

Hearing Date: March 11, 2014 at 10:00 a.m. (prevailing Eastern Time)
Objection Deadline: February 14, 2014 at 5:00 (p.m.) (prevailing Eastern Time)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: ATARI, INC., <i>et al.</i> , <div style="text-align: right;">Reorganized Debtors.¹</div>	}	Chapter 11 Case No. 13-10176 (JMP) (Jointly Administered)
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**COVER SHEET FOR THE THIRD INTERIM AND FINAL APPLICATION OF
PROTIVITI, INC., FINANCIAL ADVISOR TO THE DEBTORS AND DEBTORS IN
POSSESSION, FOR ALLOWANCE OF COMPENSATION AND REIMBURSEMENT
OF EXPENSES FOR SERVICES RENDERED DURING THE PERIOD
JANUARY 21, 2013 THROUGH DECEMBER 24, 2013**

Name of Applicant:	Protiviti Inc.
Authorized to Provide Professional Services to:	Debtors and Debtors in Possession
Date of Retention:	February 15, 2013 (<i>nunc pro tunc</i> to January 21, 2013)
Period for Which Compensation and Reimbursement is Sought:	On an interim basis, September 1, 2013 through December 24, 2013, (the “ <i>Third Interim Compensation Period</i> ”); on a final basis January 21, 2013 through December 24, 2013 (the “ <i>Compensation Period</i> ”)
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$125,526.00 (Third Interim Compensation Period) <u>\$793,325.20 (Compensation Period)</u>

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

Amount of Expense Reimbursement Sought as \$2,053.07 (Third Interim Compensation
Actual and Necessary: Period)
\$38,701.00 (Compensation Period)

This is an interim X final application

Monthly Fees During the Third Interim Compensation Period:

Time Period	Fees	Expenses	Status
September 1, 2013 through September 30, 2013	\$41,846.50	\$43.70	Pending. Pursuant to the Compensation Order, Protiviti has received payment of 80% of the fees and 100% expenses requested.
October 1, 2013 through October 31, 2013	\$19,789.50	\$64.50	Pending. Pursuant to the Compensation Order, Protiviti has received payment of 0% of the fees and 0% expenses requested.
November 1, 2013 through November 30, 2013	\$16,417.50	\$0.00	Pending. Pursuant to the Compensation Order, Protiviti has received payment of 0% of the fees and 0% expenses requested.
December 1, 2013 through December 24, 2013	\$47,472.50	\$1,944.87	Pending. Pursuant to the Plan (defined below), Protiviti is requesting allowance of 100% of the fees and expenses requested.
TOTAL	\$125,526.00	\$2,053.07	

Timekeeper Summary:

<u>Timekeeper</u>	<u>Status</u>	<u>Hours</u>	<u>Rate [1]</u>	<u>Value</u>
Davis, Guy A.	Managing Director	75.9	\$ 501.0	\$ 38,024.00
Lyons, John K.	Managing Director	9.6	522.0	5,011.20
Williams, Heather G.	Associate Director	4.0	370.0	1,480.00
Koehler, Justin F.	Senior Manager	235.8	343.6	81,010.80
		<u>325.3</u>		<u>\$ 125,526.00</u>

[1] Average hourly rate. Includes non-chargeable travel time.

Compensation by Project Category:

<u>Code</u>	<u>Description</u>	<u>Hours</u>	<u>Value</u>
443	Case Administration	1.7	\$ 952.00
444	Claims Administration and Objections	8.2	3,965.00
446	Prepare Fee / Employ Apps	8.7	3,116.40
451	Plan and Disclosure	275.0	108,249.90
459	Tax Consulting	9.6	5,011.20
468	Prepare For/Attend Hearings	4.6	2,576.00
469	Travel Time @ No Charge	13.0	-
472	Monthly Operating Reports / Trustee Accounting	4.5	1,655.50
		<u>325.3</u>	<u>\$ 125,526.00</u>

Schedule of Disbursements:

<u>Description</u>	<u>Amount</u>
Out-of-Town Air Travel	\$ 1,076.80
Out-of-Town Lodging	686.27
Out-of-Town Ground Transportation	151.80
Court Call for Atari Hearing	30.00
Copying	108.20
	<u>\$ 2,053.07</u>

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

ATARI, INC., *et al.*,

Reorganized Debtors.²

) Chapter 11

) Case No. 13-10176 (JMP)

) (Jointly Administered)

**THIRD INTERIM AND FINAL APPLICATION OF PROTIVITI, INC., FINANCIAL
ADVISOR TO THE DEBTORS AND DEBTORS IN POSSESSION, FOR ALLOWANCE
OF COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR SERVICES
RENDERED DURING THE PERIOD FROM JANUARY 21, 2013
THROUGH DECEMBER 24, 2013**

TO THE HONORABLE JAMES M. PECK,
UNITED STATES BANKRUPTCY JUDGE:

By this Application, Protiviti seeks: (i) final allowance and award of compensation for the professional services rendered by Protiviti during the period January 21, 2013 (the “*Protiviti Retention Date*”) through December 24, 2013 (“*Compensation Period*”) in the amount of \$793,325.20, and reimbursement of Protiviti’s actual and necessary expenses incurred during the Compensation Period in connection with rendition of such professional services in the amount of \$38,701.00, which amounts include \$125,526.00 in fees and \$2,053.07 in expenses in connection with the professional services rendered during the period September 1, 2013 through December 24, 2013 (the “*Third Interim Compensation Period*”); and (ii) payment, subject to and in accordance with the terms of the Deferred Payment Agreement, of all outstanding fees and expenses incurred in connection with the rendering of services to the Debtors during the

² The Reorganized Debtors are Atari, Inc., Atari Interactive, Inc., Humongous, Inc., and California U.S. Holdings, Inc.

Compensation Period the aggregate amount of \$131,287.01.³ In support of this Application, Protiviti respectfully represents as follows:

I. Jurisdiction, Venue and Predicates for Relief

1. The Court has jurisdiction over this Application pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference M-431*, dated January 31, 2012 (Preska, C.J.). Venue of these cases and the Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. The predicates for the relief requested herein are (a) sections 328, 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”), (b) Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (c) Rule 2016-1 of the Local Rules (the “Local Rules”) for the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court” or the “Court”), (d) General Order M-389, *Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases* adopted by the Bankruptcy Court November 25, 2009 (the “Local Guidelines”), (e) 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 (the “U.S. Trustee Guidelines,” and with the Local Guidelines, the “Guidelines”), and (f) the *Order Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals* [Docket No. 81] (the “Interim Compensation Order”).

³ Pursuant to the Deferred Payment Agreement (the “*Agreement*”) entered into as of the Effective Date by and among the Debtors and each of the Professionals (as defined in the Agreement) party thereto, Protiviti has agreed that the Debtors may defer payment of a portion of Protiviti’s fees and expenses incurred during the Compensation Period in the aggregate amount of \$22,830 (the “*Deferred Amount*”) until the earliest to occur of (i) the occurrence of a Liquidity Event (as defined in the Agreement), (ii) October 1, 2014 and (iii) a breach, repudiation or denial by the Reorganized Debtors or Atari S.A. of any term or provision of the Agreement; *provided* that in the event of any such breach, the Reorganized Debtors and/or Atari S.A., as applicable, shall, upon becoming aware of such breach, provide written notice of such breach to Protiviti within five (5) days from the date of becoming aware of such breach, and shall have fifteen (15) days from the date of delivery of such notice, to cure such breach to the reasonable satisfaction of Protiviti.

II. Factual Background

A. The Debtors' Chapter 11 Cases

3. On January 21, 2013 (the "Petition Date"), each of the Debtors filed with the Bankruptcy Court their respective voluntary petitions for relief under chapter 11 of the Bankruptcy Code, commencing the above-captioned chapter 11 cases. By an order [Docket No. 27] entered on January 24, 2013, the Debtors' chapter 11 cases were consolidated for procedural purposes only and were being jointly administered pursuant to Bankruptcy Rule 1015(b) during the pendency of the chapter 11 cases.

4. On February 6, 2013, the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed the official committee of unsecured creditors (the "Creditors' Committee"). No other statutory committee, trustee, or examiner was appointed during the pendency of the cases.

5. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or an examiner has been made in these cases and no statutory committees have been appointed or designated.

6. A description of the Debtors' businesses, the reasons for filing these chapter 11 cases and the relief sought from this Court to allow for a smooth transition into operations under chapter 11 is set forth in the *Declaration of Robert A. Mattes (I) In Support of Chapter 11 Petitions and First Day Motions and (II) Pursuant to Local Bankruptcy Rule 1007-2* [Docket No.16] (the "First Day Declaration"), which was filed on January 22, 2013.

7. On September 20, 2013, the Debtors filed the *Debtors' Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code* [Docket No. 379] (the "Plan").

8. On October 25, 2013, the Debtors filed the *Amended Disclosure Statement for the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 435] (the "Disclosure Statement").

9. On October 29, 2013, the Court entered an order [Docket No. 438] approving the Disclosure Statement and scheduling a hearing on confirmation of the Plan.

10. On December 5, 2013, the Court entered an order [Docket No. 497] confirming the Plan.

11. On December 24, 2013, the Plan became effective.

B. Retention of Protiviti, Inc.

12. On January 31, 2013, the Debtors filed the *Application of the Debtors and Debtors-in-Possession to Employ and Retain Protiviti Inc. as Their Financial Advisor* [Docket No. 46] (the "Retention Application"). On February 15, 2013, this Court entered the *Order Authorizing the Employment and Retention of Protiviti Inc. as Financial Advisor to the Debtors* [Docket No. 80] (the "Retention Order").

13. The terms of Protiviti's retention and employment are set forth in the Retention Application and were approved by the Court in the Retention Order. Protiviti charges professional fees on an hourly basis at rates that are based on the seniority and expertise of Protiviti's consultants and staff. Protiviti also charges for actual and necessary out-of-pocket expenses including but not limited to copying, travel, out-going facsimile, overnight mail, computer research and other disbursements.

**III. Compliance with Guidelines and the Interim Compensation Order
Governing Applications for Compensation and Reimbursement of Expenses**

14. This Application has been prepared in accordance with the Guidelines and the Interim Compensation Order. A certification regarding compliance with the Guidelines and the Interim Compensation Order is attached hereto as **Exhibit H**.

15. On February 15, 2013, the Bankruptcy Court entered the Interim Compensation Order. The Interim Compensation Order authorizes Protiviti and other retained professionals to serve the Debtors and each notice party (“Notice Party”) identified in the Interim Compensation Order with a monthly fee statement (the “Monthly Fee Statement”). After the expiration of a fifteen (15) day objection period, if no objections are filed, the Debtors are authorized and required to pay eighty percent (80%) of the requested fees and one hundred percent (100%) of the requested expenses. During the Third Interim Compensation Period, Protiviti submitted the following Monthly Fee Statements to the Debtors and each of the Notice Parties⁴:

- a) On October 21, 2013, pursuant to the Interim Compensation Order, Protiviti served its Monthly Fee Statement for the period from September 1, 2013 through September 30, 2013 [Docket No. 419] (the “Eighth Monthly Fee Statement”). Through the Eighth Monthly Fee Statement, Protiviti sought allowance of \$41,846.50 as compensation for services rendered to the Debtors and reimbursement of \$43.70 in expenses charged to the Debtors. As of the date hereof, Protiviti has received payment of \$33,956.30 in fees and \$43.70 in expenses from the Debtors pursuant to the Eighth Monthly Fee Statement. A true and complete copy of the Eighth Monthly Fee Statement is attached hereto as **Exhibit A**.
- b) On November 20, 2013, pursuant to the Interim Compensation Order, Protiviti served its Monthly Fee Statement for the period from October 1, 2013 through October 30, 2013 [Docket No. 475] (the “Ninth Monthly

⁴ Exhibits A-C includes invoices from the Monthly Fee Statements (as defined herein). The invoices for the periods covered by the prior interim fee applications are available on the official website of the Court at <https://ecf.nysb.uscourts.gov> or on the Debtors’ website for these Cases at www.bmcgroup.com/atari or upon request to Protiviti.

Fee Statement”). Through the Ninth Monthly Fee Statement, Protiviti sought allowance of \$19,789.50 as compensation for services rendered to the Debtors and reimbursement of \$64.50 in expenses charged to the Debtors. As of the date hereof, Protiviti has received payment of \$0 in fees and \$0 in expenses from the Debtors pursuant to the Ninth Monthly Fee Statement. A true and complete copy of the Ninth Monthly Fee Statement is attached hereto as **Exhibit B**.

- c) On December 20, 2013, pursuant to the Interim Compensation Order, Protiviti served its Monthly Fee Statement for the period from November 1, 2013 through November 30, 2013 [Docket No. 516] (the “Tenth Monthly Fee Statement”). Through the Tenth Monthly Fee Statement, Protiviti sought allowance of \$16,417.50 as compensation for services rendered to the Debtors. As of the date hereof, Protiviti has received payment of \$0 in fees from the Debtors pursuant to the Tenth Monthly Fee Statement. A true and complete copy of the Tenth Monthly Fee Statement is attached hereto as **Exhibit C**.

16. Additionally, pursuant to the Plan, for the period from December 1, 2013 through December 24, 2013, Protiviti is requesting allowance of \$47,472.50 as compensation for services rendered to the Debtors and reimbursement of \$1,944.87 in expenses charged to the Debtors (“December Invoice”). On January 23, 2014, Protiviti submitted the December Invoice to the Debtors. As of the date hereof, Protiviti has received payment of \$0 in fees and \$0 in expenses from the Debtors for the December Invoice. A true and complete copy of is the December Invoice is attached hereto as **Exhibit D**.

17. Protiviti prepared and had served the Monthly Fee Statements in accordance with the Guidelines and the Interim Compensation Order. As of the date of this Application, none of the Notice Parties (as defined in the Interim Compensation Order) have objected to the Monthly Fee Statements.

IV. Request for Compensation and Reimbursement

18. This Application is the third interim and final fee application filed by Protiviti in its capacity as financial advisor to the Debtors in these chapter 11 cases and the Application covers the Compensation Period of January 21, 2013 through December 24, 2013, which

includes the Third Interim Compensation Period of September 1, 2013 through and including December 24, 2013. Protiviti performed all services for which it is requesting compensation for, or on behalf of, the Debtors and their estates.

19. By this Application, Protiviti seeks allowance of compensation for professional services rendered to the Debtors during the Third Interim Compensation Period in the aggregate amount of \$125,526.00 and reimbursement of expenses incurred in connection with such services in the aggregate amount of \$2,053.07. During the Third Interim Compensation Period, Protiviti's consultants and staff expended a total of 325.3 hours for which compensation is requested from the Debtors.

20. A schedule setting forth the number of hours expended by each of the managing directors, directors, managers, consultants and staff of Protiviti who rendered services to the Debtors during the Third Interim Compensation Period and their respective hourly rates is attached hereto as **Exhibit E**.

21. Pursuant to the U.S. Trustee Guidelines, a schedule setting forth a description of the project categories utilized in the Debtors' chapter 11 cases and the aggregate fees associated with each project category is attached hereto as **Exhibit F**. Schedules setting forth the categories of expenses for which Protiviti is seeking reimbursement from the Debtors and the total amount of each such expense category for the Debtors are attached hereto as **Exhibit G**.

22. As more fully described below, Protiviti has rendered professional services on behalf of the Debtors in furtherance of its role as financial advisor to the Debtors. As the Court can observe, Protiviti has successfully endeavored to keep its fees and expenses to a minimum relative to the nature and complexity of the Debtors' cases in order to help preserve the assets of these estates.

23. Consistent with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules, Protiviti has received no payment and no promises of payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with these cases, other than compensation previously approved and allowed by order of this Court.

V. Summary of Services Rendered During the Compensation Period

24. During the Third Interim Compensation Period, Protiviti provided professional services to the Debtors in accordance with section 327(a) of the Bankruptcy Code. For the purpose of seeking compensation for the services rendered to the Debtors, Protiviti's consultants and staff have allocated their time entries into categories. Each time entry is identified in Protiviti's time records as relating to a particular category. Protiviti has made a diligent effort to place each time entry into the most appropriate service category, although in a number of instances particular time entries may not fit neatly into a single category. A complete description of the services performed by Protiviti's consultants and staff on a task-by-task basis is set forth in the Monthly Fee Statements that are attached hereto as **Exhibits A-D**.

25. The following descriptions identify the categories of services Protiviti's consultants and staff provided to the Debtors during the Third Interim Compensation Period:

- a. Case Administration (443): Protiviti prepared for and attended one of the Debtors' board meetings to discuss and approve the plan sponsor bid for the remaining Debtors' assets.
- b. Claims Administration and Objections (444): Protiviti assisted the Debtors and the Debtors' counsel in analyzing the claims pool, identifying objectionable claims, and preparing estimates of allowed amounts for plan purposes.

- c. Prepare Fee / Employment Apps (446): This category includes drafting Monthly Fee Statements and the Second Interim Fee Application. During the Third Interim Compensation Period, Protiviti prepared four Monthly Fee Statements and its Second Interim Fee Application.

- d. Plan and Disclosure (451): Protiviti prepared multiple distribution analyses to facilitate plan negotiations between the Debtors, the DIP Lender, the Creditor's Committee and the Plan Sponsor. The analyses included estimates regarding projected cash balances, sponsor funding, wind-down costs, administrative expenses and allowed claims. All parties relied upon the distribution analyses to evaluate the merits of the proposed plan. Protiviti also assisted counsel with exhibits to the Disclosure Statement and Plan. The exhibits included a plan sponsor funding analysis and a liquidation analysis on a debtor by debtor basis. Protiviti assisted counsel through the effective date of the Plan by updating the plan sponsor analysis, reviewing the Debtors' cashflow projections, and negotiating with all the parties on a professional fee deferral schedule. Protiviti prepared for and attended the confirmation hearing.

- e. Tax Consulting (459): Protiviti researched the tax impact of the proposed plan and the ability to utilize net operating losses generated in 2008 and 2009.

- f. Monthly Operating Reports / Trustee Accounting (472): Protiviti assisted the Debtors in preparing August's monthly operating report.

VI. The Requested Compensation Should be Allowed

26. The allowance of interim compensation for services rendered and reimbursement of expenses incurred in bankruptcy cases is expressly provided for in section 331 of the Bankruptcy Code:

[A] debtor's attorney, or any professional person . . . may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered . . . or reimbursement for expenses incurred . . . as is provided under section 330 of this title.

11 U.S.C. § 331.

27. Additionally, section 330(a)(1) of the Bankruptcy Code provides that the Court may award a professional person employed under section 327 or 1103 of the Bankruptcy Code:

- (A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, ombudsman, professional person, or attorney and by any paraprofessional person employed by any such person; and
- (B) reimbursement for actual, necessary expenses.

11 U.S.C. § 330(a)(1)(A)-(B). Section 330(a)(3) of the Bankruptcy Code further provides the following standards for the Court's review of a fee application:

In determining the amount of reasonable compensation to be awarded to an examiner, trustee under chapter 11, or professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including--

- (A) the time spent on such services;
- (B) the rates charged for such services;

- (C) whether the services were necessary to the administration of, or beneficial at the time the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and
- (F) whether the compensation is reasonable, based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3)(A)-(F).

28. The Second Circuit, in evaluating the reasonableness of a requested fee, has adopted the twelve-factor test of *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714 (5th Cir. 1974), which includes factors such as the time and labor involved; the novelty and difficulty of the questions; the skills requisite to perform the legal service properly; the fee customarily charged in the locality; the amount involved and the results obtained; experience, reputation and ability of the attorneys; and awards in similar cases. *See United States Football League v. Nat'l Football League*, 887 F.2d 408, 425 (2d Cir. 1989) (awarding attorney's fees in connection with an antitrust suit); *see also In re Drexel Burnham Lambert Group, Inc.*, 133 B.R. 13, 21-22 (Bankr. S.D.N.Y. 1991) ("In determining the 'reasonableness' of the requested compensation under § 330, Bankruptcy Courts now utilize the 'lodestar' method"). The reasonableness of a compensation request is determined by taking into account the nature, extent and value of the services provided by the professional and the cost of comparable services. *See Colbert v. Furumoto Realty, Inc.*, 144 F. Supp. 2d 251, 260 (S.D.N.Y. 2001).

29. Congress intended that bankruptcy professionals be compensated at market rates for comparable services in non-bankruptcy cases. *See In re Ames Dept. Stores, Inc.*, 76 F.3d 66, 71 (2d Cir. 1996), *overruled in part on other grounds, Lamie v. United States Trustee*, 540 U.S. 526 (2004); *see also In re Drexel Burnham Lambert Group, Inc.*, 133 B.R. at 22. The policy of Bankruptcy Code section 330 is to ensure that qualified professionals will “not be deterred from taking bankruptcy cases due to a failure to pay adequate compensation.” *In re Ames Dept. Stores, Inc.*, 76 F.3d at 72.

30. The Court’s determination of the reasonableness of the services provided should be done in an “objective manner, based upon what services a reasonable lawyer or legal firm would have performed” *In re Ames Dept. Stores, Inc.*, 76 F.3d at 72; *see also In re Drexel Burnham Lambert Group, Inc.*, 133 B.R. at 23 (“[T]he appropriate perspective for determining the necessity of the activity should be prospective: hours for an activity or project should be disallowed *only* where a Court is convinced it is readily apparent that no reasonable attorney should have undertaken that activity or project or where the time devoted was excessive”) (emphasis added). Moreover, in passing upon the reasonableness of hours expended, courts should be mindful of the “practical judgments, often with severe time constraints [professionals make] on matters of staffing, assignments, coverage of hearings and meetings, and a wide variety of similar matters.” *In re Drexel Burnham Lambert Group, Inc.*, 133 B.R. at 23. These judgments are presumed to be made in good faith. *See id.*

31. Protiviti respectfully submits that it has satisfied the requirements for the allowance of the compensation and the reimbursement of the expenses sought herein. Protiviti respectfully submits that the services described above and as are set forth with particularity in **Exhibits A-H** were, at the time rendered, believed necessary for, beneficial to, and in the best

interests of the Debtors and parties in interest. Protiviti further submits that the compensation requested herein is reasonable in light of the nature, extent and value of the services to the Debtors. Furthermore, the compensation sought by Protiviti is reasonable because it is based on the customary compensation charged by comparably skilled practitioners outside of bankruptcy. In sum, the services rendered by Protiviti 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, and approval of the compensation requested herein is warranted.

32. Protiviti's consultants and staff have devoted 325.3 hours of time advising and assisting the Debtors during the Third Interim Compensation Period. The rates charged by Protiviti are consistent with the customary hourly rates charged to clients both inside and outside of the bankruptcy context. Protiviti represents and would demonstrate that the hourly rates charged by Protiviti are comparable to or lower than the rates charged by other financial advisory firms in the New York market, when taking into account the skill and expertise required in the performance of similar services rendered by other experienced bankruptcy counsel and other professionals in matters of this type. The hourly rates for the individual consultants and staff listed in this Application are consistent with the normal and customary rates charged to clients involved in this size and type of case, and Protiviti submits that those rates and fees are similar to or lower than those charged for like services performed by other firms of a size and expertise comparable to that of Protiviti.

33. The time and attention Protiviti professionals have devoted to these cases likely could have been spent in assisting other clients at similar or higher hourly rates. Protiviti expected at the onset of this engagement to be compensated in accordance with the hourly rates set forth herein, subject to approval of its fees and expenses by this Court.

VII. Disbursements

34. Section 330(a)(1)(B) of the Bankruptcy Code authorizes “reimbursement for actual, necessary expenses” incurred by professionals employed in these chapter 11 cases. *See* 11 U.S.C. § 330(a)(1)(B). Protiviti only seeks reimbursement for actual costs incurred in-house and by third-party vendors. Accordingly, as set forth in **Exhibit G** annexed hereto, Protiviti seeks reimbursement of expenses incurred in rendering services to the Debtors during the Compensation Period.

VIII. Notice

35. Protiviti has (a) provided notice of this Application to: (i) the Reorganized Debtors, Atari, Inc., 475 Park Avenue South, 12th Floor, New York, New York 10016 (Attn.: Kristen Keller, Executive Vice President and General Counsel); (ii) counsel to the Debtors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036 (Attn.: Ira S. Dizengoff, Esq. and Kristine Manoukian Esq.) and Robert S. Strauss Building, 1333 New Hampshire Avenue, N.W., Washington, District of Columbia 20036 (Attn.: Scott L. Alberino, Esq.); (iii) counsel to the DIP Lender, Bracewell & Giuliani LLP, 1251 Avenue of the Americas, 49th Floor, New York, New York 10020 (Attn.: Robert G. Burns, Esq. and Andrew J. Schouder, Esq.); (iv) counsel to the Committee, Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036 (Attn.: Cathy Hershcopf, Esq. and Jeffrey Cohen, Esq.); (v) the U.S. Trustee, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn.: Richard C. Morrissey, Esq.); (vi) Allen & Overy LLP, 1221 Avenue of the Americas, New York, New York 10020 (Attn: Ken Coleman, Esq.), counsel for Atari, S.A.; (vii) the Internal Revenue Service; (viii) the New York State Attorney General; (ix) Atari, S.A., 475 Park Avenue South, 12th Floor, New York, New York 10016 (Attn: Frederic Chesnais, CEO); (x) counsel to the Reorganized Debtors, Olshan Frome Wolosky LLP, Park Avenue Tower, 65 East 55th Street, New York, NY

10022 (Attn: Michael Fox, Esq. and Jordanna Nadritch, Esq.); and (xi) those persons or entities who have formally appeared and requested service in these chapter 11 cases pursuant to Bankruptcy Rule 2002; and (b) made the Application available to any party in interest upon request.

IX. No Prior Request

36. Except for the prior interim fee applications, Protiviti has not made a prior request to this or any other Court for payment of fees and reimbursement of expenses for the Compensation Period.

X. Conclusion

WHEREFORE, Protiviti respectfully requests that the Court enter an order (i) granting final allowance and approval of compensation for the professional services rendered to the Debtors in the amount of \$793,325.20, and reimbursement of expenses charged to the Debtors in the amount of \$38,701.00 during the Compensation Period, (ii) authorizing and directing the Debtors to pay Protiviti (to the extent previously not paid pursuant to the Interim Compensation Order and subject to and in accordance with the terms of the Deferred Payment Agreement) the sum of \$131,287.01 for outstanding fees and expenses incurred in connection with the rendering of services to the Debtors during the Compensation Period, (iii) authorize and direct the Reorganized Debtors to pay the fees and expenses requested in this Application (less any amounts previously paid by the Debtors, and subject to and in accordance with the terms of the Deferred Payment Agreement) and to release the funds held in the Professional Fee Escrow Account (as defined in the Plan) in satisfaction of such fees and expenses, and (iv) granting such other and further relief to Protiviti as this Court may deem necessary and appropriate.

Dated: January 24, 2014
Richmond, Virginia

Respectfully submitted,

PROTIVITI, INC

/s/ Guy A. Davis

Guy A. Davis

1051 East Cary Street, Suite 602

Richmond, Virginia 23219

(804) 644-7000

*Financial Advisor for Debtors and
Debtors-in-Possession*

EXHIBIT A

**EIGHTH MONTHLY FEE STATEMENT FOR THE PERIOD
SEPTEMBER 1, 2013 THROUGH SEPTEMBER 30, 2013**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**EIGHTH MONTHLY FEE STATEMENT OF PROTIVITI INC.,
FINANCIAL ADVISOR TO THE DEBTORS AND DEBTORS IN POSSESSION,
FOR THE PERIOD OF SEPTEMBER 1, 2013 THROUGH SEPTEMBER 30, 2013**

Name:	Protiviti Inc.
Authorized to Provide Professional Services to:	Atari Inc., <i>et al.</i>
Date of Order Authorizing Employment:	February 15, 2013
Period Covered by Monthly Statement:	September 1, 2013 through September 30, 2013
100% of Fees Invoiced to Atari Inc.:	\$41,846.50
80% of Fees Invoiced to Atari Inc.:	\$33,477.20
100% of Expenses Invoiced to Atari Inc.:	\$43.70
Total Hours Billed to Atari Inc.:	106.5 Hours
Name and Applicable Billing Rate of Each Professional Billing to Atari Inc.:	<u>See page 2</u>
Total Hours Billed and Amount of Billing for Each Professional Billing to Atari Inc.:	<u>See page 2</u>

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

1. Protiviti Inc. (“Protiviti”), financial advisor to the above-captioned debtors and debtors in possession (collectively, the “Debtors”), hereby submits this monthly fee statement (the “Monthly Statement”) for the period of September 1, 2013 through September 30, 2013 (the “Statement Period”) for payment of professional services rendered and reimbursement of expenses incurred during the Statement Period pursuant to the Court’s *Order Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals* [Docket No. 81] (the “Fee Order”). In support of this Monthly Statement, Protiviti respectfully represents as follows:

2. In compliance with Paragraph 2(c) of the Fee Order, the table below lists the individuals and their respective titles who provided services to the Debtors during the Statement Period, their respective billing rates, and the aggregate hours expended by each individual:

<u>Individual</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u> [1]	<u>Value</u>
Davis, Guy A.	Managing Director	21.0	\$ 560.00	\$ 11,760.00
Williams, Heather G.	Associate Director	4.0	370.00	1,480.00
Koehler, Justin F.	Senior Manager	81.5	351.00	28,606.50
		<u>106.50</u>	<u>\$ 392.92</u>	<u>\$ 41,846.50</u>

3. The following itemization breaks down the services rendered to the Debtors by Protiviti by category as follows:

<u>Code</u>	<u>Description</u>	<u>Hours</u>
443	Case Administration	1.7
444	Claims Administration and Objections	5.2
446	Prepare Fee/Employment Applications	0.8
451	Plan and Disclosure	94.3
472	Monthly Operating Reports/Trustee Accounting	4.5
		<u>106.5</u>

4. In further compliance with Paragraph 2(c) of the Fee Order, attached hereto as Exhibit A is a reasonably detailed breakdown of the disbursements incurred by Protiviti during the Statement Period when rendering services to the Debtors, and contemporaneously maintained time entries for each individual who rendered services to the Debtors in increments of tenths of an hour during the Statement Period.

5. By this Monthly Statement, Protiviti respectfully requests payment in accordance with Paragraph 2(e) of the Fee Order of eighty percent (80%) of the fees incurred when rendering services to the Debtors, \$33,477.20, and reimbursement of one hundred percent (100%) of the expenses incurred when rendering services to the Debtors, \$43.70, as identified in this Monthly Statement.²

² Protiviti reserves the right to amend the amounts requested in the event that a subsequent review of Protiviti's records reveals that additional professional services were rendered and/or expenses were incurred on behalf of the Debtors during the Statement Period which were not processed in advance of preparation of the Monthly Statement. In the event that such amendments are required, Protiviti reserves the right to serve a supplement to this Monthly Statement and/or seek additional fees and expenses in any fee applications subsequently filed with the Court.

Dated: October 21, 2013
Richmond, Virginia

PROTIVITI INC.

/s/ Guy A. Davis

Guy A. Davis
1051 East Cary Street, Suite 602
Richmond, Virginia 23219
(804) 644-7000

*Financial Advisor for Debtors and
Debtors in Possession*

Exhibit A

Protiviti Inc.
1051 E. Cary Street
Suite 602
Richmond, VA 23219
Tax ID # 04-3661951

REMITTANCE PAGE

Atari Inc.
475 Park Avenue South, 12th Floor
New York, NY 10016

October 17, 2013
Invoice No. 9513
Our File No. R13001
Billing Through: 9/30/13

REGARDING: Atari Inc.

TOTAL FEES	\$41,846.50
TOTAL DISBURSEMENTS	43.70
TOTAL CHARGES FOR THIS BILL	<u><u>\$41,890.20</u></u>

Protiviti Inc.
1051 E. Cary Street
Suite 602
Richmond, VA 23219
Tax ID # 04-3661951

Atari Inc.
475 Park Avenue South, 12th Floor
New York, NY 10016

October 17, 2013
Invoice No. 9513
Our File No. R13001
Billing Through: 9/30/13

REGARDING: Atari Inc.

FOR PROFESSIONAL SERVICES RENDERED

<u>Date</u>	<u>Individual</u>	<u>Procedure</u>	<u>Hours</u>
Task:	443	B - Case Administration	
9/18/13	GAD	Prepare for and attend Atari board meeting.	1.70
	Total for	B - Case Administration	1.70
Task:	444	B - Claims Admin & Objections	
9/11/13	GAD	Conf. call w/ sponsor, council, advisors and sponsorship representatives re claims objection process	0.80
9/12/13	GAD	Conf. call w/ sponsor and counsel re claims objections.	1.50
9/13/13	GAD	Conf. call w/ counsel and client regarding claims classification as defined in disclosure statement.	0.50
9/16/13	GAD	Conf. call re claims objections	0.90
9/18/13	JFK	Review objectionable claims according to committee advisors.	1.50
	Total for	B - Claims Admin & Objections	5.20
Task:	446	B - Prepare Fee/ Employ Apps	
9/19/13	GAD	Prepare monthly fee statement.	0.30
9/19/13	JFK	Prepare August fee application.	0.50
	Total for	B - Prepare Fee/ Employ Apps	0.80
Task:	451	B - Plan & Disclosure	
9/3/13	JFK	Review debtor's cure claim analysis.	1.50
9/4/13	JFK	Review cure claim analysis (1.0) and compare to claims database (0.7).	1.70
9/5/13	JFK	Analyze cashflow analysis re health benefits to respond to Sponsor inquiry.	2.50
9/6/13	JFK	Review sponsor cure claim analysis.	1.50
9/10/13	GAD	Prepare liquidation analysis exhibit for disclosure statements.	1.30
9/10/13	GAD	Review disclosure statement draft.	1.20
9/10/13	JFK	Update plan sponsorship analysis per counsel's request.	2.30
9/10/13	JFK	Prepare liquidation analysis.	2.50
9/10/13	JFK	Review new sponsor requirements re cashflow projections.	3.50
9/11/13	GAD	Conf. call w/ counsel re Revised sponsorship analysis.	1.10
9/11/13	GAD	Review / comment on draft disclosure statement.	0.90
9/11/13	JFK	Review payroll information for inclusion of health benefits for Debtor's projections.	1.30
9/11/13	JFK	Review sponsor's model of cashflow and reconcile to debtor's analysis.	3.50
9/11/13	JFK	Call re: sponsor requirements cashflow model.	0.50
9/11/13	JFK	Update sponsor requirement analysis based on discussions with sponsor.	2.30
9/12/13	GAD	Conf. call w/ counsel re disclosure statement comments.	0.50
9/12/13	JFK	Create liquidation analysis by individual debtor.	4.30
9/12/13	JFK	Review disclosure statement language on debt structure and claims.	1.50
9/12/13	JFK	Update sponsor analysis per counsel's request.	1.00
9/13/13	GAD	Revise disclosure statement language and liquidation analysis.	3.20
9/13/13	GAD	Design financial forecast exhibit for disclosure statement	0.40
9/13/13	JFK	Update disclosure plan document for claim amounts and debt structure.	3.70
9/13/13	JFK	Review Alden secured loan documents for language to use in disclosure statement.	1.50
9/13/13	JFK	Review/revise narrative to accompany disclosure statement liquidation analysis.	1.50
9/13/13	JFK	Create exhibits for disclosure statement and equity commitment letter.	1.70
9/16/13	GAD	Prepare narrative / footnotes re liquidation analysis.	2.10

<u>Date</u>	<u>Individual</u>	<u>Procedure</u>	<u>Hours</u>
9/16/13	JFK	Revise liquidation analysis.	1.30
9/16/13	JFK	Revise sponsor analysis.	1.50
9/16/13	JFK	Review and comment on plan documents.	3.70
9/16/13	JFK	Edit disclosure statement language for liquidation analysis.	2.50
9/17/13	GAD	Draft and edit liquidation analysis and narrative.	2.50
9/17/13	JFK	Review plan confirmation documents.	3.50
9/17/13	JFK	Revise liquidation analysis.	1.50
9/17/13	JFK	Update sponsor analysis.	1.50
9/18/13	JFK	Review plan and disclosure documents to prepare for board meeting.	2.30
9/19/13	GAD	Negotiate and revise Plan terms w/ sponsor.	0.50
9/19/13	GAD	Investigate Atari SA financial condition and ability to pay A/R in Chapter 7 scenario.	0.60
9/19/13	JFK	Review and comment on draft of plan and disclosure statement.	2.30
9/19/13	JFK	Update sponsor analysis for inclusion as an exhibit to disclosure statement.	1.30
9/20/13	JFK	Research intercompany activity and balance data to facilitate plan negotiations with sponsor	1.50
9/20/13	JFK	Update sponsor analysis to provide counsel with exhibit for plan and disclosure statement.	2.50
9/20/13	JFK	Review and comment on draft of disclosure statement.	1.00
9/20/13	JFK	Review and comment on draft plan of reorganization.	0.50
9/24/13	JFK	Research intercompany activity and balance data to facilitate plan negotiations with sponsor	1.00
9/24/13	JFK	Update liquidation analysis footnotes.	2.30
9/25/13	GAD	Revise liquidation analysis for individual debtors.	1.00
9/25/13	JFK	Update liquidation analysis on a consolidated basis for submission in disclosure statement per counsel's request.	3.50
9/26/13	JFK	Update liquidation analysis by debtor for counsel.	1.50
9/27/13	JFK	Review and revise liquidation analysis by debtor.	1.00
9/30/13	JFK	Review and revise liquidation analysis by debtor with counsel.	1.00
9/30/13	JFK	Update liquidation analysis by debtor.	3.50
	Total for	B - Plan & Disclosure	94.30
Task:	472	MORs / Trustee Accounting	
9/16/13	JFK	Revise August MOR.	0.50
9/13/13	HGW	Review MOR. Provide comments / edits to Company.	4.00
	Total for	MORs / Trustee Accounting	4.50
	Total hours for this matter		106.50
DISBURSEMENTS			
9/30/13		Copies - internal for September 2013	43.70
	Total disbursements for this matter		\$43.70

Timekeeper Summary

<u>Name</u>		<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
GAD	Davis, Guy A.	21.00	560.00	11,760.00
HGW	Williams, Heather G.	4.00	370.00	1,480.00
JFK	Koehler, Justin F.	<u>81.50</u>	351.00	<u>28,606.50</u>
	Total fees for this matter	106.50 hrs		\$41,846.50

BILLING SUMMARY

TOTAL FEES	\$41,846.50
TOTAL DISBURSEMENTS	<u>43.70</u>
TOTAL CHARGES FOR THIS BILL	<u><u>\$42,618.70</u></u>

EXHIBIT B

**NINTH MONTHLY FEE STATEMENT FOR THE PERIOD
OCTOBER 1, 2013 THROUGH OCTOBER 31, 2013**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**NINTH MONTHLY FEE STATEMENT OF PROTIVITI INC.,
FINANCIAL ADVISOR TO THE DEBTORS AND DEBTORS IN POSSESSION,
FOR THE PERIOD OF OCTOBER 1, 2013 THROUGH OCTOBER 31, 2013**

Name:	Protiviti Inc.
Authorized to Provide Professional Services to:	Atari Inc., <i>et al.</i>
Date of Order Authorizing Employment:	February 15, 2013
Period Covered by Monthly Statement:	October 1, 2013 through October 31, 2013
100% of Fees Invoiced to Atari Inc.:	\$19,789.50
80% of Fees Invoiced to Atari Inc.:	\$15,831.60
100% of Expenses Invoiced to Atari Inc.:	\$64.50
Total Hours Billed to Atari Inc.:	51.2 Hours
Name and Applicable Billing Rate of Each Professional Billing to Atari Inc.:	<u>See page 2</u>
Total Hours Billed and Amount of Billing for Each Professional Billing to Atari Inc.:	<u>See page 2</u>

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

1. Protiviti Inc. (“Protiviti”), financial advisor to the above-captioned debtors and debtors in possession (collectively, the “Debtors”), hereby submits this monthly fee statement (the “Monthly Statement”) for the period of October 1, 2013 through October 31, 2013 (the “Statement Period”) for payment of professional services rendered and reimbursement of expenses incurred during the Statement Period pursuant to the Court’s *Order Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals* [Docket No. 81] (the “Fee Order”). In support of this Monthly Statement, Protiviti respectfully represents as follows:

2. In compliance with Paragraph 2(c) of the Fee Order, the table below lists the individuals and their respective titles who provided services to the Debtors during the Statement Period, their respective billing rates, and the aggregate hours expended by each individual:

Individual	Title	Hours	Rate	Amount
Davis, Guy A.	Managing Director	8.70	560.00	\$ 4,872.00
Koehler, Justin F.	Senior Manager	42.50	351.00	14,917.50
		<u>51.20</u>	<u>\$ 386.51</u>	<u>\$ 19,789.50</u>

3. The following itemization breaks down the services rendered to the Debtors by Protiviti by category as follows:

Code	Description	Hours
446	Prepare Fee/Employment Applications	1.0
451	Plan and Disclosure	50.2
		<u>51.2</u>

4. In further compliance with Paragraph 2(c) of the Fee Order, attached hereto as Exhibit A is a breakdown of the disbursements incurred by Protiviti during the Statement Period when rendering services to the Debtors, and contemporaneously maintained time entries for each individual who rendered services to the Debtors in increments of tenths of an hour during the Statement Period.

5. By this Monthly Statement, Protiviti respectfully requests payment in accordance with Paragraph 2(e) of the Fee Order of eighty percent (80%) of the fees incurred when rendering services to the Debtors, \$15,831.60, and reimbursement of one hundred percent (100%) of the expenses incurred when rendering services to the Debtors, \$64.50, as identified in this Monthly Statement.²

² Protiviti reserves the right to amend the amounts requested in the event that a subsequent review of Protiviti's records reveals that additional professional services were rendered and/or expenses were incurred on behalf of the Debtors during the Statement Period which were not processed in advance of preparation of the Monthly Statement. In the event that such amendments are required, Protiviti reserves the right to serve a supplement to this Monthly Statement and/or seek additional fees and expenses in any fee applications subsequently filed with the Court.

Dated: November 20, 2013
Richmond, Virginia

PROTIVITI INC.

/s/ Guy A. Davis

Guy A. Davis
1051 East Cary Street, Suite 602
Richmond, Virginia 23219
(804) 644-7000

*Financial Advisor for Debtors and
Debtors in Possession*

Exhibit A

Protiviti Inc.
1051 E. Cary Street
Suite 602
Richmond, VA 23219
Tax ID # 04-3661951

REMITTANCE PAGE

Atari Inc.
475 Park Avenue South, 12th Floor
New York, NY 10016

November 12, 2013
Invoice No. 9569
Our File No. R13001
Billing Through: 10/31/13

REGARDING: Atari Inc.

TOTAL FEES	\$19,789.50
TOTAL DISBURSEMENTS	64.50
TOTAL CHARGES FOR THIS BILL	<u>\$19,854.00</u>

Protiviti Inc.
1051 E. Cary Street
Suite 602
Richmond, VA 23219
Tax ID # 04-3661951

Atari Inc.
475 Park Avenue South, 12th Floor
New York, NY 10016

November 12, 2013
Invoice No. 9569
Our File No. R13001
Billing Through: 10/31/13

REGARDING: Atari Inc.

FOR PROFESSIONAL SERVICES RENDERED

<u>Date</u>	<u>Individual</u>	<u>Procedure</u>	<u>Hours</u>
Task:	446	B - Prepare Fee/ Employ Apps	
10/18/13	JFK	Prepare September fee application.	0.50
10/21/13	JFK	Prepare fee application.	0.50
	Total for	B - Prepare Fee/ Employ Apps	1.00
Task:	451	B - Plan & Disclosure	
10/1/13	GAD	Conf. calls with counsel re Liquidation Analysis.	0.50
10/1/13	JFK	Update liquidation analysis by debtor for plan supplement.	2.50
10/1/13	JFK	Call with counsel re: liquidation plan by debtor and consolidated.	1.00
10/2/13	GAD	Revise Liquidation Analysis. Consider impact of litigation outcome and subcon.	0.50
10/2/13	JFK	Update liquidation analysis by debtor per counsel request.	2.50
10/3/13	JFK	Update liquidation analysis by debtor with counsel comments.	3.50
10/3/13	JFK	Review supplemental exhibits for plan and disclosure statement.	1.50
10/7/13	GAD	Review debtor projection for accuracy (per counsel's request) to be filed w/ Disclosure Statement.	0.80
10/7/13	GAD	Review classification and claim history for Cinram and Alden for Plan purposes per counsel.	1.00
10/7/13	JFK	Review Cinram documents and payment history.	1.50
10/7/13	JFK	Review projection template received from sponsor.	0.50
10/8/13	JFK	Review claim list from BMC. Incorporate into liquidation analysis.	1.50
10/9/13	GAD	Call re projection for Plan. Revise exhibit and distribution analysis.	0.90
10/9/13	JFK	Review projections received from sponsor for exhibit to disclosure statement supplement.	1.00
10/10/13	GAD	Review BMC Ballot, analysis and claims matching as requested by counsel.	0.50
10/10/13	JFK	Review duplicate claims with counsel for balloting purposes.	2.50
10/11/13	JFK	Prepare professional fee analysis per Debtors request.	1.00
10/11/13	JFK	Update liquidation analysis for counsel to submit to UCC for approval.	1.50
10/14/13	JFK	Prepare three scenarios of liquidation analysis per UCC's request.	3.50
10/15/13	JFK	Conference call with counsel re liquidation analysis.	0.50
10/15/13	JFK	Conference call with UCC re liquidation analysis.	0.50
10/15/13	JFK	Update liquidation analysis per UCC's request.	3.50
10/16/13	GAD	Revise Liquidation Analysis per Committee request.	1.00
10/16/13	GAD	Conf. call w/ counsel and Committee re Liquidation Analysis.	0.70
10/16/13	JFK	Update reference footnotes in liquidation analysis.	1.50
10/16/13	JFK	Update liquidation analysis for distribution by counsel.	1.70
10/16/13	JFK	Revise liquidation analysis based on UCC's comments.	1.00

Atari - 00032411

R13001

Invoice No. 9569

<u>Date</u>	<u>Individual</u>	<u>Procedure</u>	<u>Hours</u>
10/17/13	GAD	Revise Disclosure Statement exhibits. (Liquidation analysis ad projections)	0.80
10/17/13	JFK	Revise liquidation analysis for distribution to all parties.	3.50
10/18/13	GAD	Revise Liquidation Analysis based on telecom w/ counsel.	0.80
10/18/13	JFK	Update liquidation analysis for disclosure statement supplement.	2.30
10/24/13	GAD	Revise Disclosure Statement w/ counsel re Cost Benefit of Liquidation.	0.70
10/24/13	GAD	Revise language in Amended Disclosure Statement.	0.50
10/24/13	JFK	Review disclosure statement redline version per counsel request.	1.50
10/28/13	JFK	Prepare documents and analyses for disclosure statement hearing.	1.50
Total for B - Plan & Disclosure			50.20
 Total hours for this matter			 51.20

DISBURSEMENTS

10/31/13	Copies - internal for October 2013	64.50
Total disbursements for this matter		\$64.50

Timekeeper Summary

<u>Name</u>		<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
GAD	Davis, Guy A.	8.70	560.00	4,872.00
JFK	Koehler, Justin F.	42.50	351.00	14,917.50
Total fees for this matter		51.20 hrs		\$19,789.50

BILLING SUMMARY

TOTAL FEES	\$19,789.50
TOTAL DISBURSEMENTS	64.50
TOTAL CHARGES FOR THIS BILL	\$19,854.00

EXHIBIT C

**TENTH MONTHLY FEE STATEMENT FOR THE PERIOD
NOVEMBER 1, 2013 THROUGH NOVEMBER 30, 2013**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**TENTH MONTHLY FEE STATEMENT OF PROTIVITI INC.,
FINANCIAL ADVISOR TO THE DEBTORS AND DEBTORS IN POSSESSION,
FOR THE PERIOD OF NOVEMBER 1, 2013 THROUGH NOVEMBER 30, 2013**

Name:	Protiviti Inc.
Authorized to Provide Professional Services to:	Atari Inc., <i>et al.</i>
Date of Order Authorizing Employment:	February 15, 2013
Period Covered by Monthly Statement:	November 1, 2013 through November 30, 2013
100% of Fees Invoiced to Atari Inc.:	\$16,417.50
80% of Fees Invoiced to Atari Inc.:	\$13,134.00
100% of Expenses Invoiced to Atari Inc.:	\$0.00
Total Hours Billed to Atari Inc.:	40.7 Hours
Name and Applicable Billing Rate of Each Professional Billing to Atari Inc.:	<u>See page 2</u>
Total Hours Billed and Amount of Billing for Each Professional Billing to Atari Inc.:	<u>See page 2</u>

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

1. Protiviti Inc. (“Protiviti”), financial advisor to the above-captioned debtors and debtors in possession (collectively, the “Debtors”), hereby submits this monthly fee statement (the “Monthly Statement”) for the period of November 1, 2013 through November 30, 2013 (the “Statement Period”) for payment of professional services rendered and reimbursement of expenses incurred during the Statement Period pursuant to the Court’s *Order Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals* [Docket No. 81] (the “Fee Order”). In support of this Monthly Statement, Protiviti respectfully represents as follows:

2. In compliance with Paragraph 2(c) of the Fee Order, the table below lists the individuals and their respective titles who provided services to the Debtors during the Statement Period, their respective billing rates, and the aggregate hours expended by each individual:

Individual	Title	Hours	Rate	Amount
Davis, Guy A.	Managing Director	10.20	\$ 560.00	\$ 5,712.00
Koehler, Justin F.	Senior Manager	30.50	351.00	10,705.50
		40.70	\$ 403.38	\$ 16,417.50

3. The following itemization breaks down the services rendered to the Debtors by Protiviti by category as follows:

Code	Description	Hours
444	Claims Admin & Objections	3.0
446	Prepare Fee/Employment Applications	6.4
468	Prepare For/Attend Hearings	4.6
451	Plan and Disclosure	26.7
		40.7

4. In further compliance with Paragraph 2(c) of the Fee Order, attached hereto as

Exhibit A is a breakdown of the disbursements incurred by Protiviti during the Statement Period when rendering services to the Debtors, and contemporaneously maintained time entries for each individual who rendered services to the Debtors in increments of tenths of an hour during the Statement Period.

5. By this Monthly Statement, Protiviti respectfully requests payment in accordance with Paragraph 2(e) of the Fee Order of eighty percent (80%) of the fees incurred when rendering services to the Debtors, \$13,134.00, and reimbursement of one hundred percent (100%) of the expenses incurred when rendering services to the Debtors, \$0.00, as identified in this Monthly Statement.²

² Protiviti reserves the right to amend the amounts requested in the event that a subsequent review of Protiviti's records reveals that additional professional services were rendered and/or expenses were incurred on behalf of the Debtors during the Statement Period which were not processed in advance of preparation of the Monthly Statement. In the event that such amendments are required, Protiviti reserves the right to serve a supplement to this Monthly Statement and/or seek additional fees and expenses in any fee applications subsequently filed with the Court.

Dated: December 20, 2013
Richmond, Virginia

PROTIVITI INC.

/s/ Guy A. Davis

Guy A. Davis
1051 East Cary Street, Suite 602
Richmond, Virginia 23219
(804) 644-7000

*Financial Advisor for Debtors and
Debtors in Possession*

Exhibit A

Protiviti Inc.
1051 E. Cary Street
Suite 602
Richmond, VA 23219
Tax ID # 04-3661951

REMITTANCE PAGE

Atari Inc.
475 Park Avenue South, 12th Floor
New York, NY 10016

December 18, 2013
Invoice No. 9652
Our File No. R13001
Billing Through: 11/30/13

REGARDING: Atari Inc.

TOTAL FEES	\$16,417.50
TOTAL CHARGES FOR THIS BILL	<u>\$16,417.50</u>

Protiviti Inc.
1051 E. Cary Street
Suite 602
Richmond, VA 23219
Tax ID # 04-3661951

Atari Inc.
475 Park Avenue South, 12th Floor
New York, NY 10016

December 18, 2013
Invoice No. 9652
Our File No. R13001
Billing Through: 11/30/13

REGARDING: Atari Inc.

FOR PROFESSIONAL SERVICES RENDERED

<u>Date</u>	<u>Individual</u>	<u>Procedure</u>	<u>Hours</u>
Task:	444	B - Claims Admin & Objections	
11/5/13	JFK	Review claim analysis per debtor request.	0.50
11/8/13	JFK	Review documents for executory contracts for cure claim calculation per debtor request.	0.50
11/12/13	JFK	Review documents for executory contracts for cure claim calculation per debtor request.	0.50
11/26/13	GAD	Review debtor estimate of cure claims.	1.50
	Total for	B - Claims Admin & Objections	3.00
Task:	446	B - Prepare Fee/ Employ Apps	
11/12/13	JFK	Prepare second interim fee application.	2.70
11/12/13	JFK	Prepare October monthly fee application.	1.00
11/13/13	JFK	Revise monthly fee application for October.	0.70
11/14/13	JFK	Revise 2nd interim fee application.	0.50
11/15/13	JFK	Revise 2nd interim fee application.	1.00
11/18/13	JFK	Revise 2nd interim fee application.	0.50
	Total for	B - Prepare Fee/ Employ Apps	6.40
Task:	451	B - Plan & Disclosure	
11/21/13	JFK	Update G. Davis declaration.	1.50
11/22/13	JFK	Review sponsor plan analysis for revision per counsel request.	2.50
11/24/13	GAD	Review/Revise feasibility and liquidation analysis declaration.	0.50
11/25/13	GAD	Review/revise declaration.	1.50
11/25/13	GAD	Update effective date cash flow analysis based on actual collections and claims.	2.10
11/25/13	JFK	Update sponsor analysis for confirmation hearing per counsel request.	4.30
11/25/13	JFK	Update Atari projections per counsel request.	1.50
11/26/13	JFK	Revise plan sponsor analysis (2.5) and projections (2.0) for plan confirmation hearing.	4.50
11/27/13	JFK	Update sponsor analysis.	4.30
11/27/13	JFK	Review updated cashflows from debtor.	1.50
11/27/13	JFK	Update sponsor analysis for confirmation purposes.	2.50
	Total for	B - Plan & Disclosure	26.70

Atari - 00032411 R13001 Invoice No. 9652

Task:	468	Prepare For / Attend Hearings	
11/25/13	GAD	Prepare for confirmation hearing.	0.80
11/26/13	GAD	Conference calls with counsel re: feasibility and confirmation hearing.	1.80
11/27/13	GAD	Prepare for confirmation hearing.	2.00
	Total for	Prepare For / Attend Hearings	4.60

Total hours for this matter 40.70

Timekeeper Summary

<u>Name</u>		<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
GAD	Davis, Guy A.	10.20	560.00	5,712.00
JFK	Koehler, Justin F.	30.50	351.00	10,705.50
	Total fees for this matter	40.70 hrs		\$16,417.50

BILLING SUMMARY

TOTAL FEES	\$16,417.50
TOTAL CHARGES FOR THIS BILL	<u>\$16,417.50</u>

EXHIBIT D

**MONTHLY FEE INVOICE FOR THE PERIOD
DECEMBER 1, 2013 THROUGH DECEMBER 24, 2013**

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Protiviti Inc.

1051 E. Cary Street
Suite 602
Richmond, VA 23219
Tax ID # 04-3661951

REMITTANCE PAGE

Atari Inc.
475 Park Avenue South, 12th Floor
New York, NY 10016

January 22, 2014
Invoice No. 9724
Our File No. R13001
Billing Through: 12/31/13

REGARDING: Atari Inc.

TOTAL FEES	\$47,472.50
TOTAL DISBURSEMENTS	1,944.87
TOTAL CHARGES FOR THIS BILL	<u>\$49,417.37</u>

Please remit this copy with your payment

Pg 50 of 58
Protiviti Inc.1051 E. Cary Street
Suite 602
Richmond, VA 23219
Tax ID # 04-3661951

January 22, 2014

Invoice No. 9724
Our File No. R13001
Billing Through: 12/31/13Atari Inc.
475 Park Avenue South, 12th Floor
New York, NY 10016

REGARDING: Atari Inc.

FOR PROFESSIONAL SERVICES RENDERED

<u>Date</u>	<u>Individual</u>	<u>Procedure</u>	<u>Hours</u>
Task:	446	B - Prepare Fee/ Employ Apps	
12/10/13	JFK	Review 2nd interim fee application to prepare for hearing.	0.50
	Total for	B - Prepare Fee/ Employ Apps	0.50
Task:	451	B - Plan & Disclosure	
12/2/13	GAD	Review debtors projections (.5) and prepare for confirmation hearing (1.5).	2.00
12/2/13	JFK	Prepare a schedule for professional fees.	2.50
12/2/13	JFK	Reconcile plan sponsor analysis with current projections.	3.50
12/2/13	JFK	Revise plan sponsor analysis with projections from the Debtor.	2.30
12/3/13	GAD	Conf calls with debtor, plan sponsor and counsel to address funding and fee deferral issues.	5.50
12/3/13	GAD	Confer with professionals regarding outstanding fees and willingness to defer.	1.50
12/3/13	JFK	Prepare revised plan sponsor analysis.	4.50
12/3/13	JFK	Review plan sponsor analysis with counsel.	1.50
12/3/13	JFK	Update plan sponsor analysis with information from debtor.	2.30
12/4/13	GAD	Revise and review declaration for confirmation hearing.	2.50
12/4/13	GAD	Prepare for confirmation hearing.	5.00
12/4/13	JFK	Revise plan sponsor analysis for confirmation hearing.	4.50
12/4/13	JFK	Update plan sponsor analysis for confirmation hearing.	2.30
12/5/13	GAD	Prepare for (4.0) and attend conf. hearing (1.0).	5.00
12/5/13	JFK	Prepare for and attend confirmation hearing.	0.50
12/11/13	JFK	Update funds flow analysis with information received from the debtor.	2.50
12/12/13	JFK	Review cashflow projections from the debtor.	2.50
12/13/13	JFK	Review effective date requirements for the debtor.	1.00
12/13/13	JFK	Review escrow funding requirements with counsel.	2.50
12/16/13	JFK	Review funds flow analysis with debtor information.	3.30
12/16/13	JFK	Update Professional fee schedule per counsel request.	1.50
12/17/13	GAD	Review debtors projections (4.0). Call counsel and other professionals re deferred fees (2.5).	6.50
12/17/13	JFK	Prepare updated funds flow analysis per counsel request.	3.50
12/17/13	JFK	Update funds flow analysis from information received from debtor.	4.50
12/18/13	JFK	Update professional fee deferral model per counsel.	2.30
12/18/13	JFK	Update funds flow analysis per debtor information.	4.30
12/18/13	JFK	Update funds flow analysis per debtor and counsel request.	2.50
12/19/13	JFK	Review professional fee deferral model.	2.50
12/19/13	JFK	Update funds flow analysis to reflect changes by the debtor.	3.70

Atari - 00032411 R13001 Invoice No. 9724 Page 2

<u>Date</u>	<u>Individual</u>	<u>Procedure</u>	<u>Hours</u>
12/19/13	JFK	Update professional fee escrow model.	2.50
12/20/13	JFK	Update model to reflect negotiation changes per counsel.	4.30
12/23/13	JFK	Update professional fee detail analysis.	2.50
12/23/13	JFK	Review funds flow analysis with information from debtor.	2.70
12/23/13	JFK	Update sponsor funding analysis for effective date.	3.30
	Total for	B - Plan & Disclosure	<u>103.80</u>
Task:	459	B - Tax Consulting	
12/12/13	JKL	Preparation for and conference call re potential taxable income and income tax.	5.40
12/13/13	JKL	Review and analysis of the taxable income and conference call re potential tax and bankruptcy statements.	3.20
12/16/13	JKL	Tax return filing issues.	1.00
	Total for	B - Tax Consulting	<u>9.60</u>
Task:	469	B - Non Billable Admin	
12/4/13	GAD	Travel to New York for confirmation hearing.	3.00
12/4/13	JFK	Travel to NY.	2.50
12/5/13	GAD	Travel	5.00
12/5/13	JFK	Travel time.	2.50
	Total for	B - Non Billable Admin	<u>13.00</u>
	Total hours for this matter		<u>126.90</u>

DISBURSEMENTS

12/4/13	Roundtrip travel for G. Davis 12/04 - 12/05/2013	1,076.80
12/4/13	NY taxi service from airport to hotel for J. Koehler.	42.30
12/5/13	One-night lodging for G. Davis.	686.27
12/5/13	Cab service to airport for G. Davis and J. Koehler	40.00
12/5/13	NY taxi service for J. Koehler re confirmation hearing.	21.50
12/5/13	RIC parking for G. Davis re confirmation hearing	24.00
12/5/13	RIC parking for J. Koehler re confirmation hearing	24.00
12/23/13	CourtCall for Atari Case	30.00
	Total disbursements for this matter	<u>\$1,944.87</u>

Timekeeper Summary

<u>Name</u>		<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
GAD	Davis, Guy A.	8.00	0.00	0.00
GAD	Davis, Guy A.	28.00	560.00	15,680.00
JFK	Koehler, Justin F.	5.00	0.00	0.00
JFK	Koehler, Justin F.	76.30	351.00	26,781.30
JKL	Lyons, John K.	9.60	522.00	5,011.20
	Total fees for this matter	<u>126.90</u> hrs		<u>\$47,472.50</u>

BILLING SUMMARY

TOTAL FEES	\$47,472.50
TOTAL DISBURSEMENTS	1,944.87
TOTAL CHARGES FOR THIS BILL	<u>\$49,417.37</u>

EXHIBIT E

TIMEKEEPER SUMMARY

<u>Timekeeper</u>	<u>Status</u>	<u>Hours</u>	<u>Rate [1]</u>	<u>Value</u>
Davis, Guy A.	Managing Director	75.9	\$ 501.0	\$ 38,024.00
Lyons, John K.	Managing Director	9.6	522.0	5,011.20
Williams, Heather G.	Associate Director	4.0	370.0	1,480.00
Koehler, Justin F.	Senior Manager	235.8	343.6	81,010.80
		<u>325.3</u>		<u>\$ 125,526.00</u>

[1] Average hourly rate. Includes non-chargeable travel time.

EXHIBIT F

COMPENSATION BY PROJECT CATEGORY

<u>Code</u>	<u>Description</u>	<u>Hours</u>	<u>Value</u>
443	Case Administration	1.7	\$ 952.00
444	Claims Administration and Objections	8.2	3,965.00
446	Prepare Fee / Employ Apps	8.7	3,116.40
451	Plan and Disclosure	275.0	108,249.90
459	Tax Consulting	9.6	5,011.20
468	Prepare For/Attend Hearings	4.6	2,576.00
469	Travel Time @ No Charge	13.0	-
472	Monthly Operating Reports / Trustee Accounting	4.5	1,655.50
		<u>325.3</u>	<u>\$ 125,526.00</u>

EXHIBIT G

SCHEDULE OF DISBURSEMENTS

<u>Description</u>	<u>Amount</u>
Out-of-Town Air Travel	\$ 1,076.80
Out-of-Town Lodging	686.27
Out-of-Town Ground Transportation	151.80
Court Call for Atari Hearing	30.00
Copying	108.20
	<u>\$ 2,053.07</u>

EXHIBIT H

CERTIFICATION OF GUY A. DAVIS

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**CERTIFICATION OF GUY A. DAVIS UNDER GUIDELINES FOR FEES AND
DISBURSEMENTS FOR PROFESSIONALS IN SUPPORT OF THE
THIRD INTERIM AND FINAL APPLICATION OF PROTIVITI, INC., FINANCIAL ADVISOR
TO THE DEBTORS AND DEBTORS IN POSSESSION, FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES FOR SERVICES RENDERED
DURING THE PERIOD FROM
JANUARY 21, 2013 THROUGH DECEMBER 24, 2013**

I, Guy A. Davis hereby certify that:

1. I am a Managing Director with Protiviti Inc. (“Protiviti”), a financial advisory services firm with numerous offices throughout the United States and abroad. I have been providing chapter 11 financial advisory services for debtors, trustees, secured creditors, and unsecured creditors for over 23 years. I have also been engaged as a fiduciary in chapter 11 matters to guide the orderly wind down of business operations for the benefit of creditors and other interested parties. I am a certified public accountant and a certified insolvency and restructured advisory. I hold a certification in distressed business valuation and a master degree’s in business administration.
2. I am the professional designated by Protiviti in respect of compliance with the *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

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

District of New York on June 21, 1991 and amended on April 19, 1995 and on November 25, 2009 (the “Local Guidelines”), 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 (the “U.S. Trustee Guidelines,” and with the Local Guidelines, the “Guidelines”).

3. This certification is made in support of the *Third Interim and Final Application of Protiviti, Inc., Financial Advisor to the Debtors and Debtors in Possession, for Allowance of Compensation and Reimbursement of Expenses for Services Rendered During the Third Interim Compensation Period from September 1, 2013 through December 24, 2013 and during the Compensation Period from January 21, 2013 through December 24, 2013* (the “Application”).

4. All of the services for which compensation is sought by Protiviti were performed for and on behalf of the Debtors and not on behalf of any other person or entity.

5. No agreement exists between Protiviti and any other entity for the sharing of compensation received or to be received for services rendered in or in connection with the above-captioned cases.

6. In accordance with the Guidelines, I hereby certify that

- (a) I have read the Application;
- (b) to the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought in the Application fall within the Guidelines;
- (c) except to the extent that fees or disbursements are prohibited by the Local Guidelines or the U.S. Trustee Guidelines, the fees and disbursements

sought are consistent with arrangements entered into by Protiviti for similar services to be provided to clients such as the Debtors for representations of the type and complexity described in the Application and are generally accepted by Protiviti's clients;

- (d) in providing a reimbursable service, Protiviti does not make a profit on that service, whether the service is performed by Protiviti in-house or through a third-party vendor;
- (e) in charging for a particular service, Protiviti does not include in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment, or capital outlay; and
- (f) the Office of the United States Trustee for the Southern District of New York, the Debtors and the attorneys for the Official Committee of Unsecured Creditors will be provided with a copy of this Application contemporaneously with the filing thereof, and will have at least twenty (20) days to review such Application prior to any objection deadline with respect thereto.

7. Protiviti's Monthly Fee Statements have been served on the Notice Parties (as defined in the Interim Compensation Order).

Dated: January 24, 2014
Richmond, Virginia

/s/ Guy A. Davis
Guy A. Davis