

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

In re:

ATARI, INC., *et al.*<sup>1</sup>,

Debtors.

Chapter 11

Case No. 13-10176 (JMP)

Jointly Administered

**COVER SHEET FOR INTERIM APPLICATION OF PERELLA WEINBERG  
PARTNERS LP, INVESTMENT BANKER TO THE DEBTORS, FOR COMPENSATION  
OF PROFESSIONAL SERVICES RENDERED AND FOR REIMBURSEMENT OF  
EXPENSES INCURRED DURING THE PERIOD FROM  
MAY 1, 2013 THROUGH AUGUST 31, 2013**

Name of Applicant:

Perella Weinberg Partners LP

Name of Client:

Debtors

Date of Retention Order

February 15, 2013 (effective *nunc pro tunc*  
to January 31, 2013)

Period Covered:

**May 1, 2013 through August 31, 2013**

Amount of Compensation sought as  
actual, reasonable and necessary:

\$400,000

Amount of Expense Reimbursement sought  
as actual, reasonable and necessary:

\$1,531

This is Perella Weinberg Partners LP's second interim fee application.

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

**Monthly Fee Statements Filed During the Compensation Period:**

| Period Covered                   | Requested Fees<br>(100%) | Requested Expenses<br>(100%) | Total Request    | Fees Previously Paid | Expenses Previously Paid | Net Amount Outstanding |
|----------------------------------|--------------------------|------------------------------|------------------|----------------------|--------------------------|------------------------|
| May 1, 2013 - May 31, 2013       | \$100,000                | \$308                        | \$100,308        | \$80,000             | \$308                    | \$20,000               |
| June 1, 2013 - June 30, 2013     | 100,000                  | 294                          | 100,294          | 80,000               | 294                      | 20,000                 |
| July 1, 2013 - July 31, 2013     | 100,000                  | 450                          | 100,450          | 80,000               | 450                      | 20,000                 |
| August 1, 2013 – August 31, 2013 | 100,000                  | 479                          | 100,479          | 0                    | 0                        | 100,479                |
| <b>Total</b>                     | <b>\$400,000</b>         | <b>\$1,531</b>               | <b>\$401,531</b> | <b>\$240,000</b>     | <b>\$1,052</b>           | <b>\$160,479</b>       |

**Professionals**

| May 1, 2013 - August 31, 2013 |             |              |             |              |             |              |              |
|-------------------------------|-------------|--------------|-------------|--------------|-------------|--------------|--------------|
| Days                          | J. Scherer  | A. Verost    | W. Glass    | R. Spearin   | T. Han      | J. Wu        | Total        |
| General Case Administration   | 20.0        | 81.7         | 16.0        | 26.5         | 5.0         | 22.0         | 171.2        |
| Officer & Director Issues     | 1.0         | -            | 13.5        | -            | 14.5        | 12.5         | 41.5         |
| Travel                        | -           | -            | -           | -            | -           | -            | -            |
| Sales Process                 | 37.0        | 64.5         | 38.0        | 108.0        | 42.0        | 94.0         | 383.5        |
| Financial Modeling            | -           | -            | -           | -            | -           | -            | -            |
| Business & Financial          | 9.0         | 7.5          | 15.5        | 1.0          | 2.0         | 14.0         | 49.0         |
| <b>Total</b>                  | <b>67.0</b> | <b>153.7</b> | <b>83.0</b> | <b>135.5</b> | <b>63.5</b> | <b>142.5</b> | <b>645.2</b> |

**Expenses**

| <b><u>Expense Category</u></b>    | <b><u>Total</u></b> |
|-----------------------------------|---------------------|
| Meals & Entertainment             | \$600               |
| Taxi/Bus/Other                    | 302                 |
| Office Expense                    | 629                 |
| <b><u>Total Disbursements</u></b> | <b>\$1,531</b>      |

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

In re:

ATARI, INC., *et al.*<sup>2</sup>,

Debtors.

Chapter 11

Case No. 13-10176 (JMP)

Jointly Administered

**INTERIM APPLICATION OF PERELLA WEINBERG PARTNERS LP, INVESTMENT  
BANKER TO THE DEBTORS, FOR COMPENSATION OF PROFESSIONAL  
SERVICES RENDERED AND FOR REIMBURSEMENT OF EXPENSES INCURRED  
DURING THE PERIOD FROM  
MAY 1, 2013 THROUGH AUGUST 31, 2013**

Perella Weinberg Partners LP (“**PWP**”), investment banker for the above-captioned debtors and debtors-in-possession (the “**Debtors**”), submits this second interim fee application (the “**Second Interim Fee Application**”) pursuant to Sections 330 and 331 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 2016-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Bankruptcy Rules**”), General Order M-389, *Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases* (the “**Local Guidelines**”), the Court’s *Order Establishing Procedures For Interim Monthly Compensation and Reimbursement of Expenses of Professionals* [Docket No. 81] (the “**Interim Compensation Order**”),<sup>3</sup> and the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330*, effective January 30, 1996 (“**UST Guidelines**,” collectively with the Local Guidelines, the “**Guidelines**”), for allowance and approval of interim compensation for professional services rendered to the

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<sup>2</sup> The other Debtors are Atari Interactive, Inc., Humongous, Inc., and California U.S. Holdings, Inc.

<sup>3</sup> Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Interim Compensation Order or the Retention Order, as applicable.

Debtors and for reimbursement of expenses incurred in connection with such services from May 1, 2013, through and including August 31, 2013 (the “**Second Interim Fee Period**”).

### **Jurisdiction**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157 (b). Venue of this proceeding and this Application is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The bases for the relief requested herein are sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and the Guidelines.

### **Background**

3. On January 21, 2013 (the “**Petition Date**”), each of the Debtors filed a voluntary petition with this Court under chapter 11 of the Bankruptcy Code.

4. The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

### **Retention of PWP**

5. Pursuant to an order of this Court, dated February 15, 2013 [Docket No. 84] as such order was amended by order of this Court on March 19, 2013 [Docket No. 189] (together, the “**Retention Order**”), the Debtors were authorized to retain and employ PWP as their investment bankers in these chapter 11 cases *nunc pro tunc* to January 31, 2013 and to pay fees and reimburse expenses to PWP on the terms and at the times specified in the Engagement Letter.<sup>4</sup>

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<sup>4</sup> A copy of the PWP Retention Order is attached hereto as **Exhibit A**.

6. Consistent with the Retention Order, PWP has provided the following services for the Debtors during the Second Interim Fee Period:

- a) Familiarized ourselves with the Business, Operations, Properties, Financial Condition and Prospects of the Debtors: PWP met with Debtor's management to continue to discuss and further familiarize itself with the Debtor's business and its assets, its history, its current challenges, and its strategy in the context of both the existing capital structure and in a less capital constrained environment. Additionally, PWP reviewed the Debtor's library, licensing agreements, intellectual property and other assets of the business. PWP also reviewed the industry, peer companies and the existing development pipeline. PWP reviewed the existing projections in conjunction with numerous additional discussions with Debtor's management and Board of Directors.
- b) Reviewed the Debtors' financial condition and outlook: PWP, in consultation with Debtors' counsel and certain of its creditors, developed a strategy regarding the Debtors' sales alternatives, prepared materials, and presented to the Board of Directors on the topic. PWP reviewed the Debtors' historical financial statements, discussed in detail their relation to a revised operating plan, and worked with management to develop a financial model for the business under a less capital constrained context on an asset by asset basis in order to maximize value. Additionally, PWP regularly reviewed the DIP budget and the Debtors' cash flows.
- c) Assist in the Development of Financial Data and Presentations to the Debtors' Board of Directors, Various Creditors, and Other Parties: PWP professionals have participated in regular planning sessions and other periodic meetings with the Debtors and their legal counsel concerning process and strategy issues related to the overall bankruptcy. PWP has participated in meetings with the Debtors' Board of Directors. As part of these meetings, PWP has made presentations regarding the bankruptcy process and restructuring, sale and other strategic issues facing the Debtors' estates.

- d) Analyze the Debtors' Financial Liquidity and Evaluate Alternatives to Improve such Liquidity: PWP has reviewed the Debtors liquidity plan and existing capital outlays and business relationships and worked with management, other financial advisors, and the Board of Directors to maintain adequate availability under the Debtors' DIP Facility.
- e) Participate in Negotiations among the Debtors and their Creditors, Suppliers, Lessors and Other Interested Parties with respect to Any of the Transactions Contemplated by the Engagement Letter: PWP has been involved in discussions and negotiations with each of the Debtors' constituencies, including, among others, secured and unsecured creditors. PWP has also provided extensive support to the Debtors in managing the virtual dataroom and providing timely and responsive due diligence materials to the legal and financial advisors of the key constituencies in the case. PWP also has provided regular updates to the Unsecured Creditors Committee and its advisors.
- f) Identify Potential Purchasers and Advise and Assist the Debtors in Analyzing, Structuring, Planning, Negotiating and Effecting and Transaction: PWP has assisted the Debtors in various sale processes. PWP identified the universe potential buyers and reached out to a broad range of parties to seek interest in assets and fielded inbound interest by potential buyers of various brands and assets. PWP prepared, reviewed, advised and assisted in the preparation of presentation materials for potential buyers and auction bidders. PWP compiled the required documents from the potential bidders and reviewed and determined their status as qualified bidders in the auction. PWP organized and conducted auctions for several Atari assets that had qualified bidders. PWP presented to the Debtors' Board of Directors the results of the auction and discussed considerations as to how to proceed in treating the remaining assets that were not sold in the auction process.

#### Compensation

7. Pursuant to the terms of the Engagement Letter, a copy of which is attached hereto as Exhibit B, the Debtors agreed to pay a monthly advisory fee of \$100,000 (the

“**Monthly Fee**”) to PWP for its investment banking services, due and payable in advance on the first business day of each month.

8. In addition, pursuant to Section 3 of the Engagement Letter, the Debtors agreed to reimburse PWP for:

expenses (including, but not limited to, professional and legal fees, charges and disbursements of [PWP's] legal counsel, any sales, use or similar taxes (including additions to such taxes, if any) arising in connection with any matter referred to in this letter, travel and hotel expenses, printing costs, data processing and communication charges, research expenses and courier and postage services); provided that [PWP] will not incur any single expense in excess of \$5,000 without [the Company's] prior written consent.

9. PWP now files this Interim Fee Statement seeking allowance of: (a) payment of compensation in the amount of \$400,000 of fees on account of reasonable and necessary professional services rendered to the Debtors by PWP during the Interim Fee Period and (b) reimbursement of actual and necessary costs and expenses in the amount of \$1,052 incurred by PWP during the Interim Fee Period.

10. As of the date hereof, PWP (i) submitted an invoice for the Monthly Fee and expenses incurred during May 2013 and received payment of 80% of such Monthly Fee from the Debtors and 100% of the expenses requested in our Fourth Monthly Statement of Perella Weinberg Partners LP for Allowance of Compensation and Reimbursement of Expenses as Investment Banker to the Debtors for the Period May 1, 2013 Through May 30, 2013 [Docket No. 269] from the Debtors, (ii) submitted an invoice for the Monthly Fee and expenses incurred during June 2013, and received payment of 80% of such Monthly Fee from the Debtors and 100% of the expenses requested in our Fifth Monthly Statement of Perella Weinberg Partners LP for Allowance of Compensation and Reimbursement of Expenses as Investment Banker to the Debtors for the Period June 1, 2013 Through June 30, 2013 [Docket No. 312], (iii) submitted an invoice for the Monthly Fee and expenses incurred during July 2013, and received payment of

80% of such Monthly Fee from the Debtors and 100% of the expenses requested in our Sixth Monthly Statement of Perella Weinberg Partners LP for Allowance of Compensation and Reimbursement of Expenses as Investment Banker to the Debtors for the Period July 1, 2013 Through July 31, 2013 [Docket No. 352] and (iv) submitted an invoice for the Monthly Fee and expenses incurred during August 2013 and has yet to receive the amounts requested in our Seventh Monthly Statement of Perella Weinberg Partners LP for Allowance of Compensation and Reimbursement of Expenses as Investment Banker to the Debtors for the Period August 1, 2013 Through August 31, 2013 [Docket No. 388]. PWP also requests that this Court authorize the Debtors to pay the fee holdback of 20%, in the aggregate amount of \$80,000 for the Second Interim Fee Period in addition to the previously unpaid amounts under the aforementioned monthly fee statements in the amount of \$80,479 to the extent they are not paid prior to the hearing on this application. The amounts payable to PWP for services rendered during the Interim Fee Period are set forth below.

| Period Covered                   | Requested Fees (100%) | Requested Expenses (100%) | Total Request    | Fees Previously Paid | Expenses Previously Paid | Net Amount Outstanding |
|----------------------------------|-----------------------|---------------------------|------------------|----------------------|--------------------------|------------------------|
| May 1, 2013 - May 31, 2013       | \$100,000             | \$308                     | \$100,308        | \$80,000             | \$308                    | \$20,000               |
| June 1, 2013 - June 30, 2013     | 100,000               | 294                       | 100,294          | 80,000               | 294                      | 20,000                 |
| July 1, 2013 - July 31, 2013     | 100,000               | 450                       | 100,450          | 80,000               | 450                      | 20,000                 |
| August 1, 2013 – August 31, 2013 | 100,000               | 479                       | 100,479          | 0                    | 0                        | 100,479                |
| <b>Total</b>                     | <b>\$400,000</b>      | <b>\$1,531</b>            | <b>\$401,531</b> | <b>\$240,000</b>     | <b>\$1,052</b>           | <b>\$160,479</b>       |

11. PWP does not maintain, in the normal course of financial advisory services to its clients, detailed written time records, does not bill its clients based on the number of hours expended by its professionals, and does not possess technology or other systems for maintaining such records. However, in accordance with the Retention Order, a summary of hours by professional and description of the category of services that each such professional rendered during the Fee Period in half hour increments are attached hereto as **Exhibit C**.



PWP professionals who rendered professional services in these cases during the Second Interim Fee Period are:

| <u><b>Name of Professional</b></u> | <u><b>Title</b></u> | <u><b>Hours</b></u> |
|------------------------------------|---------------------|---------------------|
| Josh Scherer                       | Partner             | 67                  |
| Adam Verost                        | Managing Director   | 154                 |
| William Glass                      | Associate           | 83                  |
| Reid Spearin                       | Associate           | 136                 |
| Tom Han                            | Analyst             | 64                  |
| Joanne Wu                          | Analyst             | 143                 |
| <b>TOTAL</b>                       |                     | <b>645</b>          |

**Actual and Necessary Expenses**

12. In connection with the services it has rendered, PWP has incurred reasonable, actual and necessary out-of pocket Expenses during the Second Interim Fee Period in the amount of \$1,052. A summary of the Expenses is attached hereto as Exhibit C and summarized below:

**Expense Summary**

| <u><b>Expense Category</b></u>    | <u><b>Total</b></u> |
|-----------------------------------|---------------------|
| Meals & Entertainment             | \$600               |
| Taxi/Bus/Other                    | 302                 |
| Office Expense                    | 629                 |
| <b><u>Total Disbursements</u></b> | <b>\$1,531</b>      |

**Requested Compensation and Reimbursement of  
Expenses Should Be Allowed**

13. Section 331 of the Bankruptcy Code provides for interim compensation of professionals. PWP's Monthly Fees and Expenses are subject to the standard of review provided for in Section 328(a) of the Bankruptcy Code and are not subject to the standard of review set forth in Section 330 of the Bankruptcy Code except by the U.S. Trustee.

14. Section 328(a) of the Bankruptcy Code permits, with the Court's approval, the employment of a professional person "on any reasonable terms and conditions of employment,

including on a retainer, on an hourly basis, or on a contingent fee basis.” 11 U.S.C. § 328(a). Section 328 represents a departure from the practice that prevailed before the enactment of the Bankruptcy Code in 1978. The purpose of section 328 is to permit the pre-approval of compensation arrangements as a method of insuring that the most competent professionals will be available to provide services in bankruptcy cases. See *In re Westbrook*, 202 B.R. 520, 521 (Bankr. N.D. Ala. 1996) (percentage fee arrangements “comport with the Bankruptcy Code’s goal of attracting highly qualified professionals to the bankruptcy forum”); *In re Olympia Holding Corp.*, 176 B.R. 962, 964 (Bankr. M.D. Fla. 1994).

15. Once the terms of a professional’s retention have been approved under section 328(a) of the Bankruptcy Code, the approved compensation structure cannot be altered unless the agreed terms “prove to have been improvident in light of developments not capable of being anticipated at the time of the fixing of such terms and conditions.” 11 U.S.C. § 328(a); *see also In re Reimers*, 972 F.2d 1127, 1128 (9th Cir. 1992) (compensation agreement approved under Section 328(a) must be enforced in the absence of unforeseeable circumstances, and is not subject to a “reasonableness” review under Section 330); *In the Matter of National Gypsum Company*, 123 F.3d 861 (5th Cir. 1997) (same); *In re Olympia Holding Corp.*, 176 B.R. at 964 (same). As the Court explained in *National Gypsum*:

If the most competent professionals are to be available for complicated capital restructuring and the development of successful corporate reorganization, they must know what they will receive for their expertise and commitment. Courts must protect those agreements and expectations, once found to be acceptable.

123 F.3d at 863.

16. Additionally, PWP respectfully submits that its fees and expenses incurred during the Second Interim Fee Period were reasonable and warranted. PWP has been involved in a meaningful way in these chapter 11 cases and fulfilled its duties in advising the Debtors. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, PWP submits

that the amount of fees and expenses requested herein is fair and reasonable in light of (a) the complexity of the issues presented, (b) the time expended, (c) the skill required to perform the financial advisory services properly, (d) the experience, reputation and ability of the professionals rendering services, (e) the preclusion of other similar employment, (f) the value of such services, (g) the market rates charged for comparable services both in and out of the chapter 11 context, and (h) the nature and scope of work performed by PWP in these chapter 11 cases during the Second Interim Fee Period.

17. Compensation for services rendered during the Second Interim Fee Period has been earned and is due and payable under the terms of the Engagement Letter. PWP submits that there have been no developments since the entry of the Retention Order that were “not capable of being anticipated” and that would justify any modification to the terms of PWP’s retention.

18. In sum, the services rendered by PWP were necessary and beneficial to the Debtors and were consistently performed in a timely manner, commensurate with the complexity, importance, and nature of the issues involved. Accordingly, PWP submits that the fees and expense reimbursements sought herein should be allowed and approved by this Court pursuant to sections 328(a) and 330 of the Bankruptcy Code.

#### **Notice**

19. Pursuant to the Interim Compensation Order, notice of this Second Interim Fee Application has been given to the following parties: (i) the Debtors, Atari, Inc., 475 Park Avenue South, Twelfth Floor, New York, New York 10016, Attn: Kristen Keller, EVP and General Counsel; (ii) counsel to Debtors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attn: Ira S. Dizengoff, Esq. and Kristine G. Manoukian Esq.; Akin Gump Strauss Hauer & Feld LLP, Robert S. Strauss Building, 1333 New Hampshire Avenue, N.W., Washington, District of Columbia 20036, Attn: Scott L. Alberino, Esq.; (iii) counsel to

DIP Lender, Bracewell & Giuliani LLP, 1251 Avenue of the Americas, 49th Floor, New York, New York 10020, Attn: Robert G. Burns, Esq.; (vi) 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.; and (v) the Office of the United States Trustee for the Southern District of New York, 201 Varick Street, Room 1006, New York 10014, Attn: Richard C. Morrissey, Esq. PWP submits that no other or further notice need be provided.

### **Conclusion**

WHEREFORE, PWP respectfully requests that the Court (i) grant interim allowance of compensation for professional services rendered by PWP during the Second Interim Fee Period, in the amount of \$400,000 (fees on account of reasonable, actual and necessary professional services rendered to the Debtors by PWP) and authorize the reimbursement of reasonable, actual, and necessary Expenses incurred by PWP during the Interim Fee period, in the amount of \$1,531(ii) authorize and direct the Debtors to pay to PWP the aggregate amount of \$401,531, of which \$160,479 is outstanding, and (iii) grant to PWP such other and further relief as is just.

Dated November 18, 2013

**PERELLA WEINBERG PARTNERS LP**

**/s/Joshua Scherer**

Joshua Scherer  
Partner  
Perella Weinberg Partners LP  
767 Fifth Avenue  
New York, New York 10153  
Telephone: 212-287-3241  
Facsimile: 646-786-4096

Financial Advisor for the Debtors

**Certification**

Joshua Scherer, being duly sworn, hereby deposes and says:

1. I am a Partner with the applicant firm, Perella Weinberg Partners LP (“**PWP**”).
2. I make this certification in accordance with General Order M-389, Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases, adopted by the United States Bankruptcy Court for the Southern District of New York on November 25, 2009 (the “**Local Guidelines**”).
3. I have personally performed many of the financial advisory services rendered by PWP as financial advisor to ATARI, Inc. and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (the “**Debtors**”), and I am familiar with all other work performed on behalf of the Debtors by PWP’s professionals.
4. In connection therewith, I hereby certify that to the best of my knowledge:
  - (a) I have read the Second Interim Fee Application;
  - (b) To the best of my knowledge, information, and belief formed after reasonable inquiry, the fees and disbursements sought in the Second Interim Fee Application fall within the Local Guidelines and the United States Trustee Guidelines (together, the “**Guidelines**”), except as specifically set forth herein;
  - (c) Except to the extent that fees or disbursements are prohibited by the Guidelines, the fees and disbursements sought in the Second Interim Fee Application are consistent with arrangements entered into by PWP for similar services provided to clients such as the Debtors for representations of the type and complexity described in the Application and generally accepted by PWP’s clients;
  - (d) In providing a reimbursable expense, PWP does not make a profit on that expense, whether the service is performed by PWP in-house or through a third party;
  - (e) Pursuant to the Local Guidelines, the Debtors, the United States Trustee, and the Creditors’ Committee will each be provided with a copy of the Second Interim Fee Application simultaneously with the filing thereof and will have at least 14 days to review such Second Interim Fee Application prior to any objection deadline with respect thereto.

**/s/Joshua Scherer**

Joshua Scherer

Partner

Perella Weinberg Partners LP

**EXHIBIT A**

Retention Order

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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

**ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF PERELLA  
WEINBERG PARTNERS LP AS INVESTMENT BANKER TO THE DEBTORS**

Upon consideration of the application (the “Application”)<sup>2</sup> of the debtors and debtors-in-possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) for entry of an order, *inter alia*, authorizing the Debtors to employ and retain Perella Weinberg Partners LP (“Perella”) as their investment banker effective *nunc pro tunc* to January 31, 2013, on the terms and conditions set forth in that certain engagement letter between the Debtors and Perella (the “Engagement Letter”), a copy of which is annexed to the Declaration of Joshua Scherer (the “Scherer Declaration”) as **Exhibit 1**, all as more fully set forth in the Application; and upon consideration of the Scherer Declaration; and the Court having held a hearing (the “Hearing”) on approval of the relief requested in the Application and having considered the arguments of counsel made, and the evidence submitted, proffered or adduced at the Hearing; and the Court finding that (i) it has jurisdiction over the matters raised in the Application pursuant to 28 U.S.C. § 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.), (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (iii) venue of the Chapter 11 Cases and the Application is proper pursuant to 28 U.S.C. §§ 1408 and 1409, (iv) the relief requested in the Application is in the best interests of the

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

<sup>2</sup> Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Application.



Debtors, their estates, their creditors and other parties in interest, (v) proper and adequate notice of the Application and the Hearing has been given and that no other or further notice is necessary, (vi) Perella represents and holds no interest materially adverse to the Debtors or their estates and is disinterested under section 101(14) of the Bankruptcy Code (as modified by section 1107(b) of the Bankruptcy Code) and as required by section 327(a) of the Bankruptcy Code, (vii) any objections to the relief requested in the Application have been withdrawn or overruled on the merits, and (viii) good and sufficient cause exists for the granting of the relief requested in the Application after having given due deliberation upon the Application and the Scherer Declaration, and all of the proceedings had before the Court in connection with the Application. Therefore,

IT IS HEREBY ORDERED THAT:

1. The Application is hereby **GRANTED** to the extent set forth herein.
2. Pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016; and Local Bankruptcy Rule 2014-1, the Debtors shall be, and hereby are, authorized to retain and employ Perella as their investment banker effective *nunc pro tunc* to the January 31, 2013 in accordance with the terms and conditions set forth in the Application and in the Engagement Letter.
3. Perella is hereby authorized to render investment banking services to the Debtors as described in the Application and in the Scherer Declaration. Perella will render the following investment banking services:
  - a) become familiar with the business, operations, properties, financial condition and prospects of the Debtors;
  - b) review the Debtors' financial condition and outlook;
  - c) assist in the development of financial data and presentations to the Debtors' Board of Directors, various creditors, and other parties;

- d) analyze the Debtors' financial liquidity and evaluate alternatives to improve such liquidity;
- e) evaluate the Debtors' debt capacity and alternative capital structures;
- f) participate in negotiations among the Debtors and their creditors, suppliers, lessors and other interested parties with respect to any of the transactions contemplated by the Engagement Letter;
- g) advise the Debtors and negotiate with lenders with respect to potential waivers or amendments of various credit facilities;
- h) identify potential purchasers and advise and assist the Debtors in analyzing, structuring, planning, negotiating and effecting any transaction; and
- i) provide such other advisory services as are customarily provided in connection with the analysis and negotiation of any of the transactions contemplated by the Engagement Letter, as requested and mutually agreed.

4. Perella shall use its best efforts to avoid any duplication of services provided by any of the Debtors' other retained professionals in these chapter 11 cases.

5. Perella shall apply for compensation for professional services rendered and reimbursement of reasonable and actual expenses incurred in connection with the Chapter 11 Cases in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the guidelines established by the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee Guidelines"), and such other procedures as may be fixed by Order of this Court.

6. Perella's compensation shall be subject to the standard of review provided in section 328(a) of the Bankruptcy Code and shall not be subject to the standard of review set forth in section 330 of the Bankruptcy Code; provided, however, that the United States Trustee retains all rights to object to Perella's interim and final fee applications (including expense

reimbursements) on all grounds including but not limited to the reasonableness standard provided for in section 330 of the Bankruptcy Code.

7. Perella shall be compensated based on the rates set forth in the Engagement Letter; provided, however, that the Initial Transaction Fee, as such term is defined in the Engagement Letter, shall not be payable to Perella unless the transaction value generated from the sale of the Debtors' assets (in the aggregate) is sufficient to satisfy, in full, all outstanding obligations under the debtor in possession financing facility plus the Initial Transaction Fee.

8. The Debtors hereby are authorized to indemnify and hold harmless each Indemnified Person (as defined in the Engagement Letter) pursuant to the Indemnification Provisions and subject to the following condition:

- a. Subject to the provisions of subparagraphs (b), (c) and (d) below, the Debtors are authorized to indemnify, and shall indemnify, the Indemnified Persons (as defined in the Engagement Letter) in accordance with the Engagement Letter and to the extent permitted by applicable law, for any claim arising from, related to, or in connection with Perella's performance of the services described in the Engagement Letter;
- b. All requests by Indemnified Persons for the payment of indemnification as set forth in the Engagement Letter shall be made by means of an application to the Court and shall be subject to review by the Court to ensure that payment of such indemnity conforms to the terms of the Engagement Letter; provided, however, that in no event shall any Indemnified Person be indemnified in the event that a court determined by final order that such person acted in its own bad-faith, self-dealing or breach of fiduciary duty (if any), gross negligence or willful misconduct;
- a. In no event shall any Indemnified Person be indemnified if the Debtors or a representative of the estate asserts a claim for, and the Court determines by final order that such claim arose out of, such Indemnified Person's own bad faith, self-dealing or breach of fiduciary duty (if any), gross negligence, or willful misconduct; and
- a. If Perella or any Indemnified Person seeks reimbursement from the Debtors for attorneys' fees and expenses in connection with the Engagement Letter, the invoices and supporting time records from such attorneys shall be included in Perella's own applications, both interim and

final, and such invoices and time records shall be subject to the United States Trustee's Guidelines for compensation and reimbursement of expenses and the approval of the Bankruptcy Court pursuant to sections 330 and 331 of the Bankruptcy Code without regard to whether such attorneys have been retained under section 1103 of the Bankruptcy Code and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code.

9. Perella will not seek to use independent contractors or subcontractors to perform services under the Application and/or the Engagement Letter without separate Court approval.

10. To the extent that there may be any inconsistency between the terms of the Application, the Engagement Letter, the Scherer Declaration, and this Order, the terms of this Order shall govern.

11. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: New York, New York  
February 15, 2013

s/James M. Peck  
Honorable James M. Peck  
United States Bankruptcy Judge

**EXHIBIT B**

Engagement Letter

**PERELLA  
WEINBERG  
PARTNERS**

PERELLA WEINBERG PARTNERS  
767 FIFTH AVENUE  
NEW YORK, NY 10153  
PHONE: 212-287-3200  
FAX: 212-287-3201

January 31, 2013

PERSONAL AND CONFIDENTIAL

Atari, Inc.  
475 Park Avenue South  
12<sup>th</sup> Floor  
New York, NY 10016  
Attention: Jim Wilson, Chief Executive Officer

Dear Jim:

Perella Weinberg Partners LP (together with its corporate advisory affiliates, "Perella Weinberg Partners", "us" or "we") is pleased to confirm the arrangements under which it is engaged to act as financial advisor to Atari, Inc. (the "Company" or "you"), in connection with one or more potential Transactions (as defined below). For purposes of this letter, a "Transaction" means, in the context of Atari's Chapter 11 filing, whether effected in one transaction or a series of transactions the acquisition, directly or indirectly, by another person, of all or any portion of the business, equity and/ or assets of the Company by way of a negotiated purchase or otherwise (including, without limitation, by way of a credit bid by the Company's debt holders).

1. Services to be Rendered. During the term of our Engagement, to the extent requested by the Company, we shall:

- (a) familiarize ourselves with the business, operations, properties, financial condition and prospects of the Company;
- (b) review the Company's financial condition and outlook;
- (c) assist in the development of financial data and presentations to the Company's Board of Directors, various creditors, and other parties;
- (d) analyze the Company's financial liquidity and evaluate alternatives to improve such liquidity;

- (e) evaluate the Company's debt capacity and alternative capital structures;
- (f) participate in negotiations among the Company and its creditors, suppliers, lessors and other interested parties with respect to any of the transactions contemplated by this Agreement;
- (g) advise the Company and negotiate with lenders with respect to potential waivers or amendments of various credit facilities;
- (h) identify potential purchasers and advise and assist the Company in analyzing, structuring, planning, negotiating and effecting any Transaction; and
- (i) provide such other advisory services as are customarily provided in connection with the analysis and negotiation of any of the transactions contemplated by this agreement, as requested and mutually agreed.

2. Compensation. As compensation for our services, the Company agrees to pay us in cash, by wire transfer of immediately available funds when due, the following fees:

(a) monthly retainer fees in the amount of \$100,000 (each, a "Monthly Retainer"), (and pro rata for any part of a month) payable on the first day of each month (commencing on the date hereof); plus

(b) (i) a \$1,000,000 Transaction Fee (the "Initial Transaction Fee") payable upon the consummation of the first Transaction; plus (ii) for each Transaction consummated, an additional Transaction Fee (each, an "Additional Transaction Fee" and together with the Initial Transaction Fee, the "Aggregate Transaction Fee") based on the Transaction Value (defined below) generated from such Transaction and all prior consummated Transactions according to the following schedule:

| <b>Transaction Value for applicable Transaction and all prior consummated Transactions</b> | <b>Transaction Fee Percentage</b> |
|--|-----------------------------------|
| \$30,000,000 to \$50,000,000   | 3%                                |
| Any amount above \$50,000,000 to \$100,000,000   | 5%                                |
| Any amount above \$100,000,000   | 6%                                |

provided, that 50% of Monthly Retainers paid to us after the first full three months of our Engagement will be credited, one-time against the Transaction Fee (as any portion of the Transaction Fee is paid out).

Additional Transaction Fees shall be due and payable as Transactions are consummated. For the avoidance of doubt, when calculating the Transaction Fee Percentage for any Transaction, the Transaction Value for each Transaction consummated prior to such Transaction will be added to the Transaction Value for such Transaction.

For the purpose of calculating a Transaction Fee for any Transaction, "Transaction Value" shall include, without limitation: (i) all cash, notes, securities and other property (whether tangible or intangible) paid, payable, delivered or deliverable, as the case may be (whether pursuant to any escrow or hold back, installment or earn-out, non-compete agreement, consulting agreement or otherwise), by the purchaser(s) or its affiliates to the Company and/or its security holders (including holders of the Company's or any of its subsidiaries' common equity, preferred equity, options or warrants) in connection with such Transaction; (ii) the principal amount of all liabilities of the Company and its subsidiaries, including, without limitation, all indebtedness, pension and other post-retirement liabilities and guarantees of the Company or its subsidiaries outstanding as of the closing date of such Transaction or directly or indirectly assumed, refinanced, consolidated or extinguished in connection therewith and (iii) the amount of any extraordinary dividends or distributions paid or payable to the Company's equity holders or any of its subsidiaries' minority equity holders in connection with such Transaction. For purposes of computing Transaction Value hereunder, (w) publicly traded securities shall be valued at the average of their closing prices (as reported in The Wall Street Journal or other reputable source reasonably designated by us if The Wall Street Journal does not publish such closing prices) for the five trading days prior to the closing of the Transaction, (x) options shall be valued using the treasury stock method without giving effect to tax implications, and (y) any other non-cash consideration shall be valued at the fair market value thereof as determined in good faith by us and the Company. In the event the Company determines to effect a material transaction that would not constitute a Transaction, the parties agree to negotiate an amendment to this letter to include compensation terms commensurate with the services Perella Weinberg Partners provides with respect to such transaction, taking into account the nature of our services, our role, our expertise, the complexity of the matter, the intensity and duration of our efforts, the results obtained and the custom and practice among investment bankers acting in similar circumstances.

3. Expenses. In addition to our fees for professional services, the Company agrees that it will promptly reimburse us for all of our expenses (including, but not limited to, professional and legal fees, charges and disbursements of our legal counsel, any sales, use or similar taxes (including additions to such taxes, if any) arising in connection with any matter referred to in this letter, travel and hotel expenses, printing



costs, data processing and communication charges, research expenses and courier and postage services); provided that we will not incur any single expense in excess of \$5,000 without your prior written consent. The Company's obligation to reimburse expenses incurred by us in connection with the Engagement will survive the completion or termination of the Engagement. Nothing in this Section 3 shall modify or otherwise affect the Company's obligations under Annex A.

4. Confidentiality. The Company may not disclose, summarize, excerpt from or otherwise refer to any advice rendered by us, whether formal or informal, without our prior written consent except as required by law or regulation. For the avoidance of doubt, the Company shall be entitled to disclose the contents of this letter and the terms of our Engagement in any court filing or in any court proceeding. The Company's obligations under this paragraph will survive the completion or termination of the Engagement.

We will not be providing the Company with, and the Company will not look to us for, tax, legal or accounting advice and we agree that nothing in this letter is intended to impose any conditions of confidentiality within the meaning of Section 6111 of the Internal Revenue Code of 1986, as amended, or US Treasury Regulation Section 1.6011-4 and the Company may disclose to any and all persons, without limitation of any kind, the United States tax treatment (federal, state and local) and tax structure of any transaction and all materials of any kind relating to such tax treatment and tax structure.

5. Information. In connection with our Engagement, the Company will provide us with access to the Company's officers, directors, employees, accountants, legal advisors, and other representatives (collectively, "Representatives"), and will furnish us and cause its Representatives to furnish us, with such information as we may reasonably request (all such information so furnished being the "Information"). The Company recognizes and confirms that we (i) will use and rely primarily on the Information and on information available from generally recognized public sources in performing our services without having independently verified the same, (ii) do not assume responsibility for the accuracy or completeness of the Information and such other information, (iii) will not make an independent evaluation or appraisal of any assets or liabilities of the Company or any other party and (iv) with respect to any financial forecasts (including cost savings and synergies) that may be provided to or discussed with us, we will assume that they have been reasonably prepared and reflect the best then currently available estimates and judgment of your management. To the best of the Company's knowledge, the information to be furnished by the Company and its Representatives, when delivered, will be true and correct in all material respects and will not contain any material misstatement of fact or omit to state any material fact necessary to make the statements contained therein not misleading. The Company will promptly notify us if it learns of any material inaccuracy or misstatement in, or material omission from, any Information theretofore delivered to us.

6. Indemnification. The Company acknowledges that we have been retained hereunder solely as an independent contractor and that nothing in this letter or the nature of our services shall be deemed to create a fiduciary or agency relationship between us and the Company or its equity holders, employees or creditors. In order to induce us to accept the Engagement, the Company agrees to the indemnity and exculpation provisions and other matters set forth in Annex A, which forms a part of and is incorporated by reference into this letter. Prior to entering into any agreement or arrangement with respect to, or effecting, any proposed sale, exchange, dividend or other distribution or liquidation of all or a significant portion of its assets in one or a series of transactions or any significant recapitalization or reclassification of its outstanding securities that does not directly or indirectly provide for the assumption of the obligations of the Company set forth in Annex A, the Company will notify Perella Weinberg Partners in writing thereof (if not previously so notified) and, if requested by Perella Weinberg Partners, shall arrange in connection therewith alternative means of providing for the obligations of the Company set forth in Annex A, including the assumption of such obligations by another party, insurance, surety bonds or the creation of an escrow, in each case, in an amount and upon terms and conditions reasonably satisfactory to Perella Weinberg Partners and the Company. The terms and provisions of this Section 6 and of Annex A shall survive the completion or termination of the Engagement.

7. Bankruptcy Court Approval. The Company shall use its reasonable efforts to seek an order authorizing our employment pursuant to the terms of this Agreement, as a professional person pursuant to, and subject to the standard of review of, Section 328(a) of title 11 of the United States Code (the "Bankruptcy Code"), the applicable Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and applicable local rules and orders and not subject to any other standard of review under Section 330 of the Bankruptcy Code. In so agreeing to seek our retention under Section 328(a) of the Bankruptcy Code, the Company acknowledges that it believes that our general restructuring experience and expertise, its knowledge of the capital markets and its merger and acquisition capabilities will inure to the benefit of the Company in pursuing any Transaction, that the value to the Company of our services derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the contingent fees are reasonable regardless of the number of hours to be expended by our professionals in the performance of the services to be provided hereunder. The Company shall submit our employment application as soon as practicable and use its reasonable efforts to cause such application to be considered on the most expedited basis. The employment application and the proposed order authorizing our employment must be acceptable to us in our sole discretion. Following entry of the order authorizing our employment, the Company shall pay all fees and expenses due pursuant to this agreement, as approved by the court having jurisdiction of the bankruptcy case involving the Company (the "Bankruptcy Court"), as promptly as possible in accordance with the terms of this Agreement and the order of such Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders, and will work with us to promptly file any and all necessary applications regarding such fees and expenses with the Bankruptcy Court. We shall have no

obligation to provide services under this agreement unless our retention under this agreement is approved under Section 328(a) of the Bankruptcy Code by final order of the Bankruptcy Court which is acceptable to us and which approves this agreement in all material respects. If the order authorizing our employment is not obtained, or is later reversed, modified or set aside for any reason, we may terminate this agreement, and the Company shall promptly reimburse us for all fees and expenses due hereunder, including any fees due or to become due under the Tail Period (as defined below). The terms of this Section are solely for our benefit, and may be waived, in whole or in part, only by us.

8. Expertise. The Company acknowledges and agrees that Perella Weinberg Partners' restructuring expertise as well as its capital markets knowledge, financing skills and mergers and acquisitions capabilities, some or all of which may be required by the Company during the term of our Engagement hereunder, were important factors in determining the amount of the various fees set forth herein, and that the ultimate benefit to the Company of our services hereunder could not be measured merely by reference to the number of hours to be expended by our professionals in the performance of such services. The Company also acknowledges and agrees that the various fees set forth herein have been agreed upon by the parties in anticipation that a substantial commitment of professional time and effort will be required of us and our professionals hereunder over the life of the Engagement, and in light of the fact that such commitment may foreclose other opportunities for us and that the actual time and commitment required of us and our professionals to perform their services hereunder may vary substantially from week to week or month to month, creating "peak load" issues for the firm. In addition, given the numerous issues which we may be required to address in the performance of our services hereunder, our commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for our services for engagements of this nature in an out-of-court context, the Company agrees that all of the fee arrangements specified herein are commercially reasonable.

Notwithstanding anything contained in this agreement to the contrary, we shall have no responsibility for designing or implementing any initiatives to improve the Company's operations, profitability, cash management or liquidity or to provide any fairness, valuation or solvency opinions or to make any independent evaluation or appraisal of any assets or liabilities of the Company or any other party. We make no representations or warranties about the Company's ability to (i) successfully improve its operations, (ii) maintain or secure sufficient liquidity to operate its business, or (iii) successfully complete any Transaction. We are retained under this Agreement solely to provide advice and services regarding the transactions contemplated by this Agreement. Our Engagement does not encompass providing "crisis management."

9. Termination. Our services hereunder may be terminated with or without cause by you or by us at any time and without liability or continuing obligation to you or to us; provided, however, that no termination of our Engagement shall modify or affect (i) the Company's obligation to pay our fees and to pay or reimburse expenses through the effective date of termination and (ii) the Company's other obligations

hereunder, all of which shall survive the termination of our Engagement; and provided, further, that in the case of termination by you, we shall be entitled to be paid the full amount of our Transaction Fee if, within 1 year of such termination, (i) one or more Transactions is effected, or (ii) the Company agrees to one or more Transactions any of which is subsequently effected, at any time.

10. Other Perella Weinberg Partners Activities. Perella Weinberg Partners is a financial services firm engaged directly and through its affiliates in investment banking, financial advisory services, investment management, asset management and other advisory services and sponsors special purpose acquisition vehicles. The Company understands and acknowledges that in performing the Engagement we will not be under any duty to disclose to the Company, or use for the benefit of the Company, any confidential or non-public information obtained by us or our affiliates in the course of providing services to any other person or engaging in any other transaction (including as principal) or business activities. In the ordinary course of our business activities, Perella Weinberg Partners LP or its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for our own account or the accounts of customers, in debt or equity or other securities (or related derivative securities) or financial instruments (including bank loans or other obligations) of the Company or any other party to a Transaction or any of their respective affiliates.

11. Regulation Relating to Client Identification. Federal law and regulations require financial institutions to obtain, verify and record information that identifies each person with whom they do business prior to doing such business and to provide reasonable notice to such persons that the financial institution is verifying such person's identity. Accordingly, the Company will provide Perella Weinberg Partners, as necessary and upon request, certain identifying information, including, but not limited to, a government-issued identification number (e.g., a U.S. taxpayer identification number) and certain other information or documents necessary to verify the Company's identity, such as certified corporate documentation, partnership agreement or trust instrument.

12. Other Advisors. It is understood that no Indemnified Person, as defined herein in Annex A, shall have any responsibility or liability to the Company or its affiliates or any other party in connection with the advice, opinions or actions of any other advisor, or any other party that is or may be engaged by the Company, and further, no Indemnified Person or such other advisor shall have any responsibility or liability to each other in connection with the advice or opinions rendered by such party in connection with the Transaction.

13. Public Announcements. The Company acknowledges that we may, at our option and expense and after public announcement of any Transaction, place announcements and advertisements or otherwise publicize such Transaction and our role in it (which may include the reproduction of the Company's logo and a hyperlink to the Company's website) on our internet website and in such financial and other newspapers

and journals as we may choose, stating that we acted as financial advisor to the Company in connection with such Transaction.

14. Authorization. The Company acknowledges its agreement with the terms set forth herein, and acknowledges that the Company has reviewed and agreed to be bound by the terms hereof, and that the Company has all requisite power and authority to enter into this letter agreement on behalf of itself, and has been duly and validly authorized to do so, as evidenced by the signatures affixed hereto. Facsimile signatures shall be deemed original, binding signatures.

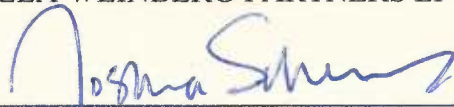
15. Governing Law. All aspects of the relationship created by this letter (including Annex A) shall be governed by and construed in accordance with the laws of the State of New York, applicable to agreements made and to be performed entirely in such State. All actions and proceedings arising out of or relating to the letter shall be heard and determined exclusively in the U.S. District Court for the Southern District of New York or, if that court does not have subject matter jurisdiction, in any state court located in the City of New York, to whose jurisdiction the Company hereby irrevocably submits. The Company hereby irrevocably waives any defense or objection to the New York forum designated above. Each of Perella Weinberg Partners and the Company (on its own behalf and, to the extent permitted by law, on behalf of its shareholders) waives all right to trial by jury in any action, suit, proceeding or counterclaim (whether based upon contract, tort or otherwise) related to or arising out of the Engagement or the performance by Perella Weinberg Partners of the services contemplated by this letter.

We are delighted to accept the Engagement and look forward to working with you on this assignment. Please confirm your agreement to the foregoing by signing and returning to us the enclosed duplicate of this letter which then will be a binding agreement.

Very truly yours,

PERELLA WEINBERG PARTNERS LP

By



Name: Joshua Scherer

Title: Partner



Agreed and accepted as of  
the date first set forth above:

ATARI, INC.

By



Name: Jim Wilson

Title: Chief Executive Officer

Enclosure

## **Annex A**

*The Company agrees to indemnify and hold harmless Perella Weinberg Partners and its affiliates and its and their respective officers, directors, partners, members, employees, consultants and agents and each other person, if any, controlling Perella Weinberg Partners or any of its affiliates (Perella Weinberg Partners and each such other person being an "Indemnified Person") from and against any losses, claims, damages or liabilities related to, or arising out of or in connection with our engagement or any matter referred to in this letter (the "Engagement"), and will reimburse each Indemnified Person for all reasonable expenses (including reasonable fees, charges and disbursements of counsel) as they are incurred in connection with investigating, preparing, pursuing or defending any action, claim, suit, investigation or proceeding related to, arising out of or in connection with the Engagement, whether or not pending or threatened and whether or not any Indemnified Person is a party; provided, however, that the Company will not be responsible for any losses, claims, damages or liabilities (or reasonable expenses relating thereto) that are finally judicially determined to have resulted primarily from the gross negligence or willful misconduct of any Indemnified Person. The Company also agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the Engagement, except for any such liability for losses, claims, damages or liabilities incurred by the Company that are finally judicially determined to have resulted primarily from the gross negligence or willful misconduct of such Indemnified Person.*

*The Company, or any of its affiliates, will not, without Perella Weinberg Partners' prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any action, claim, suit, investigation or proceeding in respect of which indemnification, reimbursement or contribution may be sought hereunder (whether or not any Indemnified Person is a party thereto) unless such settlement, compromise, consent or termination includes a full release of each Indemnified Person from any and all liabilities arising out of such action, claim, suit, investigation or proceeding. No Indemnified Person seeking indemnification, reimbursement or contribution under this Annex A will, without the Company's prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any action, claim, suit, investigation or proceeding referred to in the preceding paragraph.*

*If the indemnification provided for in the first paragraph of this Annex A is judicially determined to be unavailable (other than in accordance with the terms hereof) to an Indemnified Person in respect of any losses, claims, damages or liabilities referred to herein, then, in lieu of indemnifying such Indemnified Person hereunder, the Company shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (and expenses relating thereto) (a) in such proportion as is appropriate to reflect the relative benefits to Perella Weinberg Partners, on the one hand, and the Company, on the other hand, of the Engagement or (b) if the allocation provided by clause (a) above is not available, in such proportion as is appropriate to reflect not only the relative benefits referred to in such clause (a) but also the relative fault of each of Perella Weinberg Partners and the Company, as well as any other relevant equitable considerations; provided, however, in no event shall Perella Weinberg Partners' aggregate contribution to the amount paid or payable exceed the aggregate amount of fees actually received by Perella Weinberg Partners under this letter. For the purposes of this Annex A, the relative benefits to Perella Weinberg Partners and the Company of the Engagement shall be deemed to be in the same proportion as (i) the fees paid or to be paid to Perella Weinberg Partners under this letter, bears to (ii) the total value paid or contemplated to be paid to or received or contemplated to be received by the Company or its stockholders, as the case may be, in the transaction or transactions that are the subject of the Engagement, whether or not any such transaction is consummated.*

**EXHIBIT C**

Summary of Fees

**Expense Summary**

| <b><u>Expense Category</u></b>    | <b><u>Total</u></b> |
|-----------------------------------|---------------------|
| Meals & Entertainment             | \$600               |
| Taxi/Bus/Other                    | 302                 |
| Office Expense                    | 629                 |
| <b><u>Total Disbursements</u></b> | <b>\$1,531</b>      |



**Total Hours**

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**ATARI**

**HOURS SUMMARY**

| May 1, 2013 - August 31, 2013 |            |           |          |            |        |       |       |
|-------------------------------|------------|-----------|----------|------------|--------|-------|-------|
|                               | J. Scherer | A. Verost | W. Glass | R. Spearin | T. Han | J. Wu | Total |
| General Case Administration   | 20.0       | 81.7      | 16.0     | 26.5       | 5.0    | 22.0  | 171.2 |
| Officer & Director Issues     | 1.0        | -         | 13.5     | -          | 14.5   | 12.5  | 41.5  |
| Travel                        | -          | -         | -        | -          | -      | -     | -     |
| Sales Process                 | 37.0       | 64.5      | 38.0     | 108.0      | 42.0   | 94.0  | 383.5 |
| Financial Modeling            | -          | -         | -        | -          | -      | -     | -     |
| Business & Financial          | 9.0        | 7.5       | 15.5     | 1.0        | 2.0    | 14.0  | 49.0  |
| Total                         | 67.0       | 153.7     | 83.0     | 135.5      | 63.5   | 142.5 | 645.2 |

**May Hours**

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**ATARI**

**HOURS SUMMARY**

| May 1, 2013 - May 31, 2013  |            |           |          |        |       |       |
|-----------------------------|------------|-----------|----------|--------|-------|-------|
|                             | J. Scherer | A. Verost | W. Glass | T. Han | J. Wu | Total |
| General Case Administration | -          | 22.0      | -        | -      | -     | 22.0  |
| Officer & Director Issues   | -          | -         | -        | -      | -     | -     |
| Travel                      | -          | -         | -        | -      | -     | -     |
| Sales Process               | 15.0       | 16.0      | 12.0     | 19.5   | 30.0  | 92.5  |
| Financial Modeling          | -          | -         | -        | -      | -     | -     |
| Business & Financial        | 9.0        | 7.5       | 15.5     | 2.0    | 13.0  | 47.0  |
| Total                       | 24.0       | 45.5      | 27.5     | 21.5   | 43.0  | 161.5 |

**June Hours**

**ATARI**

**HOURS SUMMARY**

| June 1, 2013 - June 30, 2013 |            |           |          |            |        |       |       |
|------------------------------|------------|-----------|----------|------------|--------|-------|-------|
|                              | J. Scherer | A. Verost | W. Glass | R. Spearin | T. Han | J. Wu | Total |
| General Case Administration  | 3.5        | 35.7      | 6.0      | 3.0        | 5.0    | 7.0   | 60.2  |
| Officer & Director Issues    | 1.0        | -         | 13.5     | -          | 14.5   | 12.5  | 41.5  |
| Travel                       | -          | -         | -        | -          | -      | -     | -     |
| Sales Process                | 6.0        | 14.5      | 17.5     | 37.0       | 22.5   | 31.0  | 128.5 |
| Financial Modeling           | -          | -         | -        | -          | -      | -     | -     |
| Business & Financial         | -          | -         | -        | 1.0        | -      | 1.0   | 2.0   |
| Total                        | 10.5       | 50.2      | 37.0     | 41.0       | 42.0   | 51.5  | 232.2 |

**July Hours**

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**ATARI**

**HOURS SUMMARY**

| July 1, 2013 - July 31, 2013 |            |           |          |            |       |       |
|------------------------------|------------|-----------|----------|------------|-------|-------|
|                              | J. Scherer | A. Verost | W. Glass | R. Spearin | J. Wu | Total |
| General Case Administration  | 9.5        | 13.0      | 9.5      | 11.5       | 9.5   | 53.0  |
| Officer & Director Issues    | -          | -         | -        | -          | -     | -     |
| Travel                       | -          | -         | -        | -          | -     | -     |
| Sales Process                | 12.0       | 24.0      | 5.0      | 66.5       | 17.0  | 124.5 |
| Financial Modeling           | -          | -         | -        | -          | -     | -     |
| Business & Financial         | -          | -         | -        | -          | -     | -     |
| Total                        | 21.5       | 37.0      | 14.5     | 78.0       | 26.5  | 177.5 |

**August Hours**

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**ATARI**

**HOURS SUMMARY**

| August 1, 2013 - August 31, 2013 |            |           |          |            |       |       |
|----------------------------------|------------|-----------|----------|------------|-------|-------|
|                                  | J. Scherer | A. Verost | W. Glass | R. Spearin | J. Wu | Total |
| General Case Administration      | 7.0        | 11.0      | 0.5      | 12.0       | 5.5   | 36.0  |
| Officer & Director Issues        | -          | -         | -        | -          | -     | -     |
| Travel                           | -          | -         | -        | -          | -     | -     |
| Sales Process                    | 4.0        | 10.0      | 3.5      | 4.5        | 16.0  | 38.0  |
| Financial Modeling               | -          | -         | -        | -          | -     | -     |
| Business & Financial             | -          | -         | -        | -          | -     | -     |
| Total                            | 11.0       | 21.0      | 4.0      | 16.5       | 21.5  | 74.0  |