

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
 :
 In re: : Chapter 11
 :
 THQ INC., *et al.*, : Case No. 12-13398 (MFW)
 :
 Debtors.¹ : Jointly Administered
 :
 : RE: Docket Nos. 9, 39, 70, and 98
 :
 -----X

FINAL ORDER AUTHORIZING THE PAYMENT OF PREPETITION (A) WAGES, SALARIES, AND OTHER COMPENSATION, (B) QUARTERLY SALES BONUSES AND OUTSTANDING PROFIT SHARING BONUS, (C) REIMBURSABLE EMPLOYEE EXPENSES, AND (D) EMPLOYEE MEDICAL AND SIMILAR BENEFITS

Upon the motion (the “**Motion**”)² of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an order (i) authorizing, but not directing, the Debtors to (a) pay prepetition wages, salaries, and other compensation, taxes, withholdings, and related costs, and reimbursable employee expenses, (b) pay and honor obligations relating to employee medical, insurance, and other benefit programs, and (c) continue their employee medical, insurance, and other benefits programs on a postpetition basis; and (ii) authorizing and directing applicable banks and other financial institutions to honor and process checks and transfers related to such obligations; and upon the Farrell First Day Declaration; and this Court having found that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 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 this Court having found that the Motion is a core

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); Volition, Inc. (4944); THQ Digital Studios Phoenix, Inc. (1056); THQ Wireless Inc. (7991); and Vigil Games, Inc. (8651). The Debtors’ principal offices are located at 29903 Agoura Road, Agoura Hills, CA 91301.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.



proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. § 1408; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and notice of the Motion appearing adequate and appropriate under the circumstances; and this Court having found that no other or further notice need be provided; and this Court having reviewed the Motion and having heard statements in support of the Motion at a hearing held before this Court (the "**Hearing**"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and this Court having found that relief requested in the Motion is necessary to prevent immediate and irreparable harm; and any objections to the relief requested herein having been withdrawn, overruled on the merits, or otherwise resolved; and after due deliberation and sufficient cause appearing therefore,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is granted as set forth herein.
2. The Debtors are authorized, but not directed, in the exercise of their reasonable business judgment, to pay and honor prepetition obligations associated with the Compensation Obligations in an amount not to exceed \$975,000, unless otherwise ordered by the Court; provided, however, that the Debtors may not pay, absent further order of the Court, any Employee, Temporary Employee, or Independent Contractor more than \$11,725, except as provided herein.
3. The Debtors are authorized, but not directed, in the exercise of their reasonable business judgment, to pay and honor prepetition obligations associated with the Quarterly Sales Bonuses in an amount not to exceed \$75,000 in the aggregate, irrespective of

whether doing so will result in payments on account of prepetition obligations in an amount exceeding \$11,725 per Employee.

4. The Debtors are authorized, but not directed, in the exercise of their reasonable business judgment, to assume and assign prepetition obligations associated with the Outstanding Profit Sharing Bonus to non-insider Employees to a buyer who acquires the assets of Volition, Inc. and agrees to assume and pay such liability. For the avoidance of doubt, the Debtors are not authorized to pay any amounts on account of obligations associated with the Outstanding Profit Sharing Bonus.

5. The Debtors are authorized, but not directed, in the exercise of their reasonable business judgment, to pay and honor prepetition obligations to the certain Independent Contractor, in excess of \$11,725, associated with the Independent Contractor Obligations related to the development of the *Saints Row 4* game, as more fully described in the Motion; provided, however, that such amounts shall not exceed \$35,000.

6. The Debtors are authorized, but not directed, in the exercise of their reasonable business judgment, to pay and honor prepetition obligations to Resources Global Professionals, in excess of \$11,725, on account of the services provided by a certain Temporary Employee; provided, however, that such amounts shall not exceed \$30,000.

7. The Debtors and any applicable third parties are authorized to continue to allocate and distribute Deductions and Payroll Tax Obligations to the appropriate third-party recipients or taxing authorities in accordance with the Debtors' stated policies and prepetition practices.

8. The Debtors are authorized, but not directed, to continue to honor their Reimbursable Expense Obligations, including any prepetition obligations, to Employees and

applicable third-parties under the Corporate Card Program, including, but not limited to, American Express, for Reimbursable Expenses in accordance with the Debtors' stated policies and prepetition practices; provided, however, that the Debtors may not pay in excess of \$40,000 on account of prepetition Reimbursable Expense Obligations.

9. The Debtors are authorized, but not directed, to honor the Employee Benefit Plans, including, without limitation, (a) the Health Plans, (b) the Income Protection Plans, (c) Vacation and PTO, (d) the 401(k) Plan, and (e) the Flexible Spending Account Plan; and to make any necessary contributions to such programs and pay any unpaid premium, claim, or amount owed as of the Petition Date with respect thereto; provided, however, that the Debtors may not pay, absent further order of the Court, any amounts on account of accrued prepetition Vacation Time or PTO; provided further, however, that the Debtors may not pay in excess of \$500,000 on account of the Employee Benefits Obligations, exclusive of Withholding Obligations.

10. The Debtors are authorized, but not directed, to pay all processing and administrative fees associated with and all costs and expenses incidental to payment of the Employee Obligations.

11. Nothing herein or in the Motion shall be deemed (i) to authorize the payment of any amounts that may be subject to section 503(c) of the Bankruptcy Code nor (ii) to violate or permit a violation of section 503(c) of the Bankruptcy Code.

12. In accordance with this order and any other order of this Court, each of the financial institutions at which the Debtors maintain their accounts relating to the prepetition or postpetition obligations the Debtors are authorized to pay pursuant to this order is authorized to honor checks presented for payment and all fund transfer requests made by the Debtors related to

such obligations to the extent that sufficient funds are on deposit in such accounts.

13. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these Chapter 11 Cases with respect to prepetition amounts owed in connection with any Employee Obligations authorized to be paid by this order.

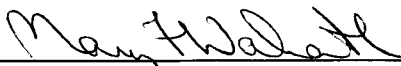
14. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

15. The requirements set forth in Bankruptcy Rule 6004(a) are satisfied by the contents of the Motion.

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

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

Dated: January 11, 2013
Wilmington, Delaware



Mary F. Walrath
United States Bankruptcy Judge