

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Atari, Inc., et al.

Debtor [a]

Case No. 13-10176

Reporting Period: 12/1/13-12/23/13

Federal Tax I.D. # 13-3689915

CORPORATE MONTHLY OPERATING REPORT

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	Yes	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (CONT)	Yes	
Copies of bank statements		[b]	
Cash disbursements journals	MOR-1 (CONT)	Yes	
Statement of Operations	MOR-2	Yes	
Balance Sheet	MOR-3	Yes	
Status of Post-petition Taxes	MOR-4	Yes	
Copies of IRS Form 6123 or payment receipt		n/a	
Copies of tax returns filed during reporting period		n/a	
Summary of Unpaid Post-petition Debts	MOR-4	Yes	
Listing of Aged Accounts Payable	MOR-4 (CONT)	Yes	
Accounts Receivable Reconciliation and Aging	MOR-5	Yes	
Taxes Reconciliation and Aging	MOR-5	n/a	
Payments to Insiders and Professional	MOR-6	Yes	
Post Petition Status of Secured Notes, Leases Payable	MOR-6	Yes	
Debtor Questionnaire	MOR-7	Yes	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Authorized Individual*

Date

Printed Name of Authorized Individual: Todd Shallbetter

Date

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

[a] Debtors include Atari, Inc. (13-10176), Atari Interactive, Inc. (13-10177), California U.S. Holdings, Inc. (10-10178), and Humongous, Inc. (13-10179). All results reported on a consolidated basis herein. Cash Disbursements by Debtor are detailed on MOR-1(A) for United States Trustee Fee calculation purposes.

[b] Available upon request

In re Atari, Inc., et al.
Debtor

Case No. 13-10176
Reporting Period: 12/1/13-12/31/13

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the bank account columns. Attach copies of the bank statements and cash disbursements journal. The total disbursements listed in the disbursement journal must equal the total disbursements reported on the page. A bank reconciliation must be attached for each account. [See MOR-1 (CONT)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS											CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	Atari, Inc. Operating #4601	Atari, Inc. Payroll #4905	Atari, Inc. Payroll #8064	Atari, Inc. Money Mkt #7738	Atari, Inc. Loans/Sec #9898	Atari, Inc. Payroll (C-3) #1157	Atari Entertainment, Inc. Operating #4657	Humongous, Inc. Operating #3751	Atari, Inc. Liquidation #6755	Atari, Inc. Excess - GUC #3312	Atari, Inc. Excess - Prof Fees #6312	
CASH BEGINNING OF MONTH	\$ 156,492	\$ 1,592	\$ 0	\$ 5,287,795	\$ (0)	\$ 3,733	\$ 3,886	\$ 2,733	\$ -	\$ -	\$ -	\$ 5,456,231
RECEIPTS												
CASH SALES	-	-	-	-	-	-	-	-	-	-	-	\$ -
ACCOUNTS RECEIVABLE - PREPETITION	-	-	-	-	-	-	-	-	-	-	-	\$ -
ACCOUNTS RECEIVABLE - POSTPETITION	164,571											\$ 164,571
LOANS AND ADVANCES												\$ -
SALE OF ASSETS												\$ -
OTHER (ATTACH LIST)	4,155			5					3,419,000			\$ 3,423,160
TRANSFERS (FROM DIP ACCTS)	5,512,532	241,124		225,000			50,000		4,233,340	560,000	1,209,474	\$ 12,031,469
TOTAL RECEIPTS	5,681,257	241,124	-	225,005	-	-	50,000	-	7,652,340	560,000	1,209,474	\$ 15,619,200
DISBURSEMENTS												
NET PAYROLL		22,170										\$ 22,170
PAYROLL TAXES		13,954										\$ 13,954
SALES, USE, & OTHER TAXES												\$ -
INVENTORY PURCHASES / PROD. DEVELOPMENT COSTS	26,093											\$ 26,093
SECURED/ RENTAL/ LEASES	31,339											\$ 31,339
INSURANCE (INCLUDING EE BENEFITS)	265,666											\$ 265,666
ADMINISTRATIVE	10,166	1,232										\$ 11,398
SELLING	9,592						25,138					\$ 34,730
OTHER (ATTACH LIST)	1,067	1,828					571		125,000			\$ 128,466
OWNER DRAW *												\$ -
TRANSFERS (TO DIP ACCTS)	4,749,464			5,512,532					1,769,474			\$ 12,031,469
PROFESSIONAL FEES	632,663						5,012		784,841			\$ 1,422,517
U.S. TRUSTEE QUARTERLY FEES												\$ -
COURT COSTS	-	-	-	-	-	-	-	-	-	-	-	\$ -
TOTAL DISBURSEMENTS	5,726,050	39,184	-	5,512,532	-	-	30,721	-	2,679,315	-	-	\$ 13,987,801
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(44,792)	201,940	-	(5,287,526)	-	-	19,279	-	4,973,025	560,000	1,209,474	\$ 1,631,399
CASH - END OF MONTH	\$ 111,699	\$ 203,532	\$ 0	\$ 269	\$ (0)	\$ 3,733	\$ 23,165	\$ 2,733	\$ 4,973,025	\$ 560,000	\$ 1,209,474	\$ 7,087,630

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

OTHER RECEIPTS												
Hudson Valley	2,380											2,380
OptumHealth Fincial Services	1,775											1,775
Interest MM				5								5
Wire in from Fred Chesnais									3,419,000	3,419,000		3,419,000
TOTAL OTHER RECEIPTS	4,155	-	-	5	-	-	-	-	3,419,000	3,419,000		3,423,160
OTHER DISBURSEMENTS												
401k	1,067	-	-	-	-	-	-	-	-	-	-	1,067
Bank Fee	-	1,828	-	-	-	-	571	-	-	-	-	2,399
Tenor Capital (Claims Payment)									125,000	125,000		125,000
TOTAL OTHER DISBURSEMENTS	1,067	1,828	-	-	-	-	571	-	125,000	125,000		128,466

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BANK RECONCILIATIONS
Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.
(Bank account numbers may be redacted to last four numbers.)

	Atari, Inc. Operating #4601	Atari Payroll #4903	Atari, Inc. PayPal #8664	Atari, Inc. Money Mkt #7788	Atari, Inc. Lockbox #9898	Atari, Inc. Payroll (CA) #1153	Atari Interactive, Inc. Operating #4657	Humongous, Inc. Operating #5253	Atari, Inc. Liquidation #6755	Total
BALANCE PER BOOKS	\$ 111,699	\$ 203,532	\$ 0	\$ 269	\$ (0)	\$ 3,733	\$ 23,165	\$ 2,733	\$ 4,973,025	\$ 5,318,156
BANK BALANCE	115,001	206,779	-	269	-	3,733	23,252	2,733	4,973,025	5,324,791
(+) DEPOSITS IN TRANSIT (ATTACH LIST)	-	-	-	-	-	-	-	-	-	-
(-) OUTSTANDING CHECKS (ATTACH LIST):	3,301	3,247	-	-	-	-	86	-	-	6,635
OTHER (ATTACH EXPLANATION)	-	-	-	-	-	-	-	-	-	-
ADJUSTED BANK BALANCE *	\$ 111,700	\$ 203,532	\$ -	\$ 269	\$ -	\$ 3,733	\$ 23,165	\$ 2,733	\$ 4,973,025	\$ 5,318,157

*"Adjusted Bank Balance" must equal "Balance per Books"

DEPOSITS IN TRANSIT	Date	Amount
NONE		
CHECKS OUTSTANDING	Ck. #	Amount
COHEN BROTHERS REALTY CORP.	600149	725
LIBERTY MARKETING	600192	25
EMPLOYEE	600200	825
EMPLOYEE	600201	525
EMPLOYEE	600206	860
EMPLOYEE	600207	21
EMPLOYEE	600208	320
TOTAL - OPERATING		3,301
TOTAL - PAYROLL-CA		-
EMPLOYEE	7044	3,127
FSA CLAIM	100097	120
TOTAL - PAYROLL-NYC		3,247
DIGITAL ECLIPSE SOFTWARE, INC.	2004	86
TOTAL - INTERACTIVE		86
TOTAL - HUMONGOUS		-

CASH DISBURSEMENTS JOURNAL
Continuation Sheet for MOR-1

A cash disbursements journal must be included. The total disbursements listed in the disbursements journal must equal the total disbursements (less transfers to other DIP accounts) reported on the Cash Receipts and Disbursements Schedule.

Payee	Check / Wire No.	Date	Amount
ADP (PAYROLL/TAXES/FEES)	EFT	Various	\$ 37,356.03
401K	EFT	Various	1,067.05
JP MORGAN (BANK FEES)	EFT	Various	2,398.85
BRIGARD & CASTRO S.A.	20002000	12/06/13	5,011.86
CHRIS SAWYER	20002001	12/06/13	22,979.97
SONY CORPORATION	20002002	12/06/13	1,547.13
STAINLESS GAMES LTD.	20002003	12/06/13	610.93
EUGENE IRWIN DAVIS	80008077	12/23/13	440,000.00
TENOR CAPITAL MANAGEMENT COMPANY, L.P.	80008078	12/23/13	125,000.00
ALLEN & OVERY LLP	80008079	12/23/13	239,975.40
BRACEWELL & GIULIANI LLP	80008080	12/23/13	9,115.39
KLESTADT & WINTERS LLP	80008081	12/23/13	50,000.00
BMC GROUP, INC.	80008082	12/23/13	45,750.68
EMPLOYEE	600185	12/03/13	2,060.00
DAVID STRANG	600186	12/03/13	550.00
EMPLOYEE	600187	12/03/13	2,900.00
EMPLOYEE	600188	12/03/13	3,200.00
EMPLOYEE	600189	12/03/13	3,000.00
BEANSTALK GROUP LLC	600190	12/05/13	219.21
KONICA MINOLTA	600191	12/05/13	623.49
LIBERTY MARKETING	600192	12/05/13	25.00
EMPLOYEE	600193	12/05/13	100.00
SYMANTEC	600194	12/05/13	326.62
EMPLOYEE	600195	12/05/13	413.79
475 BUILDING COMPANY, LLC	80008064	12/04/13	30,715.27
AMERICAN EXPRESS	80008065	12/04/13	0.10
AMEX-Employee T&E (Fred Chesnais)	80008065	12/04/13	1,681.70
AMEX-Employee T&E (Todd Shallbetter)	80008065	12/04/13	3,938.41
AMEX-Office Expense	80008065	12/04/13	663.31
AMEX-Other Product Development	80008065	12/04/13	3,965.47
CODE MYSTICS INC.	80008066	12/06/13	6,872.39
ENTERTAINMENT SOFTWARE RATING BOARD (ESI	80008067	12/06/13	3,125.00
WILLIAM GALLAGHER ASSOCIATES	80008068	12/10/13	261,558.00
LUNCH PR	80008069	12/11/13	2,500.00
EMPLOYEE	80008070	12/11/13	2,000.00
BEANSTALK GROUP LLC	600054	08/23/13	-458.69
BEANSTALK GROUP LLC	600196	12/17/13	458.69
EMPLOYEE	600197	12/17/13	2,980.00
CIGNA	600198	12/17/13	1,327.31
COHEN BROTHERS REALTY CORP.	600199	12/17/13	354.82
EMPLOYEE	600200	12/17/13	825.00
EMPLOYEE	600201	12/17/13	525.00
EMPLOYEE	600202	12/17/13	3,200.00
EMPLOYEE	600187	12/03/13	-2,900.00
EMPLOYEE	600203	12/19/13	2,900.00
EMPLOYEE	600204	12/19/13	50.00
EMPLOYEE	600205	12/19/13	1,411.00
AKIN GUMP STRAUSS HAUER & FELD LLP	80008071	12/20/13	327,033.00
COOLEY LLP	80008072	12/20/13	90,518.10
PERELLA WEINBERG PARTNERS LLP	80008073	12/20/13	160,479.00
PROTIVITI INC	80008074	12/20/13	51,508.24
EMPLOYEE	600206	12/23/13	860.05
EMPLOYEE	600207	12/23/13	20.90
EMPLOYEE	600208	12/23/13	320.09
TRANSAMERICA FINANCIAL LIFE INSURANCE COM	80008075	12/23/13	2,781.00
EMPLOYEE	80008076	12/23/13	887.50
			<u>\$ 1,956,332</u>

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13-10176
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SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

Atari, Inc.	CURRENT MONTH	QUARTER TO DATE
TOTAL DISBURSEMENTS	\$ 13,957,081	\$ 23,147,654
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	12,031,469	\$ 17,638,656
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	-	\$ -
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	1,925,611	\$ 5,508,998

Atari Interactive, Inc.	CURRENT MONTH	QUARTER TO DATE
TOTAL DISBURSEMENTS	30,721	\$ 430,645
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	-	\$ -
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	-	\$ -
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	30,721	\$ 430,645

California U.S. Holdings, Inc.	CURRENT MONTH	QUARTER TO DATE
TOTAL DISBURSEMENTS	-	\$ -
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	-	\$ -
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	-	\$ -
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	-	\$ -

Humongous, Inc.	CURRENT MONTH	QUARTER TO DATE
TOTAL DISBURSEMENTS	-	\$ -
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	-	\$ -
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	-	\$ -
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	-	\$ -

Atari, Inc., et al. (Consolidated)	CURRENT MONTH	QUARTER TO DATE
TOTAL DISBURSEMENTS	13,987,801	\$ 23,578,299
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	12,031,469	\$ 17,638,656
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	-	\$ -
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$ 1,956,332	\$ 5,939,643

In re Atari, Inc., et al.

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STATEMENT OF OPERATIONS (Income Statement)

reported in thousands (000's)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	MONTH	CUMULATIVE - FILING TO DATE
Gross Revenues	\$ (922)	\$ 20,763
Less: Returns and Allowances	-	205
Net Revenue	(922)	20,557
COST OF GOODS SOLD		
Beginning Inventory	n/a	n/a
Add: Purchases	n/a	n/a
Add: Cost of Labor	n/a	n/a
Add: Other Costs (attach schedule)	n/a	n/a
Less: Ending Inventory	n/a	n/a
Cost of Goods Sold	(298)	7,058
Gross Profit	(624)	13,499
OPERATING EXPENSES		
Advertising	-	58
Auto and Truck Expense	-	-
Bad Debts	-	172
Contributions	-	-
Employee Benefits Programs	54	481
Officer/Insider Compensation*	-	-
Insurance	266	717
Management Fees/Bonuses	-	-
Office Expense	2	47
Pension & Profit-Sharing Plans	-	-
Repairs and Maintenance	-	-
Rent and Lease Expense	33	436
Salaries/Commissions/Fees	60	3,279
Supplies	-	-
Taxes - Payroll [a]	-	-
Taxes - Real Estate	-	-
Taxes - Other	-	-
Travel and Entertainment	7	68
Utilities	6	231
Other (attach schedule)	99	1,456
Total Operating Expenses Before Depreciation	527	6,945
Depreciation/Depletion/Amortization	12	4,115
Net Profit (Loss) Before Other Income & Expenses	(1,163)	2,439
OTHER INCOME AND EXPENSES		
Other Income (attach schedule)	-	-
Interest Expense	23	269
Other Expense (attach schedule)	-	984
Net Profit (Loss) Before Reorganization Items	(1,186)	1,186

REORGANIZATION ITEMS		
Professional Fees	1,010	11,075
U. S. Trustee Quarterly Fees	9	20
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)	-	-
Gain (Loss) from Sale of Equipment	-	-
Other Reorganization Expenses (attach schedule)	-	-
Total Reorganization Expenses	1,019	11,095
Income Taxes	-	-
Net Profit (Loss)	\$ (2,205)	\$ (9,909)

[a] Payroll taxes are included in the Salaries line item.

**"Insider" is defined in 11 U.S.C. Section 101(31).

BREAKDOWN OF "OTHER" CATEGORIES

OTHER COSTS

None	\$ -	\$ -
TOTAL OTHER COSTS	\$ -	\$ -

OTHER OPERATIONAL EXPENSES

Research and Development	0	52
Bank Fees	3	34
Distribution Costs	2	84
Consulting	41	566
Legal Fees	44	565
Reversal of Income Tax Receivable	-	8
Accounting Fees	9	146
TOTAL OTHER OPERATIONAL EXPENSES	\$ 99	\$ 1,456

OTHER INCOME

	\$ -	\$ -
	-	-
TOTAL OTHER INCOME	\$ -	\$ -

OTHER EXPENSES

Foreign Exchange Conversion (Gain) / Loss	-	39
Amortization	-	945
TOTAL OTHER EXPENSES	\$ -	\$ 984

OTHER REORGANIZATION EXPENSES

None	\$ -	\$ -
TOTAL OTHER REORGANIZATION EXPENSES	\$ -	\$ -

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

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BALANCE SHEET
reported in thousands (000's)

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
CURRENT ASSETS			
Unrestricted Cash and Equivalents	\$ 7,088	\$ 5,456	\$ 751
Restricted Cash and Cash Equivalents (see continuation sheet)	-	-	-
Accounts Receivable (Net)	(1,005)	297	2,842
Notes Receivable	-	-	-
Inventories	-	-	542
Prepaid Expenses	1	3	56
Professional Retainers	-	-	-
Other Current Assets (attach schedule)[a]	284	284	489
TOTAL CURRENT ASSETS	6,368	6,041	4,680
PROPERTY & EQUIPMENT			
Real Property and Improvements	-	-	-
Machinery and Equipment	-	-	-
Furniture, Fixtures and Office Equipment	18,111	18,111	18,104.51
Leasehold Improvements	19	19	19
Vehicles	-	-	-
Less: Accumulated Depreciation	(17,990)	(17,985)	(17,851)
TOTAL PROPERTY & EQUIPMENT	139	144	272
OTHER ASSETS			
Amounts due from Insiders*	26,626	26,420	25,294
Other Assets (attach schedule)	3,453	3,459	6,976
TOTAL OTHER ASSETS	30,079	29,879	32,270
TOTAL ASSETS	36,586	36,064	37,222
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)			
Accounts Payable [b]	6,143	2,538	113
Taxes Payable (refer to FORM MOR-4)	-	-	-
Wages Payable	50	24	58
Notes Payable	-	-	-
Rent / Leases - Building/Equipment	85	86	105
Secured Debt / Adequate Protection Payments	-	3,746	-
Professional Fees	556	553	-
Amounts Due to Insiders*	-	-	-
Other Post-petition Liabilities (attach schedule)	5,679	2,653	288
TOTAL POST-PETITION LIABILITIES	12,512	9,600	564
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)			
Secured Debt	-	-	-
Priority Debt	127	127	525
Unsecured Debt	321,571	321,755	323,848
TOTAL PRE-PETITION LIABILITIES	321,698	321,883	324,373
TOTAL LIABILITIES	334,210	331,483	324,937
OWNERS' EQUITY			
Capital Stock	1,178,126	1,178,126	1,178,126
Additional Paid-In Capital	-	-	-
Partners' Capital Account	-	-	-
Owner's Equity Account	-	-	-
Retained Earnings - Pre-Petition [a]	(1,465,841)	(1,465,841)	(1,465,841)
Retained Earnings - Post-petition	(9,909)	(7,704)	-
Adjustments to Owner Equity (attach schedule)	-	-	-
Post-petition Contributions (attach schedule)	-	-	-
NET OWNERS' EQUITY	(297,624)	(295,419)	(287,715)
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ 36,586	\$ 36,064	\$ 37,222

[a] Prior period adjustment made of \$1.95 million to reflect Debtor intangibles previously recorded as a top side entry at a parent company level.

[b] The difference between the A/P balance reported above and the amount on Schedule MOR-4 is \$319K which represents additional accruals.

*"Insider" is defined in 11 U.S.C. Section 101(31).

BALANCE SHEET - continuation section

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Current Assets			
Security Deposits	259	259	282
Royalty Receivable	25	25	200
Tax Receivable	-	-	7
Other Assets			
Intangibles (Capitalized Development Costs / Trademarks) [a]	3,453	3,459	6,976
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Post-petition Liabilities			
Deferred Revenue (GAAP)	71	68	288
Royalty Payable	5,609	2,585	-
Adjustments to Owner's Equity			
Post-Petition Contributions			

Restricted Cash: Cash that is restricted for a specific use and not available to fund operations.
Typically, restricted cash is segregated into a separate account, such as an escrow account.

In re Atari, Inc., et al.

Debtor

Case No. 13-10176

Reporting Period: 12/1/13-12/23/13

STATUS OF POST-PETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

Federal	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
Withholding	\$ -	\$ 8,006	\$ 8,006	Various	[a]	\$ -
FICA-Employee	-	1,440	1,440	Various	[a]	-
FICA-Employer	-	1,275	1,275	Various	[a]	-
Unemployment	-	-	-	Various	[a]	-
Income	-	-	-			-
Other: Franchise Tax	-	-	-	Various	[a]	-
Total Federal Taxes	-	10,721	10,721	Various	[a]	-
State and Local						
Withholding	-	3,224	3,224	Various	[a]	-
Sales	-	-	-			-
Excise	-	-	-			-
Unemployment	-	9	9	Various	[a]	-
Real Property	-	-	-			-
Personal Property	-	-	-			-
Other:	-	-	-			-
Total State and Local	-	3,233	3,233	Various	[a]	-
Total Taxes	\$ -	\$ 13,954	\$ 13,954	Various	[a]	\$ -

[a] Various

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable. See MOR-4 (CONT)

	Number of Days Past Due					
	Current	0-30	31-60	61-90	Over 91	Total
Accounts Payable	\$ 266,548	\$ 532,255	\$ 913,778	\$ (163,842)	\$ 386,362	\$ 1,935,100.70
Wages Payable	49,549	-	-	-	-	49,549
Taxes Payable	-	-	-	-	-	-
Rent/Leases-Building	84,696	-	-	-	-	84,696
Rent/Leases-Equipment	-	-	-	-	-	-
Secured Debt/Adequate Protection Payments	-	-	-	-	-	-
Professional Fees	556,100	-	-	-	-	556,100
Amounts Due to Insiders	-	-	-	-	-	-
Other: Royalties Payable	5,608,629	-	-	-	-	5,608,629
Other:	-	-	-	-	-	-
Total Post-petition Debts	\$ 6,565,521	\$ 532,255	\$ 913,778	\$ (163,842)	\$ 386,362	\$ 8,234,074

Explain how and when the Debtor intends to pay any past due post-petition debts.

The main past due balance includes professional fees related to bankruptcy [regular and 20% hold back].

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SUMMARY OF UNPAID POST-PETITION DEBTS

Continuation Sheet for MOR-4

Attach aged listing of accounts payable.

Vendor	Vendor No.	Invoice No.	Due Date	Category	Amount
AKIN GUMP STRAUSS HAUER & FELD LLP	[a]	1506218	11/21/13	Restructuring	209,176.12
AKIN GUMP STRAUSS HAUER & FELD LLP		1512479	12/20/13	Restructuring	148,958.13
AKIN GUMP STRAUSS HAUER & FELD LLP		1517119	1/22/14	Restructuring	144,988.79
AKIN GUMP STRAUSS HAUER & FELD LLP	[a]	1471168C		Restructuring	(1,180.00)
AKIN GUMP STRAUSS HAUER & FELD LLP	[a]	1506218OAC		Restructuring	(167,459.62)
BLUEHORN NETWORKS, INC.		1800025916	12/30/13	Consultant	5,495.00
COGENT COMMUNICATIONS, INC.		DEC2013COGENT	12/16/13	MIS-IT	900.00
COOLEY LLP	[a]	1276023	4/13/13	Restructuring	114,440.40
COOLEY LLP	[a]	1283537	5/11/13	Restructuring	43,633.70
COOLEY LLP	[a]	1291995	6/12/13	Restructuring	13,707.90
COOLEY LLP	[a]	1334629	11/11/13	Restructuring	33,847.41
COOLEY LLP		1344731	12/18/13	Restructuring	26,628.25
COOLEY LLP		1353095	1/10/14	Restructuring	25,021.99
COOLEY LLP	[a]	1334629OAC		Restructuring	(27,121.11)
COOLEY LLP	[a]	APR2013ADJUSTMENTC		Restructuring	(39,091.10)
CRYPTIC STUDIOS, INC.		28	12/30/13	MIS-IT	2,253.30
CT CORPORATION		500136673300	12/31/13	Legal	365.00
DORSEY & WHITNEY LLP		1915350	1/4/14	Legal	13,129.50
DORSEY & WHITNEY LLP		1915351	1/4/14	Legal	74.50
DORSEY & WHITNEY LLP		1915352	1/4/14	Legal	54.00
DUFF & PHELPS, LLC	[a]	033113	4/30/13	Restructuring	59,342.86
DUFF & PHELPS, LLC	[a]	DP043013	6/19/13	Restructuring	10,000.00
DUFF & PHELPS, LLC	[a]	DP053113	6/30/13	Restructuring	51,755.34
DUFF & PHELPS, LLC	[a]	DP063013	8/4/13	Restructuring	52,313.12
DUFF & PHELPS, LLC	[a]	DP073113	8/30/13	Restructuring	51,421.13
DUFF & PHELPS, LLC	[a]	DP083113	9/30/13	Restructuring	51,010.70
DUFF & PHELPS, LLC	[a]	APR2013ADJUSTMENTC		Restructuring	(15,700.00)
DUFF & PHELPS, LLC	[a]	DP053113OAC		Restructuring	(41,755.34)
DUFF & PHELPS, LLC	[a]	DP063013OAC		Restructuring	(42,313.12)
DUFF & PHELPS, LLC	[a]	DP073113OAC		Restructuring	(41,421.13)
DUFF & PHELPS, LLC	[a]	DP083113OAC		Restructuring	(41,010.70)
EDGECAST NETWORKS, INC.		63949	12/31/13	Other Product Development	6,372.00
FIBERMEDIA GROUP, LLC.		0100752	12/16/13	MIS-IT	3,117.00
FLUIK ENTERTAINMENT INC.		000065	1/5/14	Other Product Development	268.01
FRANK, RIMERMAN + CO. LLP		95818APR	12/18/13	Restructuring	2,592.50
FRANK, RIMERMAN + CO. LLP		95818AUG	12/18/13	Restructuring	1,807.50
FRANK, RIMERMAN + CO. LLP		95818FEB	12/18/13	Restructuring	1,980.00
FRANK, RIMERMAN + CO. LLP		95818JAN	12/18/13	Restructuring	3,977.50
FRANK, RIMERMAN + CO. LLP		95818JUL	12/18/13	Restructuring	8,920.00
FRANK, RIMERMAN + CO. LLP		95818JUN	12/18/13	Restructuring	11,515.00
FRANK, RIMERMAN + CO. LLP		95818MAR	12/18/13	Restructuring	2,495.00
FRANK, RIMERMAN + CO. LLP		95818MAY	12/18/13	Restructuring	8,065.00
FRANK, RIMERMAN + CO. LLP		99450NOV	1/17/14	Restructuring	3,920.50
FRANK, RIMERMAN + CO. LLP		99450OCT	1/17/14	Restructuring	2,550.00
FRANK, RIMERMAN + CO. LLP		99450SEP	1/17/14	Restructuring	572.50
GAME CENTER GROUP, LLC		135	1/1/14	Other Product Development	5,688.93
GOOGLE, INC.		2637551472	12/30/13	Other Product Development	65.00
HUDSON FIBER NETWORK		37388452	10/16/13	MIS-IT	2,247.25
HUDSON FIBER NETWORK		37696637	11/16/13	MIS-IT	2,409.29
HUDSON VALLEY COMPUTER SERVICES LLC		757	1/7/14	Consultant	8,201.00
HUDSON VALLEY COMPUTER SERVICES LLC [b]		022113C		Consultant	(7,000.00)
INTERACTIVE GAME GROUP, LLC		81298A1311	12/15/13	Royalty	12,734.65
JOHN KAUDERER		ATARI004	1/22/14	Consultant	600.00
LAW OFFICE OF CHUN T. WRIGHT, PLLC		1291	1/5/14	Legal	630.00
MARKS PANETH & SHRON LLP	[a]	374681	11/14/13	Restructuring	10,499.00
MARKS PANETH & SHRON LLP	[a]	376472	11/23/13	Restructuring	8,751.00
MARKS PANETH & SHRON LLP	[a]	374681OAC		Restructuring	(8,399.20)
MARKS PANETH & SHRON LLP	[a]	376472OAC		Restructuring	(7,000.80)
MATTHEW LABUNKA		9	1/28/14	Consultant	393.32
MCGRAW COMMUNICATIONS		675644	11/16/13	MIS-IT	1,210.36
MCGRAW COMMUNICATIONS		684608	12/16/13	MIS-IT	1,209.43
MICROSOFT CORPORATION		81102B1309POST	12/5/13	Royalty	4,740.33
MY MEDIABOX		SUP7037692	12/31/13	Advertising/Marketing	1,100.00
NEW MOMENTUM, INC.		1448	12/27/13	Legal	6,666.67
OHM SYSTEMS, INC.		4047	1/18/14	Consultant	1,800.00
OLSHAN FROME WOLOSKY LLP		173309	12/15/13	Legal	58,280.21
PERELLA WEINBERG PARTNERS LLP	[a]	3680820208	10/9/13	Restructuring	800,000.00
PERELLA WEINBERG PARTNERS LLP	[a]	3680820209	11/3/13	Restructuring	850,146.00
PERELLA WEINBERG PARTNERS LLP		3680820210	12/18/13	Restructuring	50,100.00
PERELLA WEINBERG PARTNERS LLP		3680820211	12/20/13	Restructuring	50,000.00

PERELLA WEINBERG PARTNERS LLP	[a]	083680878208	11/16/13	Restructuring	(800,000.00)
PROTIVITI INC	[a]	9513	11/16/13	Restructuring	41,890.20
PROTIVITI INC		9569	12/12/13	Restructuring	19,854.00
PROTIVITI INC		9652	1/17/14	Restructuring	16,417.50
PROTIVITI INC	[a]	9513OAC		Restructuring	-33,520.90
QUANTIC DREAM		81037A1309	12/05/13	Royalty	2,475.83
RACKSPACE MANAGED HOSTING		100990655	01/04/14	MIS-IT	27,240.45
SONY DADC AUSTRIA AG		2226780	01/03/14	Manufacturing (COGS)	2,512.92
SONY DADC AUSTRIA AG		2226782	01/03/14	Manufacturing (COGS)	1,774.82
SYMANTEC		200288467	12/31/13	MIS-IT	326.62
TVR ENGINEERING LIMITED		810897A1306POST	08/29/13	Royalty	131.44
UNITED PARCEL SERVICE (MAIN)		000072824W473	12/20/13	Office Expense	130.84
UNITED PARCEL SERVICE (MAIN)		000072824W483	12/20/13	Office Expense	91.43
UNITED PARCEL SERVICE (MAIN)		000072824W493	12/22/13	Office Expense	50.41
UNITED PARCEL SERVICE (MAIN)		000072824W503	12/29/13	Office Expense	22.00
UNITED PARCEL SERVICE (MAIN)		000072824W513	01/05/14	Office Expense	81.52
US TRUSTEE		0811310176Q3C		Restructuring	-650.00
VERIZON (MAIN)		9715828783	12/16/13	MIS-IT	456.04
VITAL RECORDS INC		0224227IN	12/30/13	MIS-IT	1,243.45
VOLKSWAGEN AG		81114B1306POST	07/30/13	Royalty	326.92
VOLKSWAGEN AG		81114B1309	10/30/13	Royalty	410.81
WEEKS-LERMAN GROUP LLC		INV1940573	12/06/13	Office Expense	156.80
WEEKS-LERMAN GROUP LLC		INV1967508	01/03/14	Office Expense	536.78
WEEKS-LERMAN GROUP LLC		INV1969146	01/04/14	Office Expense	87.03
WEEKS-LERMAN GROUP LLC		INV1969242	01/04/14	Office Expense	65.22
WILLIAM B MEYER INC		0069964	12/30/13	Office Expense	200.00
WILLIAM B MEYER INC		0070844	12/30/13	Office Expense	1,807.87
WILLIAM B MEYER INC		611645	12/31/13	Office Expense	1,774.91
ABU-GHAZALEH INTELLECTUAL PROPERTY (AGIP)		2013161305	12/20/13	Legal	1,821.47
AGENCY INTELS LATVIA		21399LV	10/05/13	Legal	1,250.00
BIOWARE CORPORATION		81303A1309POST	12/14/13	Royalty / Licensing	80,753.06
CHRIS SAWYER		80180A1309	12/29/13	Royalty / Licensing	3,563.77
CHRIS SAWYER		80182A1309	12/29/13	Royalty / Licensing	3,563.76
CHRIS SAWYER		80184A1309	12/29/13	Royalty / Licensing	3,563.76

Total Post-petition Accounts Payable (Trade)

\$ 1,935,100.70

[a] Represents the 20% holdback

[b] Represents a deposit made by Debtor, to be applied to the final invoice.

In re Atari, Inc., et al.
Debtor

Case No. 13-10176
Reporting Period: 12/1/13-12/23/13

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	\$ 297,529
Plus: Amounts billed during the period	(437,417)
Less: Amounts collected during the period	864,756
Total Accounts Receivable at the end of the reporting period	\$ (1,004,644)

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
Retail A/R	\$ -	\$ -	\$ -	\$ 599,520	599,520
Royalty A/R	-	-	-	-	-
Total Accounts Receivable	-	-	-	599,520	599,520
Less: Bad Debts (Amount considered uncollectible)					1,604,163
Net Accounts Receivable	\$ -	\$ -	\$ -	\$ 599,520	\$ (1,004,643)

In re Atari, Inc., et al.
Debtor

Case No. 13-10176
Reporting Period: 12/1/13-12/23/13

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
Keller, Kristen J.	Payroll	\$ 12,139	\$ 267,050
Keller, Kristen J.	Vacation payout	\$ -	\$ 18,207
Keller, Kristen J.	Mgmt Loyalty	\$ -	\$ 189,152
Mattes, Robert	Payroll	-	\$ 119,792
Mattes, Robert	Vacation payout	-	\$ 13,269
Mattes, Robert	Mgmt Loyalty	-	\$ 149,501
Wilson, James W.	Payroll	-	\$ 239,472
Wilson, James W.	Mgmt Loyalty	-	\$ 275,878
Keller, Kristen J.	Travel & Exp	860	\$ 3,227
Wilson, James W.	Travel & Exp	-	\$ 3,292
Mattes, Robert	Travel & Exp	-	\$ 1,530
TOTAL PAYMENTS TO INSIDERS		\$ 12,999	\$ 1,280,370

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
Akin Gump Strauss Hauer & Feld LLP	2/15/2013	\$ -	\$ -	\$ 2,877,894	\$ 528,684
Perella Weinberg Partners LP	2/15/2013	-	\$ -	713,597	1,000,246
Protiviti Inc.	2/15/2013	-	\$ -	737,966	72,843
Hunton Williams LLP	3/21/2013	-	\$ -	218,857	-
Bracewell & Giuliani LLP	3/17/2013	-	\$ -	445,664	-
BMC Group	2/15/2013	-	\$ -	182,366	26,000
Imperial Capital Loan Trading, LLC (Collateral Agent)			\$ -	5,000	-
Cooley LP [a]	2/15/2013	-	\$ -	829,894	226,667
Duff & Phelps Securities LLC [a]	2/15/2013	-	\$ -	248,239	259,843
TOTAL PAYMENTS TO PROFESSIONALS		\$ -	\$ -	\$ 6,259,477	\$ 2,114,283

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

[a] Official Committee of Unsecured Creditors Professional

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
Alden Global Value Recovery Master Fund, LP	\$ -	\$ -	\$ -
475 Building Company	26,843	26,843	-
	-	-	-
	-	-	-
	-	-	-
TOTAL PAYMENTS		\$ 26,843	\$ -

In re Atari, Inc., et al.

Debtor

Case No. 13-10176

Reporting Period: 12/1/13-12/23/13

DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		✓
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?	✓	
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		✓
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		✓
5	Is the Debtor delinquent in paying any insurance premium payment?		✓
6	Have any payments been made on pre-petition liabilities this reporting period?	✓	
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		✓
8	Are any post petition payroll taxes past due?		✓
9	Are any post petition State or Federal income taxes past due?		✓
10	Are any post petition real estate taxes past due?		✓
11	Are any other post petition taxes past due?		✓
12	Have any pre-petition taxes been paid during this reporting period?		✓
13	Are any amounts owed to post petition creditors delinquent?	✓	
14	Are any wage payments past due?		✓
15	Have any post petition loans been received by the Debtor from any party?	✓	
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		✓
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?	✓	
18	Have the owners or shareholders received any compensation outside of the normal course of business?		✓

Explanations

(13) Certain post petition amounts are past due because of untimely receipt of invoices and supporting documents. Amounts will be paid upon review and approval of such invoices.

(17) Certain post petition amounts related to fees and expenses of estates' professionals remain unpaid.