otherwise would be associated with litigating those Claims, but also the unnecessary administrative costs attendant to drafting, serving and filing numerous pleadings, as well as time incurred by attorneys for Court appearances for

seeking separate Court approval of each Claim settlement. Accordingly, the Debtors request that the Court approve the following settlement procedures (the “*Settlement Procedures*”):

- (a) The Debtors will be authorized to settle any and all Claims asserted against the Debtors without a notice, hearing or prior approval of the Court or any other party in interest whenever the aggregate amount to be allowed for an individual Claim (the “*Settlement Amount*”) is less than or equal to \$150,000 (a “*De Minimis Settlement Amount*”).
- (b) If the Settlement Amount for a Claim is not a *De Minimis Settlement Amount* but is less than or equal to \$1 million, the Debtors will submit the proposed settlement to the Committee, Atari, S.A. and Alden Global Value Recovery Master Fund, L.P. (each a “*Settlement Approval Party*” and collectively, the “*Settlement Approval Parties*”). Within three (3) days of receiving the proposed settlement, a Settlement Approval Party may object or request an extension of time within which to object. If there is a timely objection made by a Settlement Approval Party, the Debtors may either (i) renegotiate the settlement and submit a revised notification to the Settlement Approval Parties or (ii) file a motion with the Court seeking approval of the existing settlement under Bankruptcy Rule 9019 on no less than 7 days’ notice. If there is no timely objection made by a Settlement Approval Party to the proposed settlement or if the Debtors receive written approval from all of the Settlement Approval Parties of the proposed settlement prior to the objection deadline (which approval may be in form of an email from the counsel to a Settlement Approval Party), then the Debtors may proceed with the settlement.
- (c) If the Settlement Amount is not a *De Minimis Settlement Amount* and is greater than \$1 million, the Debtors will be required to seek the approval of this Court by way of a motion pursuant to Bankruptcy Rule 9019 on no less than 7 days’ notice.
- (d) Under the Settlement Procedures, the Debtors may settle Claims where some or all of the consideration is being provided by a third party and/or where the Debtors are releasing claims against creditors or third parties.

#### **Basis for Relief Requested**

##### **A. The Debtors’ Proposal for Filing Omnibus Objections to Claims Is Appropriate and Should Be Approved.**

15. Bankruptcy Rule 3007(c) provides that this Court can modify the requirements for filing omnibus objections. In addition, Bankruptcy Code section 105(a) provides, in pertinent part, that a bankruptcy court may “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a). Under Bankruptcy Code section 105(a), the Court has

expansive equitable power to fashion any order or decree that is in the interest of preserving or protecting the value of a debtor's assets. *See, e.g., In re Keene Corp.*, 168 B.R. 285, 292 (Bankr. S.D.N.Y. 1994) ("Under 11 U.S.C. § 105(a), the Court can 'use its equitable powers to assure the orderly conduct of the reorganization proceedings.'") (*quoting In re Neuman*, 71 B.R. 567, 571 (S.D.N.Y. 1987)); *Chinichian v. Campolongo (In re Chinichian)*, 784 F.2d 1440, 1443 (9th Cir. 1986) ("Section 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes of the Bankruptcy Code.") (citations omitted); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1069 (2d Cir. 1983) ("[A] bankruptcy judge must have substantial freedom to tailor his orders to meet differing circumstances.").

16. Authorizing the Debtors to file Omnibus Objections on the Additional Permitted Grounds is an appropriate use of the Court's power under Bankruptcy Code section 105 and conforms with the spirit of Bankruptcy Rule 3007, which is intended to protect the due process rights of creditors while allowing for the efficient administration of cases.

17. Here, allowing the Debtors to file Omnibus Objections to no more than 100 Claims at a time on the Additional Permitted Grounds is not likely to prejudice the rights of creditors. Bankruptcy Rule 3007(e) already allows the Debtors to file omnibus objections to no more than 100 Claims, albeit on other grounds. The Debtors, however, will comply with Bankruptcy Rule 3007 in all other respects to preserve the due process rights of each creditor. The Debtors will serve affected claimants with notice of an Omnibus Objection at least thirty days prior to the hearing on such objection and continue to comply with the requirements for omnibus objections set forth in Bankruptcy Rule 3007(e).

18. The Debtors submit that granting them authority to file Omnibus Objections on the Additional Permitted Grounds will allow them to complete the claims administration process in a timely, cost-effective, and efficient manner. There are a large number of Claims filed or scheduled in these Bankruptcy Cases. The ability to file Omnibus Objections on the Additional Permitted Grounds obviates the need for the Debtors to prepare and file and the Court to review numerous individual objections—a time consuming, expensive, and potentially duplicative endeavor for the Debtors and an unnecessarily burdensome task for the Court.

19. Further, due to the increased time and expense that would be required to file numerous individual claim objections, such action could delay the claims resolutions process, and, ultimately, distributions to the estates' creditors. Therefore, allowing the Debtors to file Omnibus Objections may in fact enhance the rights of creditors by not only preserving the value of the Debtors' estates ultimately available for distribution but also expediting when creditors will be paid. Accordingly, the Court should authorize the Debtors to file Omnibus Objections on the Additional Permitted Grounds.

**B. The Settlement Procedures Are Appropriate and Should Be Approved.**

20. The Debtors submit that allowing them to settle the Claims without further Court approval is an appropriate use of the Court's power under Bankruptcy Rule 9019(b). Bankruptcy Rule 9019(b) permits a court, after a hearing on such notice as the court may direct, to "fix a class or classes of controversies and authorize the trustee to compromise or settle controversies within such class or classes without further hearing or notice." *See Fed. R. Bankr. P. 9019(b).*

21. Rule 9019 empowers bankruptcy courts to approve settlements “if they are in the best interests of the estate.” *Vaughn v. Drexel Burnham Lambert Group, Inc. (In re Drexel Burnham Lambert Group, Inc.)*, 134 B.R. 499, 505 (Bankr. S.D.N.Y. 1991); *see Fisher v. Pereira (In re 47-49 Charles St., Inc.)*, 209 B.R. 618, 620 (S.D.N.Y. 1997); *In re Ionosphere Clubs, Inc.*, 156 B.R. 414, 426 (S.D.N.Y. 1993), *aff’d*, 17 F.3d 600 (2d Cir. 1994). The settlement need not result in the best possible outcome for the debtor, but must not “fall beneath the lowest point in the range of reasonableness.” *Drexel Burnham Lambert Group*, 134 B.R. at 505; *see also Cosoff v. Rodman (In re W.T. Grant Co.)*, 699 F.2d 599, 608 (2d Cir. 1983); *In re Spielfogel*, 211 B.R. 133, 144 (Bankr. E.D.N.Y. 1997).

22. The Debtors will continue to exercise their reasonable business judgment in negotiating compromises and settlements and will continue to be guided by the factors relevant to a determination of the reasonableness of such settlements, including:

- (a) the probability of success in the litigation;
- (b) the complexity, expense and likely duration of the litigation;
- (c) all other factors relevant to making a full and fair assessment of the wisdom of the proposed compromise; and
- (d) whether the proposed compromise is fair and equitable to the Debtors, their creditors and other interested parties.

*Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968). Basic to the process of evaluating proposed settlements is “the need to compare the terms of the compromise with the likely rewards of litigation.” *Id.* at 425.

23. The Debtors believe, in their reasonable business judgment, that the Settlement Procedures constitute a cost-effective method for resolving outstanding Claims and avoid the expense and risk inherent in litigating those Claims. Given the number of Claims that the Debtors believe can be settled for relatively moderate amounts compared with the overall value

of the Debtors' estates, filing individual pleadings for each proposed settlement, noticing each compromise and settlement to every one of the parties in interest on the master service list on file with the Court, and holding individual hearings would be an expensive, cumbersome, and highly inefficient way to resolve many of the Claims. Additionally, the Debtors submit that the settlements entered into pursuant to the Settlement Procedures would meet the standards set forth in *TMT Trailer*. Specifically, the Debtors will not settle any Claims unless the settlement is reasonable in the judgment of the Debtors upon consideration of all the relevant factors (and in situations where the Settlement Amount is not a *De Minimis* Settlement Amount, the judgment of the Settlement Approval Parties) and falls within the requirements of types of Claims to be settled under the Settlement Procedures.

24. Accordingly, because the Settlement Procedures will benefit the Debtors' estates without prejudice to any creditors, the requested relief satisfies the requirements of Bankruptcy Rule 9019 and should be granted.

25. Relief similar to the one requested in this Motion has been granted in other cases in this district. *See, e.g., In re Ziff Davis Media*, Case No. 08-10768 (BRL) (Bankr. S.D.N.Y. Nov. 13, 2008) (authorizing the debtors to file omnibus claims objections on additional permitted grounds); *In re Motors Liquidation Co.*, No. 09-50026 (REG) (Bankr S.D.N.Y Oct. 6, 2009) [Docket No. 4180] (authorizing the debtors to file omnibus claims objections on expanded grounds and establishing procedures to settle claims without further court approval); *In re Lehman Bros. Holdings Inc.*, No. 08-13555 (JMP) (Bankr S.D.N.Y May 18, 2011) [Docket No. 16940] (authorizing procedures for the settlement of avoidance claims pursuant to Bankruptcy Code section 105 and Bankruptcy Rule 9019); *In re Lehman Bros. Inc.*, No. 08-01420 (JMP) SIPA (Bankr S.D.N.Y Nov. 15, 2012) [Docket No. 5441] (establishing omnibus objection

procedures on expanded grounds in the SIPA proceeding); *In re Lehman Bros. Inc.*, No. 08-01420 (JMP) SIPA (Bankr S.D.N.Y March 11, 2013) [Docket No. 5487] (establishing claim settlement procedures in the SIPA proceeding).

26. The Debtors reserve the right to seek modifications of the Settlement Procedures and the procedures related to Omnibus Objections as they deem appropriate.

**Notice**

27. The Debtors have provided notice of this Motion to: (a) the U.S. Trustee; (b) counsel to the Committee; (c) counsel to Atari, S.A.; (d) counsel to Alden Global Value Recovery Master Fund, L.P.; (e) the Internal Revenue Service; (f) the New York State Attorney General; and (g) parties in interest who have filed a notice of appearance in these Bankruptcy Cases pursuant to Bankruptcy Rule 2002. The Debtors respectfully submit that no further notice is necessary.

**No Prior Request**

28. No prior request for the relief requested herein has been filed in this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an Order, substantially in the form of the proposed order attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as the Court may deem just and proper.

New York, New York  
Dated: October 31, 2013

AKIN GUMP STRAUSS HAUER & FELD LLP

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*Counsel to the Debtors and Debtors in Possession*



**EXHIBIT A**

**Proposed Order**

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

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In re:

ATARI, INC., *et al.*,

Debtors.<sup>1</sup>

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)  
) Chapter 11  
)  
) Case No. 13-10176 (JMP)  
)  
) (Jointly Administered)  
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**ORDER AUTHORIZING THE DEBTORS TO FILE OMNIBUS  
CLAIM OBJECTIONS AND ESTABLISHING CLAIM SETTLEMENT PROCEDURES**

Upon the motion (the “*Motion*”)<sup>2</sup> of the Debtors seeking entry of an order (this “*Order*”) authorizing the Debtors to file omnibus objections to claims on certain substantive grounds and establishing procedures for settling certain claims without further Court approval (the “*Settlement Procedures*”); it appearing that the relief requested in the Motion is in the best interests of the Debtors and their estates, their creditors and other parties in interest; it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); it appearing that venue of this proceeding and this Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; due and proper notice of the Motion having been given; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted.
2. Notwithstanding anything to the contrary in Bankruptcy Rule 3007, the Debtors are hereby authorized, in addition to those grounds set forth in Bankruptcy Rule 3007(d), to file

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<sup>1</sup> The “*Debtors*” are Atari, Inc., Atari Interactive, Inc., Humongous, Inc., and California U.S. Holdings, Inc.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

Omnibus Objections to Claims seeking reduction, reclassification and/or disallowance of Claims on one or more of the following grounds (the “*Additional Permitted Grounds*”):

- (a) the amount claimed contradicts the Debtors’ books and records;
- (b) the claim was incorrectly classified;
- (c) the claim seeks recovery of amounts for which one or more Debtors are not liable; and
- (d) the claim is not accompanied by sufficient documentation to ascertain the validity of the claim.

3. The Debtors are authorized to file Omnibus Objections to no more than 100 Claims at a time on the Additional Permitted Grounds.

4. Except as provided herein, the Debtors shall comply with the requirements for Omnibus Objections set forth in Bankruptcy Rule 3007(e) and shall include a customized notice with each Omnibus Objection served upon a claimant providing the name and address of such claimant and the number of the claimant’s claim that is subject to objection.

5. Any order sustaining an Omnibus Objection shall be a final order with respect to each Claim subject to the order as if each Claim had been subject to an individual objection.

6. The Debtors are authorized to settle Claims in accordance with the following Settlement Procedures:

- (a) The Debtors will be authorized to settle any and all Claims asserted against the Debtors without a notice, hearing or prior approval of the Court or any other party in interest whenever the aggregate amount to be allowed for an individual Claim (the “*Settlement Amount*”) is less than or equal to \$150,000 (a “*De Minimis Settlement Amount*”).
- (b) If the Settlement Amount for a Claim is not a *De Minimis Settlement Amount* but is less than or equal to \$1 million, the Debtors will submit the proposed settlement to the Settlement Approval Parties. Within three (3) days of receiving the proposed settlement, the Settlement Approval Parties may object or request an extension of time within which to object. If there is a timely objection made by a Settlement Approval Party, the Debtors may either (i) renegotiate the settlement and submit a revised notification to the Settlement Approval Parties or (ii) file a motion with the Court seeking approval of the existing settlement under Bankruptcy Rule 9019 on no less than 7 days’ notice. If there is no timely objection made by the

Settlement Approval Parties to the proposed settlement or if the Debtors receive written approval from all of the Settlement Approval Parties of the proposed settlement prior to the objection deadline (which approval may be in form of an email from the counsel to a Settlement Approval Party), then the Debtors may proceed with the settlement.

- (c) If the Settlement Amount is not a *De Minimis* Settlement Amount and is greater than \$1 million, the Debtors will be required to seek the approval of this Court by way of a motion pursuant to Bankruptcy Rule 9019 on no less than 7 days' notice.
- (d) Under the Settlement Procedures, the Debtors may settle Claims where some or all of the consideration is being provided by a third party and/or where the Debtors are releasing claims against creditors or third parties.

7. The Debtors are authorized to take any and all steps that are necessary or appropriate to settle Claims in accordance with the Settlement Procedures.

8. Nothing in this Order shall obligate the Debtors to settle or pursue settlement of any particular Claim, and all settlements of Claims may be negotiated and compromised by the Debtors within their sole discretion.

9. Nothing in this Order shall constitute an admission of the validity, nature, amount or priority of any Claim asserted in these cases.

10. Entry of this Order is without prejudice to the Debtors' rights to seek entry of an order modifying or supplementing the relief granted herein.

11. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

12. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: New York, New York  
November \_\_, 2013

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THE HONORABLE JAMES M. PECK  
UNITED STATES BANKRUPTCY JUDGE