

THQ files for Chapter 11 bankruptcy

Brett Molina, USA TODAY | 3:15p.m. EST December 19, 2012



(Photo: THQ)

THQ has filed for Chapter 11 bankruptcy, capping a tumultuous year for the struggling video game publisher.

In a statement released Thursday, THQ says it has reached a deal with Clearlake Capital Group, L.P., where affiliates would purchase all of the publisher's operating assets, including four studios and all related games.

THQ says all its studios will remain open, and development of upcoming video games remains intact.

"The sale and filing are necessary next steps to complete THQ's transformation and position the company for the future, as we remain confident in our existing pipeline of games, the strength of our studios and THQ's deep bench of talent," said THQ Chairman and CEO Brian Farrell in a statement.

Because the publisher has filed for bankruptcy, the NASDAQ is expected to delist any THQ shares traded on the exchange.

"It's going to be difficult for them to keep going as a viable publisher," says Billy Pidgeon, analyst with Inside Network Research.

The bankruptcy filing is the latest hurdle for the video game publisher. In February, [THQ announced layoffs \(http://content.usatoday.com/communities/gamehunters/post/2012/02/thq-to-lay-off-240-employees-cut-ceos-pay/1#.UNITOm_AfTq\)](http://content.usatoday.com/communities/gamehunters/post/2012/02/thq-to-lay-off-240-employees-cut-ceos-pay/1#.UNITOm_AfTq) of 240 employees as part of a restructuring plan that took effect in March. Farrell also took a 50% pay cut for one year as part of the plan.

Then in June, [Electronic Arts revealed \(http://content.usatoday.com/communities/gamehunters/post/2012/06/electronic-arts-snap-rights-to-make-ufc-games/1#.UNITw2_AfTo\)](http://content.usatoday.com/communities/gamehunters/post/2012/06/electronic-arts-snap-rights-to-make-ufc-games/1#.UNITw2_AfTo) during the Electronic Entertainment Expo that it would take over the license to make games based on the Ultimate Fighting Championship, one of THQ's more successful franchises. Two years ago, THQ [had extended their licensing deal \(http://content.usatoday.com/communities/gamehunters/post/2010/10/thq-extends-ufc-licensing-deal-to-2018/1#.UNITvG_AfTo\)](http://content.usatoday.com/communities/gamehunters/post/2010/10/thq-extends-ufc-licensing-deal-to-2018/1#.UNITvG_AfTo) with the UFC through 2018.

THQ publishes the open-world action series *Saints Row* -- a comical spin on *Grand Theft Auto* and one of their most successful franchises -- and launched the apocalyptic platformer *Darksiders II* in August. They also have a licensing deal to make games based on World Wrestling Entertainment.

A *Saints Row* sequel is in the works, as well as games such as shooter *Metro: Last Light* and the role-playing game *South Park: The Stick of Truth*.

