

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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In re:	:	:	Chapter 11
	:	:	
THQ INC., <i>et al.</i> ,	:	:	Case No. 12 - 13398 ()
	:	:	
Debtors. ¹	:	:	(Joint Administration Requested)
	:	:	
	X		

DEBTORS’ MOTION FOR ORDER AUTHORIZING (A) CONTINUED USE OF CASH MANAGEMENT SYSTEM; (B) MAINTENANCE OF EXISTING BANK ACCOUNTS; (C) CONTINUED USE OF EXISTING BUSINESS FORMS; (D) CONTINUED PERFORMANCE OF INTERCOMPANY TRANSACTIONS IN THE ORDINARY COURSE OF BUSINESS; AND (E) LIMITED WAIVER OF SECTION 345(b) DEPOSIT AND INVESTMENT REQUIREMENTS

THQ Inc. (“**THQI**”) and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), hereby move this Court (the “**Motion**”) for entry of an order, substantially in the form annexed hereto as **Exhibit A**, pursuant to sections 105, 345, 363, 1107(a), and 1108 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 2015-2 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), authorizing (a) continued use of their cash management system (as described below in more detail, the “**Cash Management System**”), (b) maintenance of existing bank accounts, (c) continued use of existing business forms, (d) continued performance of intercompany transactions in the ordinary course of business; and (e) limited waiver of section 345(b) of the Bankruptcy Code deposit and investment requirements. In support of the Motion, the Debtors

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: THQ Inc. (1686); THQ Digital Studios Phoenix, Inc. (1056); THQ Wireless, Inc. (7991); Volition, Inc. (4944); and Vigil Games, Inc. (8651). The Debtors’ principal offices are located at 29903 Agoura Road, Agoura Hills, CA 91301.



rely upon and incorporate by reference the *Declaration of Brian Farrell in Support of the Debtors' Chapter 11 Petitions and Requests for First Day Relief* (the "**Farrell First Day Declaration**"), which was filed with the Court concurrently herewith. In further support of this Motion, the Debtors respectfully represent:

JURISDICTION

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are sections 105, 345, 363, 1107(a), and 1108 of the Bankruptcy Code.

BACKGROUND

2. On the date hereof (the "**Petition Date**"), each of the Debtors commenced a voluntary case under chapter 11 of Bankruptcy Code. Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors are continuing to manage their financial affairs as debtors in possession.

3. Contemporaneously herewith, the Debtors filed a motion seeking joint administration of their chapter 11 cases (the "**Chapter 11 Cases**") pursuant to Rule 1015(b) of the Bankruptcy Rules and Rule 1015-1 of the Local Rules. No trustee, examiner, or official committee of unsecured creditors has been appointed in these cases.

4. Information regarding the Debtors' history and business operations, capital structure and primary secured indebtedness, and the events leading up to the commencement of these Chapter 11 Cases can be found in the Farrell First Day Declaration.

RELIEF REQUESTED

5. The Debtors, pursuant to sections 345, 363, 1107(a), and 1108 of the Bankruptcy Code, Rules 6003 and 6004 of the Bankruptcy Rules and Rule 2015-2 of the Local Rules, seek entry of an order authorizing (a) continued use of their Cash Management System, (b) maintenance of existing bank accounts, (c) continued use of existing business forms, (d) continued performance of intercompany transactions in the ordinary course of business; and (e) limited waiver of section 345(b) of the Bankruptcy Code deposit and investment requirements.

A. Description of Cash Management System.

6. In the ordinary course of business, and as is common with businesses of this kind, the Debtors maintain an integrated cash management system that provides well-established mechanisms for the collection, management, and disbursement of funds used in their operations (the Cash Management System). The Cash Management System is structured to serve the Debtors' operational needs and reflects all aspects of their prepetition capital structure—in particular, maintenance of the Cash Management System is critical to ensuring the seamless payment to employees and continued operation of the Debtors. As such, the Debtors' current system provides numerous benefits, including the ability to: (a) quickly create status reports on the location and amount of funds, thereby allowing management to track and control corporate funds; (b) ensure cash availability and prompt payment of corporate, employee and vendor related expenses; and (c) reduce administrative costs by facilitating the efficient movement of funds.

7. The Debtors seek relief to continue their Cash Management System, and in connection with this relief, the Debtors respectfully request a waiver of certain of the operating guidelines established by the Office of the United States Trustee for the District of

Delaware (the “**U.S. Trustee**”) that require the Debtors to close all prepetition bank accounts and open new accounts designated as debtor-in-possession accounts.

8. As of the Petition Date, the Cash Management System included various bank accounts (each a “**Bank Account**” and collectively, the “**Bank Accounts**”), including Bank Accounts with Union Bank (“**Union**”), JP Morgan Chase Bank, N.A. (“**JP Morgan**”), and UBS Financial Services, Inc. (“**UBS**” and, together with Union, JP Morgan and UBS, the “**Banks**”)² used in the ordinary course of the Debtors’ business. The Debtors utilize a number of methods for disbursing funds, including: (a) debit; (b) wire and Automated Clearing House (“**ACH**”) transfer; and (c) written check. Each of the Bank Accounts maintained by the Debtors is listed on **Exhibit B** attached hereto.

9. A demonstrative chart of the Cash Management System is attached hereto as **Exhibit C**, which provides additional detail regarding the Cash Management System and the flow of funds from the Bank Accounts to pay expenses and costs. The following describes the Debtors’ Bank Accounts and how the Cash Management System satisfies both the Debtors’ operational needs and the requirements of their Senior Lender.

(a) *Collection Accounts.* The Cash Management System operates primarily through bank accounts maintained at Union. The Debtors maintain four depository accounts at Union (each a “**Collection Account**” and, collectively, the “**Collection Accounts**”) for collection of cash receipts segregated by certain business lines: general customer cash receipts (the “**General Receipts**”), Valusoft customer cash receipts (the “**Valusoft Receipts**”), Wireless customer cash receipts (the “**Wireless Receipts**”), and Paypal customer cash receipts (the “**Online Gaming Receipts**”). The Collection Accounts are maintained as follows:

(1) General Receipts constitute the majority of cash receipts received by the Debtors in the ordinary course of their business and are remitted by Debtors’ customers either directly to a designated Collection Account at Union or to

² THQI also maintained a bank account at Bank of America, N.A., which is noted in the list of Bank Accounts in *Exhibit B* and demonstrative chart in *Exhibit C*, but is in the process of being closed. The Debtors do not intend to maintain this account and will complete the process of closing the account as soon as possible if not by the Petition Date.

THQI for remote deposit to such designated Collection Account.

(2) Valusoft Receipts relate to cash receipts generated from a business sold by THQI approximately five years ago. Over the past three months approximately \$3,000 of Valusoft Receipts was deposited in the designated Collection Account. The Valusoft Receipts are remitted to a designated Collection Account at Union.

(3) Wireless Receipts relate to cash generated from a business sold by THQI approximately six months ago. The Wireless Receipts are remitted to a designated Collection Account at Union.

(4) Online Gaming Receipts relate to cash receipts from the Debtors' online gaming platform and is linked to a Paypal account maintained by the Debtors. The Online Gaming Receipts are remitted to a designated Collection Account at Union.

(b) *Wells Fargo Control of Collection Accounts.* The Collection Accounts are subject to control agreements of the Debtors' Senior Lender, Wells Fargo. On or about November 14, 2012, Wells Fargo began exercising its rights under such control agreements and related loan documents to take dominion of the cash in the Collection Accounts. Wells Fargo began to sweep funds from the Collection Accounts on or about November 20, 2012. Pursuant to the Credit Agreement and the Forbearance Agreement, Wells Fargo agreed to advance funds to the Debtors prior to the Petition Date to fund the Debtors' ongoing operations. Advances from Wells Fargo are deposited in a master settlement account (the "**Settlement Account**") to fund the payment of the Debtors' expenses, either directly or through other bank accounts.³

(c) *Disbursement Accounts.* Specifically, the advances to the Settlement Account fund: (i) the Bank Account for vendor checks (the "**Controlled Vendor Checking Account**"); (ii) the Bank Account for payroll, 401(k) contributions, payroll taxes to certain jurisdictions and for processing employee-related manual checks such as for terminated employees (the "**Payroll Account**"); (iii) the Bank Account for the flexible spending account vendor to administer the employee flexible spending account program (the "**Flex Spending Account**"); (iv) the Bank Account for video production vendor paychecks (the "**Video Production Vendor Checking Account**" and together with the Controlled Vendor Checking Account, Payroll Account and Flex Spending Account, the "**Disbursement Accounts**"); and (v) intercompany transfers for the operational expenses such as payroll for the Canadian and Chinese subsidiaries of THQI (discussed below regarding Intercompany Transfers).⁴ The Disbursement Accounts are maintained as follows:

³ A more detailed factual discussion of the Debtors' proposed use of cash collateral and postpetition financing is contained in the Financing Motion.

⁴ The Debtors also maintained a bank account at Bank of America, N.A., for THQ Digital Studios Phoenix, Inc. that had previously received disbursements from the Settlement Account. This account is in the process of being closed.

(1) The Controlled Vendor Checking Account is used to satisfy checks presented to Union that day for amounts owed by the Debtors to various payees. In the ordinary course of operations, the Settlement Account funds the Vendor Checking Account with only the amount of money necessary to satisfy the obligations of that day. As a result, the Vendor Checking Account is left with a zero balance at the end of each day.

(2) The Payroll Account is used to fund Automatic Data Processing, Inc. (“ADP”) and Fidelity Management Trust Company (“Fidelity”) through ACH credit transfers. In the ordinary course of operations, the Settlement Account funds the Payroll Account with only the amount of money necessary to satisfy the payroll and 401(k) obligations. Historically, the Payroll Account is left with a zero balance at the end of each pay period; however, as of the Petition Date, the Payroll Account is controlled by manual disbursement to ensure timely payment through the Payroll Account.

(3) The Flex Spending Account is used to fund Flex-Plan Services, Inc. through ACH credit transfers. In the ordinary course of operations, the Settlement Account funds the Flex Spending Account twice monthly for amounts due for the flexible spending program. As a result, the Flex Spending Account is left with a zero balance at the end of each pay period.

(4) The Video Production Vendor Checking Account is used to pay certain vendors outside the standard disbursement and payroll process. This account is typically used for special events such as trade shows where vendors are paid by check for same-day services. The Video Production Vendor Checking Account has a balance as of the Petition Date of approximately \$10,000. Manual disbursements are made from a checkbook that is currently locked with THQI’s accounts payable department.

(d) *Investment Accounts.* The Debtors maintain a money market account with Union (the “**Money Market Account**”) and investment account with UBS (the “**UBS Account**”) that are currently dormant. The Debtors also maintain an investment account with JP Morgan (the “**Yuke’s Investment Account**”) and together with the Money Market Account and UBS Account, the “**Investment Accounts**”). Funds are not regularly disbursed from the Investment Accounts. The purpose of maintaining the Investment Account is as follows:

(1) The Money Market Account is a FDIC-insured, interest bearing account that is maintained for receipt of funds outside the ordinary course of customer receipts. This account could be used for deposit of funds in connection with a sale process.

(2) The UBS Investment Account holds bonds with a current value of \$0.00. The nominal face value of these bonds (Sigma Fin Inc MTN Rate 05.450% Matures 6/15/09) is \$2 million. This account is pledged to Wells Fargo and subject to a control agreement with Wells Fargo.

(3) JP Morgan serves as custodian of 776,000 shares owned by

THQI of Yuke's Co., Ltd., a Japanese interactive software developer. The shares are held in the Yuke's Investment Account and dividends generated from such shares are deposited in this account. The Yuke's Investment Account has a cash balance as of the Petition Date of approximately \$87,000. No disbursements are made from the Yuke's Investment Account.

10. The Debtors have maintained a Cash Management System with Union Bank for approximately fourteen (14) years. The Cash Management System has evolved over time into a mainstay of the Debtors' ordinary, usual, and essential business practices. To minimize expenses to the Debtors' estates, avoid delays, and facilitate the Debtors' smooth transition into chapter 11, the Debtors seek authority to (a) continue using the existing Cash Management System and Bank Accounts; (b) treat the Bank Accounts for all purposes as accounts for the Debtors as debtors in possession; (c) disburse funds as described above from the Bank Accounts by all usual methods, including written check, wire and ACH transfer, and debit; and (d) perform obligations under the documents governing the Cash Management System and the Bank Accounts, including paying ordinary course bank fees incurred in connection with the Bank Accounts.

11. The Debtors will ensure that all postpetition transfers and transactions are documented in their books and records to the same extent as before the commencement of the Chapter 11 Cases and are readily ascertainable from their books and records documenting transfers and transactions. As of December 12, 2012, the Debtors ceased issuing written checks except in very limited circumstances such as issuing a final check for employee departures. All checks issued prepetition are readily identifiable by check sequence. As described below regarding the Debtors' request to continue use of existing check stock, all checks issued postpetition will begin with a new sequence number for ready identification and reference the Debtors' status as debtors in possession and bankruptcy case number. Any prepetition check that is authorized by Court order or the Bankruptcy Code will be reissued by the Debtors using the

postpetition check sequence. In addition, all electronic transfers of funds will stop as of the Petition Date and only authorized going forward pursuant to the Court's orders.

B. Importance of Continued Use of Existing Check Stock

12. The Debtors seek relief to continue use of its preprinted checks as part of their continued use of the Cash Management System, and in connection with this relief, the Debtors respectfully request a waiver of certain of the operating guidelines established by the U.S. Trustee. The Debtors print their own checks from existing check stock and as debtors in possession will print checks with a new postpetition sequence number and reference to the Debtors' status as debtors in possession and bankruptcy case number.

C. Description of Intercompany Transactions.

13. Prior to the Petition Date, in the ordinary course of their business, the Debtors engaged in intercompany transactions and transfers (the "**Intercompany Transactions**"). The Intercompany Transactions may result in intercompany receivables and payables (the "**Intercompany Claims**"). In general, there are two types of Intercompany Transfers further described below that the Debtors enter into in the normal course of their operations: (a) payments made by THQI to or on behalf of its subsidiaries for services performed by its subsidiaries for THQI; and (b) payments received by its subsidiaries on behalf of THQI.

(a) **Payments made by THQI to or on behalf of its subsidiaries for services performed by its subsidiaries for THQI.**

14. THQI develops products using internal development teams employed by its subsidiaries Volition, Vigil, Relic, THQ Montreal and THQ Shanghai (the "**Development Subsidiaries**"). THQI pays the Development Subsidiaries for their services at cost to develop interactive software owned by THQI. Accordingly, the Development Subsidiaries do not generate profits for themselves on account of payments from THQI. The services rendered by

the Development Studios are integral to THQI's business enterprise and creates value for THQI through the development of the product THQI sells either directly or through its other subsidiaries. The operational expenses of these subsidiaries result in the creation of intercompany receivables on the subsidiaries' books, and intercompany payables on THQI's books. These Intercompany Claims are settled either by book entry or by transfer of cash to satisfy these intercompany balances in the ordinary course of business. Cash payments made to Relic and THQ Montreal in the ordinary course of business are sent through JP Morgan in a foreign exchange transfer, and payments to THQ Shanghai are sent through Union in a foreign exchange transfer.

(b) Payments received by its subsidiaries on behalf of THQI.

15. Relic collects payments from time to time on behalf of THQI. For historical business reasons customers of THQI in Canada have made payments to Relic and deposited in a bank account at Bank of America in Canada held by Relic for the benefit of THQI. This bank account is subject to a control agreement with Wells Fargo. Wells Fargo exercised its rights to sweep funds from this account prior to the Petition Date and is being applied to THQI's debt. Wells Fargo continues to sweep funds from this account as part of the arrangement further described in the Financing Motion.

16. THQI sells and markets its product in foreign territories other than Canada through TIG and its subsidiaries. TIG and its subsidiaries collect payments for sales of THQI's product. Intercompany Claims exist as between THQI and TIG and its subsidiaries resulting from this sales and marketing business in foreign territories, but no transfers of cash are being made between THQI, on the one hand, and TIG and its subsidiaries, on the other hand, as of the Petition Date and are not planned postpetition without first seeking Court authority at a later time if necessary.

17. The Debtors track all Intercompany Transactions in their accounting system and can ascertain, trace, and account for them as needed. Continuing the Intercompany Transactions and other intercompany services will benefit the Debtors' estates and will preserve the value of the Debtors' ownership interest in their non-filing affiliates. If the Intercompany Transactions were discontinued, the Cash Management System and related administrative controls would be disrupted to the Debtors' detriment.

18. Accordingly, the Debtors seek authority to continue the Intercompany Transactions and request, pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code, that postpetition Intercompany Claims resulting from the ordinary course Intercompany Transactions be accorded administrative priority. In addition, the Debtors seek authority to continue performing Intercompany Transactions in the ordinary course of business and to honor and pay obligations in connection with the Intercompany Transactions, *provided, however*, that cash payments on account of prepetition intercompany obligations shall not exceed \$50,000. Discontinuing the Intercompany Transactions would disrupt the Debtors' estates, harming their creditors and other parties in interest.

D. Description of Investment Policies and Practices

19. The Debtors seek an interim waiver of section 345(b) of the Bankruptcy Code subject to final approval pursuant to Rule 2015-2 of the Local Rules. The waiver would permit the Debtors to maintain their Bank Accounts without posting a bond or other security, as would otherwise be required under section 345(b), while the Debtor takes steps to comply with the requirements of the Bankruptcy Code if necessary.

20. Most of the Debtors' Bank Accounts, including all Bank Accounts maintained at Union, are covered by FDIC insurance and contain amounts which are within the

limits of such insurance. The Yuke's Investment Account is covered by SIPC insurance up to \$500,000. The UBS Account is pledged to Wells Fargo and holds investments currently valued at \$0.00. The Debtors do not maintain any other Bank Accounts.

BASIS FOR RELIEF REQUESTED

A. Continued Use of the Debtors' Cash Management System is in the Best Interests of the Debtors' Estates and Creditors and Should be Authorized.

21. To lessen the disruption caused by the bankruptcy filings and maximize the value of their estates in these chapter 11 proceedings, it is vital to the Debtors that they maintain their Cash Management System. Maintenance of the Cash Management System is integral to the Debtors' business operations and any interruption in the Cash Management System jeopardizes the Debtors' ability to continue operating long enough to complete a sale as a going concern and seamlessly pay employees in the ordinary course of business. In light of this, the Debtors seek authority to continue utilizing their current Cash Management System as it is described above.

22. It is critical that the Debtors be able to consolidate management of cash and centrally coordinate transfers of funds in order to efficiently and effectively operate their large and complex business operations during the pendency of these Chapter 11 Cases. Substantially disrupting the Debtors' current cash management procedures would impair the Debtors' ability to optimize their business performance, negatively impact the Debtors' efforts to effectively reorganize their businesses, and hinder the Debtors' efforts to successfully prosecute these Chapter 11 Cases.

23. The Cash Management System utilizes the Bank Accounts to effectively and efficiently collect, transfer, and disburse funds as needed in the Debtors' general business operations. The Cash Management System also provides significant benefits to the Debtors,

including the ability to: (a) closely track and, thus, control all corporate funds; (b) ensure cash availability; and (c) reduce administrative expenses by facilitating the movement of funds and the development of timely and accurate account balance and presentment information. Indeed, a disruption in the Cash Management System could cause delays in the collection and disbursement of funds, thus impeding the Debtors' ability to carry out their normal business operations. Furthermore, the Cash Management System allows the Debtors to centrally manage all of their cash flow needs and includes the necessary accounting controls to enable the Debtors, as well as their creditors and this Court, to trace funds through the system and ensure that all transactions are adequately documented and readily ascertainable. The Debtors through its Cash Management System have implemented appropriate mechanisms to ensure that unauthorized payments, such as those that could occur by checks issued prepetition, will not be made on account of obligations incurred prior to the Petition Date.

24. The granting of the relief requested in this Motion will allow the Debtors to continue to maintain detailed records reflecting all transfers of funds. For all of these reasons, it is both essential and in the best interests of the Debtors' respective estates and the Debtors' creditors that the Cash Management System be maintained.

25. This Court has the authority to grant the requested relief pursuant to its equitable powers under section 105(a) of the Bankruptcy Code. Section 105(a) provides, in relevant part, that "the [bankruptcy] court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a). The relief requested herein is both necessary and appropriate to allow the Debtors to successfully prosecute these Chapter 11 Cases, to optimize their post-petition business performances, and to maximize the value of the Debtors' estates.

26. Bankruptcy courts routinely permit chapter 11 debtors to continue using their existing Cash Management Systems and treat requests for such relief as a relatively “simple matter.” *In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987). *See also In re Columbia Gas Sys.*, 997 F.2d 1039, 1061 (3d Cir. 1993) (recognizing that a requirement to maintain all accounts separately “would be a huge administrative burden and economically inefficient.”); *Charter Co. v. Prudential Ins. Co. of Am. (In re Charter Co.)*, 778 F.2d 617, 621 (11th Cir. 1985) (holding that allowing the debtors to use their prepetition “routine cash management system” was entirely consistent with applicable provisions of the Bankruptcy Code). In chapter 11 cases such as these, courts in this circuit have recognized that allowing a debtor to maintain existing cash management system often is appropriate. *See, e.g., In re Genesis Health Ventures, Inc.*, 402 F.3d 416, 424 (3d Cir. 2005); *In re Kindred Healthcare, Inc.*, 2003 WL 22327933, at *1 (Bankr. D. Del. Oct. 9, 2003).

27. Allowing debtors to utilize their prepetition cash management systems is entirely consistent with applicable provisions of the Bankruptcy Code. Delaware bankruptcy courts have recognized that an integrated cash management system “allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash.” *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff’d in part and rev’d in part*, 997 F.2d 1039 (3d Cir. 1993). The United States Court of Appeals for the Third Circuit Court has agreed, emphasizing the “huge administrative burden” and economic inefficiency of requiring the debtors to maintain all accounts separately. *See Columbia Gas*, 997 F.2d at 1061; *see also In re Southmark Corp.*, 49 F.3d 1111, 1114 (5th Cir. 1995) (finding that maintaining existing cash management system allows debtor “to administer more efficiently and effectively its financial operations and assets”).

Accordingly, the Court should authorize the Debtors to continue operating the Cash Management System.

B. The Debtors Should be Authorized to Maintain Existing Bank Accounts.

28. The U.S. Trustee has issued certain chapter 11 operating guidelines pursuant to 28 U.S.C. § 586 (the “**UST Guidelines**”). These guidelines require that chapter 11 debtors, among other things: (a) close all existing bank accounts upon filing of their petitions and open new “debtor-in-possession” accounts in certain financial institutions designated as authorized depositories by the U.S. Trustee; (b) establish one debtor-in-possession account for all estate monies required for the payment of taxes; and (c) maintain a separate debtor-in-possession account for cash collateral.

29. The Debtors seek a waiver of the requirement of the UST Guidelines that their bank accounts be closed and that new postpetition bank accounts be opened. If enforced in these Chapter 11 Cases, the Debtors would be subjected to enormous disruptions in their businesses operations and unnecessary and immediate constraints on liquidity. As described in detail above, the Debtors’ bank accounts compose an established cash management system that the Debtors need to maintain to ensure smooth collections and disbursements in the ordinary course of their businesses. Therefore, to avoid delays in payments to administrative creditors, to ensure as smooth a transition into chapter 11 as possible, and to aid in the Debtors’ efforts to preserve and maximize the value of their assets, the Debtors should be permitted to continue to maintain the existing Bank Accounts and, if necessary, to open new accounts and close existing accounts in the normal course of business operations.

30. If the Debtors are not permitted to continue to use their Cash Management System as described herein, operations likely will not only be impaired, but critical funds may

not be collected on account of accounts receivable and valuable resources will be expended unnecessarily in implementing a new cash management system. It is, therefore, in the best interests of all stake holders, including employees, vendors, and customers, to preserve business continuity and honor disbursement obligations under the current Cash Management System to avoid the disruption and delay that necessarily would result from closing the Bank Accounts and opening new accounts.

31. In other chapter 11 cases, this Court has granted substantially similar relief. *See, e.g., In re Los Angeles Dodgers LLC*, Case No. 11-12010 (KG) (Bankr. D. Del. June 28, 2011); *In re Trade Secret, Inc.*, Case No. 10-12153 (KG) (Bankr. D. Del. July 7, 2010); *In re CCS Medical, Inc.*, Case No. 09-12390 (CSS) (Bankr. D. Del. July 10, 2009); *In re Smurfit-Stone Container Corp.*, Case No. 09-10235 (BLS) (Bankr. D. Del. Feb. 23, 2009); *In re Pliant Corp.*, Case No. 09-10443 (MFW) (Bankr. D. Del. Feb. 12, 2009); *In re Merisant Worldwide, Inc.*, Case No. 09-10059 (PJW) (Bankr. D. Del. Jan. 13, 2009); *In re Tribune Co.*, Case No. 08-13141 (KJC) (Bankr. D. Del. Dec. 10, 2008). Similar authorization is appropriate in these Chapter 11 Cases.

32. The Debtors also seek an order granting Wells Fargo authority to continue to treat, service, and administer the Bank Accounts as accounts of the respective Debtor as a debtor in possession without interruption and in the usual and ordinary course, and to receive, process, and honor and pay any and all post-petition checks, drafts, wires, and ACH transfers drawn on the Bank Accounts by the holders or makers thereof, as the case may be.

33. The Debtors also request that the Banks be authorized to accept and honor all representations from the Debtors as to which checks, drafts, wires, or ACH transfers should be honored or dishonored consistent with any order of this Court and governing law, whether

such checks, drafts, wires, or ACH transfers are dated prior to, on, or subsequent to the Petition Date. Pursuant to the relief requested in this Motion, the Banks shall not be liable to any party on account of (a) following the Debtors' instructions or representations as to any order of this Court, (b) honoring any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored, or (c) making an innocent mistake despite implementation of reasonable item handling procedures.

34. In the ordinary course of business, the Banks charge, and the Debtors pay, honor, or allow the deduction from the appropriate account, certain service charges and other fees, costs, and expenses (collectively, the "**Bank Fees**"). The Debtors respectfully request that the Court authorize the Banks to (a) continue to charge the Debtors the Bank Fees and (b) charge-back returned items to the Bank Accounts, whether such items are dated prior to, on, or subsequent to the Petition Date, in the ordinary course of business.

35. Although the Debtors are requesting the waiver of the requirement that they close all Bank Accounts and open new debtor in possession bank accounts, the Debtors may determine, in their business judgment, that opening new bank accounts and/or closing existing Bank Accounts is in the best interests of the estate. Nothing contained herein will prevent the Debtors from opening any additional bank accounts, or closing any existing Bank Accounts, as they may deem necessary and appropriate in their sole discretion, or as required by any debtor in possession financing agreements that are approved by the Court; *provided, however*, that any new domestic account is established at a bank that is insured with the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation and organized under the laws of the United States or any State therein, or, in the case of accounts that may carry a balance exceeding the insurance limitations set thereby, on the U.S. Trustee's List of Authorized Bank

Depositories for the District of Delaware.

36. If the Debtors are not permitted to maintain and utilize their Bank Accounts as set forth herein, the resulting prejudice will include (a) disruption of the ordinary financial affairs and business operations of the Debtors, (b) delay in the administration of the Debtors' estates, (c) compromise of the Debtors' internal controls and accounting system, and (d) cost to the estates to set up new systems and open new accounts and print new checks.

C. The Debtors Should be Authorized to Use Existing Check Stock and Related Business Forms.

37. The Debtors seek relief to continue use of its preprinted checks as part of their continued use of the Cash Management System, and in connection with this relief, the Debtors respectfully request a waiver of certain of the operating guidelines established by the U.S. Trustee that require the Debtors to use “[c]hecks for all DIP Accounts [that] must bear the name of the debtor, the designation “Debtor in Possession”, the bankruptcy case number, and the type of account and must be pre-printed by the bank.”

38. In the ordinary course of business, the Debtors use a variety of checks and business forms. To minimize expenses to their estates and avoid unnecessarily confusing their employees, customers, and suppliers, the Debtors believe it is appropriate to continue to use all checks, correspondence, and other business forms (including, without limitation, letterhead, purchase orders, and invoices) (collectively, the “**Business Forms**”) as such forms were in existence immediately before the Petition Date. The Debtors print their own checks from existing check stock and as debtors in possession will print checks with a new postpetition sequence number and reference to the Debtors' status as debtors in possession and bankruptcy case number.

D. Cause Exists to Permit Continued Use of Intercompany Transactions and Postpetition Intercompany Claims Accorded Administrative Priority Status.

39. The Debtors enter into certain Intercompany Transactions in the ordinary course of business including payments made by THQI for operation of its subsidiaries and payments received by its subsidiaries on behalf of THQI. Such transactions are common among enterprises similar to the Debtors, the Debtors believe the Intercompany Transactions are ordinary course transactions within the meaning of section 363(c)(1) of the Bankruptcy Code and, thus, do not require the Court's approval. Nonetheless, out of an abundance of caution, the Debtors are seeking express authority to engage in such transactions on a postpetition basis. The continued performance of the ordinary course Intercompany Transactions is integral to ensuring the Debtors' ability to operate their businesses as debtors in possession.

40. As described above, there are two types of Intercompany Transfers further described below that the Debtors enter into in the normal course of their operations: (a) payments made by THQI to or on behalf of its subsidiaries for services performed by its subsidiaries for THQI; and (b) payments received by its subsidiaries on behalf of THQI.

41. Payments made to the Development Studios in the ordinary course of business are integral to THQI's business enterprise and creates value for THQI through the development of the product THQI sells either directly or through its other subsidiaries. THQI pays the Development Subsidiaries for their services at cost to develop interactive software owned by THQI. The operational expenses of these subsidiaries result in the creation of intercompany receivables on the subsidiaries' books, and intercompany payables on THQI's books. These Intercompany Claims are settled either by book entry or by transfer of cash to satisfy these intercompany balances in the ordinary course of business. Continued use of these Intercompany Transactions is critical to maintaining the value of the Debtors' business

enterprise.

42. Relic collects payments from time to time on behalf of THQI. For historical business reasons customers of THQI in Canada have made payments to Relic and deposited in a bank account at Bank of America in Canada held by Relic for the benefit of THQI. This bank account is subject to a control agreement with Wells Fargo. Wells Fargo exercised its rights to sweep funds from this account prior to the Petition Date and is being applied to THQI's debt. Wells Fargo continues to sweep funds from this account as part of the arrangement further described in the Financing Motion. Continued use of these Intercompany Transactions is important for maintaining business relationships with customers of THQI. Opening a new account and notifying customers could potentially disrupt customer remittance of payment and delay funds needed for business operations. Furthermore, the deposit of funds in Relic's bank account currently serves as a mechanism for Wells Fargo to sweep funds under its current practice further described in the Financing Motion, and changing the account would create unnecessary burdens on the Debtors to collect these cash receipts that are already subject to Wells Fargo's dominion and control.

43. THQI also engages in Intercompany Transactions with TIG and its subsidiaries on account of sales and marketing of THQI's product through the business operations of TIG and its subsidiaries. Intercompany Claims exist as between THQI and TIG and its subsidiaries resulting from this sales and marketing business in foreign territories, but no transfers of cash are being made between THQI, on the one hand, and TIG and its subsidiaries, on the other hand, as of the Petition Date and are not planned postpetition without first seeking Court authority at a later time if necessary.

44. For all of the Intercompany Transactions described above, the

Intercompany Transactions serve to reduce the administrative costs incurred by the Debtors and reflect the operational structure of their businesses. If the Intercompany Transactions were to be discontinued, the Cash Management System and related administrative controls would be disrupted.

45. To ensure that each individual Debtor will not fund, at the expense of its own creditors, the operations of another Debtor, the Debtors respectfully request that, pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code, all Intercompany Claims against a Debtor by another Debtor or non-Debtor affiliate arising after the Petition Date be awarded administrative expense priority status. If all Intercompany Claims between Debtors are accorded administrative expense priority status, each entity will continue to bear the ultimate payment responsibility for such ordinary course transactions.

46. Section 503(b)(1) of the Bankruptcy Code provides, in pertinent part, that after notice and a hearing “there shall be allowed administrative expenses . . . including the actual, necessary costs and expenses of preserving the estate including --- wages, salaries, and commissions for services rendered after the commencement of the case” 11 U.S.C. §503(b)(1). Administrative expense treatment for intercompany transactions has been granted in other comparable chapter 11 cases in this District. *See, e.g., In re AFA Inv. Inc.*, Case No. 12-11127 (MFW) (Bankr. D. Del. Apr. 20, 2012) [Docket No. 37]; *In re William Lyon Homes*, Case No. 11-14019 (CSS) (Bankr. D. Del. Dec. 20, 2011) [Docket No. 51].

47. The continuation of the Intercompany Transactions will not prejudice the Debtors’ estates or their creditors. Furthermore, the Debtors maintain strict records of all transfers of cash and can readily account for all Intercompany Transactions. By allowing the Debtors to continue Intercompany Transactions and providing administrative priority to

postpetition Intercompany Claims, the Court will ensure that (a) the value of the studio subsidiaries of THQI is preserved, (b) the Debtors without Bank Accounts can continue operating, and (c) each entity utilizing funds flowing through the Cash Management System continues to bear ultimate repayment responsibility for such ordinary course transactions. Accordingly, the Debtors believe that continuation of the Intercompany Transactions is in the best interests of the Debtors' estates and creditors.

E. Cause Exists to Grant an Interim Waiver of Section 345(c) to Allow the Debtors to Continue Use of their Cash Management System Without the Need for Posting a Bond or Providing Other Security.

48. Section 345 of the Bankruptcy Code governs a debtor's deposit and investment of cash during a chapter 11 case and authorizes deposits or investments of money as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." 11 U.S.C. §345(a). For deposits or investments that are not "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States," section 345(b) of the Bankruptcy Code requires the estate to obtain from the entity, with which the money is deposited or invested, a bond in favor of the United States that is secured by the undertaking of an adequate corporate surety, unless the Court for cause orders otherwise. *See* 11 U.S.C. §345(b). In the alternative, the estate may require the entity to deposit governmental securities pursuant to 31 U.S.C. § 9303, which provides that when a person is required by law to give a surety bond, that person, in lieu of a surety bond, may provide a governmental obligation.

49. Most of the Debtors' Bank Accounts, including all Bank Accounts maintained at Union, are covered by FDIC insurance and contain amounts which are within the limits of such insurance. The Yuke's Investment Account is covered by SIPC insurance up to \$500,000. The UBS Account is pledged to Wells Fargo and holds investments currently valued

at \$0.00. The Debtors do not maintain any other Bank Accounts.

50. Strict compliance with the requirements of section 345(b) of the Bankruptcy Code would, in a case such as this, be inconsistent with section 345(a) of the Bankruptcy Code, which permits a debtor in possession to make such investments of money of the estate “as will yield the maximum reasonable net return on such money.” 11 U.S.C. § 345(a). Thus, in 1994, to avoid “needlessly handcuff[ing] larger, more sophisticated debtors,” Congress amended section 345(b) of the Bankruptcy Code to provide that its strict investment requirements may be waived or modified if the Court so orders “for cause.” 140 Cong. Rec. H. 10,767 (Oct. 4, 1994), 1994 WL 54773.

51. To the extent the Court finds that the Debtors are not in compliance, the Debtors request that the requirements of section 345 be waived. The Debtors believe that the benefits of the requested interim waiver far outweigh any harm to the estates. *See In re Serv. Merch. Co., Inc.*, 240 B.R. 894 (Bankr. M.D. Tenn. 1999) (listing a number of factors to consider when determining whether “cause” exists to waive the requirements of section 345(b), including consideration of the benefits to the debtor and any harm to the estate). “Cause” exists under section 345(b) of the Bankruptcy Code because, among other considerations, (a) most of the Debtors’ Bank Accounts are maintained by Union, a highly rated, federally chartered bank subject to supervision by federal banking regulators, (b) the Bank Accounts at Union are covered by FDIC insurance, (c) the UBS Account is pledged to Wells Fargo and holds investments currently valued at \$0.00, (d) the JP Morgan account holds THQI’s shares in Yuke’s Co., Ltd. and dividends generated therefrom and is important for the maintenance of its investment in Yuke’s Co., Ltd., (e) the Debtors retain the right to close accounts with the Banks and establish new bank accounts as needed that would conform to the requirements of section 345, (f) the cost

associated with satisfying the requirements of section 345 is burdensome, and (g) the process of satisfying those requirements would lead to needless inefficiencies in the management of the Debtors' businesses.

52. Based on the foregoing, the Debtors submit that the relief requested herein is necessary and appropriate, is in the best interests of the Debtors, the Debtors' estates, and all other parties in interest, and should be granted in all respects.

F. Immediate Relief Is Justified.

53. Pursuant to Bankruptcy Rule 6003, the Court may grant relief within 20 days after the filing of the petition regarding a motion to "use, sell, lease, or otherwise incur an obligation regarding property of the estate" only if such relief is necessary to avoid immediate and irreparable harm.

54. If the Debtors are not permitted continued use of the Cash Management System and related matters described in this Motion, the Debtors will be unable to operate their business or pay any administrative expenses such as employee payroll without significant disruption to the business. Requiring each of the Debtors to close existing accounts and terminate the existing Cash Management System would significantly hinder the Debtors' ability to collect and disburse funds in the ordinary course of business. Such disruption would undermine the Debtors' ability to make a smooth transition into chapter 11, by slowing payments to employees, tax authorities, important vendors and other critical business partners, with no discernible benefit. The Debtors submit that because the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors for the reasons set forth herein, Bankruptcy Rule 6003 has been satisfied.

G. Request for Waiver of Stay

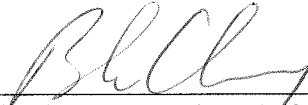
55. To implement the foregoing, the Debtors seek a waiver of any stay of the effectiveness of the order approving this Motion. Pursuant to Bankruptcy Rule 6004(h), any “order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 10 days after entry of the order, unless the court orders otherwise.” The Debtors submit that the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors for the reasons set forth herein. Accordingly, the Debtors submit that ample cause exists to justify a waiver of the 10-day stay imposed by Bankruptcy Rule 6004(h).

NOTICE

56. Notice of this Motion has been provided to: (a) the Office of the United States Trustee for the District of Delaware; (b) the Debtors’ forty (40) largest unsecured creditors on a consolidated basis, as identified in their chapter 11 petitions; (c) counsel for Wells Fargo Capital Finance, LLC; (d) counsel to the ad hoc committee of Debtors’ prepetition unsecured noteholders; (e) counsel to Clearlake Capital Group, L.P., the proposed “stalking horse” purchaser; and (f) the Banks. Notice of this Motion and any order entered hereon will be served in accordance with Local Rule 9013-1(m). In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: December 19, 2012
Wilmington, Delaware



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*Proposed Counsel to the Debtors and
Debtors in Possession*

101408528.5

EXHIBIT A
PROPOSED ORDER

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

-----X
In re: : Chapter 11
: :
THQ INC., *et al.*, : Case No. 12 - 13398 (____)
: :
Debtors.¹ : Jointly Administered
: :
: RE: Docket No. ____
-----X

ORDER AUTHORIZING (A) CONTINUED USE OF CASH MANAGEMENT SYSTEM; (B) MAINTENANCE OF EXISTING BANK ACCOUNTS; (C) CONTINUED USE OF EXISTING BUSINESS FORMS; (D) CONTINUED PERFORMANCE OF INTERCOMPANY TRANSACTIONS IN THE ORDINARY COURSE OF BUSINESS; AND (E) LIMITED WAIVER OF SECTION 345(b) DEPOSIT AND INVESTMENT REQUIREMENTS

Upon the Motion² of THQ Inc. and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”), for entry of an order, pursuant to sections 105, 345, 363, 1107(a), and 1108 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 2015-2 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), authorizing (a) continued use of their cash management system (as described below in more detail, the “**Cash Management System**”), (b) maintenance of existing bank accounts, (c) continued use of existing business forms, (d) continued performance of intercompany transactions in the ordinary course of business; and (e) limited waiver of section 345(b) of the Bankruptcy Code deposit and investment requirements; and it appearing that this Court has jurisdiction over this matter

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: THQ Inc. (1686); THQ Digital Studios Phoenix, Inc. (1056); THQ Wireless, Inc. (7991); Volition, Inc. (4944); and Vigil Games, Inc. (8651). The Debtors’ principal offices are located at 29903 Agoura Road, Agoura Hills, CA 91301.

² All capitalized terms used and not defined herein shall have the meanings ascribed to them in the Motion.

pursuant to 28 U.S.C. §§ 1334(b) and 157, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012; and it appearing that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be given; and a hearing having been held to consider the relief requested in the Motion; and upon the record of the hearing and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors and all other parties in interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED, and DECREED that:

1. The Motion is GRANTED in its entirety.
2. The Debtors are authorized to maintain and use the Cash Management System as described in the Motion.
3. The Debtors are authorized to: (a) continue to use, with the same account numbers, the Bank Accounts in existence on the Petition Date, including, without limitation, those accounts identified on **Exhibit B** to the Motion; (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; and (c) use, in their present form, all Business Forms without reference to their status as debtors in possession.
4. Except as otherwise provided in this Order, the Banks are authorized to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors in possession,

without interruption and in the ordinary course, and to receive, process, honor, and pay any and all checks, drafts, wires, and automated clearing house transfers issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be.

5. The Banks are authorized to debit the Debtors' accounts in the ordinary course of business without need for further order of the Court on account of: (a) all checks drawn on the Debtors' accounts that are cashed at such Banks' counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (b) all checks or other items deposited in one of the Debtors' accounts with such Banks prior to the Petition Date that have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such items prior to the Petition Date; and (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

6. Notwithstanding any other provision of this Order, no Bank that honors a prepetition check or other item drawn on any account that is the subject of this Order (a) at the direction of the Debtors, (b) in good faith belief that the Court has authorized such prepetition check or item to be honored, or (c) as the result of an innocent mistake made despite implementation of reasonable item handling procedures, shall be deemed to be liable to the Debtors or their estates or otherwise in violation of this Order.

7. Except as otherwise provided in this Order or in a separate order of the Court, the Banks shall not honor or pay any bank payments drawn on the listed Bank Accounts or otherwise issued prior to the Petition Date.

8. The Banks are authorized to charge, and the Debtors are authorized to pay, honor, or allow the Bank Fees, and charge back returned items to the Bank Accounts in the ordinary course of business.

9. The Banks are authorized to pay obligations in accordance with this or any separate order of the Court.

10. For all Banks at which the Debtors hold Bank Accounts that are party to a Uniform Depository Agreement with the U.S. Trustee, within fifteen (15) days of the date of entry of this Order, the Debtors shall (a) contact such Bank, (b) provide the Bank with each of the Debtors' employer identification numbers, and (c) identify each of their Bank Accounts held at such Banks as being held by a debtor in possession in a bankruptcy case. For banks that are not party to a Uniform Depository Agreement with the U.S. Trustee, the Debtors shall use their good-faith efforts to cause the bank to execute a Uniform Depository agreement in a form prescribed by the U.S. Trustee within forty-five (45) days of the date of entry of this Order

11. The Debtors are authorized, but not directed, to open any new Bank Accounts or close any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion or as required by any debtor in possession financing agreement approved by the Court; *provided, however*, that the Debtors give prompt notice to the U.S. Trustee and any statutory committee appointed in the Chapter 11 Cases and that the bank is a party to a Uniform Depository Agreement with the U.S. Trustee.

12. The Debtors are authorized to use their existing Business Forms provided that the Debtors use of existing check stock will be labeled with "Debtor in Possession," the bankruptcy case number and a new postpetition sequence of numbers.

13. The Debtors are authorized to continue performing Intercompany Transactions in the ordinary course of business and to honor and pay obligations in connection with the Intercompany Transactions, *provided, however*, that cash payments on account of prepetition intercompany obligations shall not exceed \$50,000.

14. The Debtors shall maintain accurate records of all Intercompany Transactions such that all postpetition transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, their books and records.

15. All intercompany obligations owed by a Debtor to another Debtor or a non-Debtor affiliate shall be accorded administrative priority status of the kind specified in section 503(b) of the Bankruptcy Code to the extent such obligations arise after the Petition Date.

16. The Debtors' time to comply with section 345(b) of the Bankruptcy Code is hereby extended pursuant to Local Rule 2015-2(b) for a period of thirty (30) days, without prejudice to their right to seek a further waiver.

17. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

18. Bankruptcy Rule 6003(b) has been satisfied.

19. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such motion and the requirements of Bankruptcy Rule 6004(a).

20. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

21. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: December ___, 2012
Wilmington, Delaware

United States Bankruptcy Judge

EXHIBIT B
LIST OF BANK ACCOUNTS

Bank Accounts

Bank	Address	Account Holder	Account Description	Account Number
Union Bank	Commercial Customer Service 1980 Saturn Street Monterey Park, CA 91755	THQ Inc.	Settlement Account	xxxxxxx1629
Union Bank	Same above address.	THQ Inc.	Collection Account (General Receipts)	xxxxxxx4710
Union Bank	Same above address.	THQ Inc.	Collection Account (Valusoft Receipts)	xxxxxxx8775
Union Bank	Same above address.	THQ Wireless Inc.	Collection Account (Wireless Receipts)	xxxxxxx8589
Union Bank	Same above address.	THQ Inc.	Collection Account (Online Gaming Receipts)	xxxxxxx1092
Union Bank	Same above address.	THQ Inc.	Vendor Checking Account	xxxxxxx9337
Union Bank	Same above address.	THQ Inc.	Payroll Account	xxxxxxx4729
Union Bank	Same above address.	THQ Inc.	Flex Spending Account	xxxxxxx6098
Union Bank	Same above address.	THQ Inc.	Money Market Account	xxxxxxx0215 (dormant)
Union Bank	Same above address.	THQ Inc.	Video Production Vendor Checking Account	xxxxxxx0320

Bank	Address	Account Holder	Account Description	Account Number
UBS Financial Services Inc.	One North Wacker Drive 25th, 26th & 35th Floor Chicago, IL 60606-2807	THQ Inc.	UBS Investment Account	x4463 (dormant)
Bank of America, N.A.	P.O. Box 25118 Tampa, FL 33622	THQ Inc.	<i>Account in process of being closed.</i>	xxxxxxxx4876
JP Morgan Chase Bank, N.A.	2029 Century Park East 39th Floor Los Angeles, CA 90067	THQ Inc.	Yuke's Investment Account	xxxxx1006

EXHIBIT C
CASH MANAGEMENT DIAGRAM

**THQ
Cash Management System
North America**

