

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

In re:

THQ INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 12-13398 (MFW)

(Jointly Administered)

Hearing Date: N/A

Objections Due: April 2, 2013 at 4:00 p.m. (ET)

**SECOND MONTHLY APPLICATION OF LANDIS RATH & COBB LLP,
CO-COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR COMPENSATION AND REIMBURSEMENT
OF EXPENSES PURSUANT TO 11 U.S.C. §§ 330 AND 331**

Name of Applicant: Landis Rath & Cobb LLP

Authorized to Provide Professional Services to: Official Committee of Unsecured Creditors

Date of Retention: *Nunc Pro Tunc* to January 3, 2013

Period for which compensation and reimbursement sought: February 1, 2013 through February 28, 2013

Amount of monthly fees to be approved as actual, reasonable and necessary: \$ 12,626.50 (80% = \$10,101.20)

Amount of monthly expenses sought as actual, reasonable and necessary: \$ 421.38

This is a X monthly interim final application

Prior Applications: None.

Dated Filed	Period Covered	Requested		Approved	
		Fees	Expenses	Fees	Expenses
2/28/13	1/3/13 – 1/31/13	\$126,028.50	\$4,404.85	\$100,822.80	4,404.85

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

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Landis Rath & Cobb LLP ("LRC"), co-counsel to the Official Committee of Unsecured Creditors (the "Committee") of the above-captioned debtors and debtors-in-possession (the "Debtors"), hereby submits this *Second Monthly Application of Landis Rath & Cobb LLP, Co-Counsel to the Official Committee of Unsecured Creditors, for Compensation and Reimbursement of Expenses Pursuant to 11 U.S.C. §§ 330 and 331* (the "Application") for legal services performed during the period commencing February 1, 2013 through and including February 28, 2013 (the "Application Period"). In support thereof, LRC respectfully represents as follows:

BACKGROUND

1. On December 19, 2012, (the "Petition Date"), the Debtors commenced these bankruptcy cases by each filing a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Court").

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

2. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to Bankruptcy Code Sections 1107 and 1108.

3. On January 3, 2013, the Office of the United States Trustee for the District of Delaware (the “UST”) appointed the Committee. In addition, on January 3, 2013, the Committee met with and selected Andrews Kurth LLP (“AK”) and LRC as its counsel.

4. On January 31, 2013, this Court entered an order authorizing the employment and retention of LRC as co-counsel to the Committee *nunc pro tunc* to January 3, 2013.

JURISDICTION AND VENUE

5. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of this proceeding and this Application is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A) and (M).

6. The statutory bases for relief requested herein are Bankruptcy Code Sections 105(a), 330 and 331.

TERMS AND CONDITIONS OF COMPENSATION OF LRC

7. Subject to Court approval, LRC seeks payment for compensation on an hourly basis, plus reimbursement of actual, necessary expenses incurred by LRC during the Application Period. With the exception of copy charges (which are charged at a lower rate), the rates charged by LRC in these cases do not differ from the rates charged to LRC’s non-bankruptcy clients.

8. A summary of the hours spent, the names of each professional and paraprofessional rendering services to the Committee during the Application Period, the regular customary billing rates and the total value of time incurred by each of the LRC attorneys rendering services to the Committee is attached hereto as Exhibit “A.” A copy of the computer

generated time entries reflecting the time recorded for these services, organized in project billing categories in accordance with the United States Trustee's Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 (the "Guidelines"), is attached hereto as Exhibit "B." A statement of expenses incurred by LRC during the Application Period is attached hereto as Exhibit "C." All time entries and requested expenses are in compliance with Local Rule 2016-2.²

9. On January 31, 2013, this Court entered the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (the "Administrative Order"). Pursuant to the Administrative Order, LRC and other professionals retained in these cases are authorized to file and to serve upon the Debtors and the parties identified in the Administrative Order monthly fee applications (a "Monthly Fee Application") with respect to their fees and expenses. After the expiration of a fourteen (14) day objection period, the Debtors are authorized to promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses requested in the Monthly Fee Application, unless an objection has been lodged against specific fees and/or expenses, or the Court orders otherwise.

10. In accordance with the Administrative Order, LRC has filed and served upon the Debtors and other parties identified in the Administrative Order this Application with respect to fees and expenses incurred during the Application Period; to wit, fees in the amount of \$12,626.50 and expenses in the amount of \$421.38.

11. All services and costs for which compensation is requested by LRC in this Application were reasonable and necessary and were performed for and on behalf of the Committee during the Application Period.

² LRC has also attempted to ensure that this Application complies with the Guidelines. To the extent that the Guidelines conflict with local rules, in particular, Local Rule 2016-2, LRC has chosen to comply with such local rule. LRC will supplement this Application with additional detail or information upon request.

CASE STATUS

12. To the best of LRC's knowledge, the Debtors' monthly operating reports contain up-to-date information regarding the amount of cash on hand or on deposit in the Debtors' estates, the Debtors' operating profits or losses, and the amount of unencumbered funds in the Debtors' estates.

13. To the best of LRC's knowledge, the Debtors have paid to the United States Trustee their initial quarterly fees and have filed their initial monthly operating report.

**NARRATIVE SUMMARY OF SERVICES
RENDERED ON A PROJECT SUMMARY BASIS**

14. All of the professional services that LRC rendered to the Committee during the Application Period are set forth in detail in Exhibit "B," segregated according to project billing categories pursuant to the Guidelines. A brief description of certain services deserving specific mention are highlighted below, by project category:

(A) Case Administration: (Total Hours: 3.2; Total Fees: \$947.00)

15. Among other services provided in this category during the Application Period, LRC assisted in preparing and filing various administrative pleadings submitted on behalf of the Committee. In its role as "clearinghouse" for information and communications to and from the Committee and the Court, LRC worked with AK to keep the Committee informed, on a regular basis, as to important developments in these cases. In connection therewith, LRC created and maintained a critical dates calendar in order to track deadlines and significant events in these cases.

(B) Claims Administration and Objections: (Total Hours:3.3; Total Fees: \$1,887.00)

16. Among other services provided in this category during the Application Period, LRC advised the Committee with respect to the settlement with Take-Two Interactive Software and World Wrestling Entertainment, Inc.

(C) Hearings: (Total Hours: 2.7; Total Fees: \$1,114.00)

17. Among other services provided in this category during the Application Period, LRC prepared for and attended the February 19, 2013 hearing.

(D) LRC Retention & Fee Matters: (Total Hours: 7.1; Total Fees: \$1,940.00)

18. Among other services provided in this category during the Application Period, LRC prepared its first monthly fee application.

(E) Creditors' Committee Meetings / Communications: (Total Hours: 3.9; Total Fees: \$2,072.50)

19. Among other services provided in this category during the Application Period, LRC prepared for and attended Committee meetings by teleconference.

(F) Non LRC Retention & Fee Matters: (Total Hours: 3.9; Total Fees: \$1,448.00)

20. Among other services provided in this category during the Application Period, LRC assisted in finalizing, filing and serving Andrews Kurth's first monthly fee application. In addition, LRC reviewed and analyzed several monthly fee applications of professionals to the Debtors.

COMPENSATION REQUESTED

21. LRC expended 32.50 hours during the Application Period in furtherance of its efforts on behalf of the Committee. LRC requests allowance of compensation in the amount of

\$12,626.50 for legal services rendered during the Application Period at a blended hourly rate of \$388.51. Pursuant to the Administrative Order, LRC requests payment of 80% of the total fees requested, or \$10,101.20. None of the requested fees detailed herein have been paid.

REIMBURSEMENT OF EXPENSES

22. During the Application Period, LRC incurred certain necessary expenses in rendering legal services to the Committee as set forth in Exhibit "C." Telecopying services completed in-house by LRC were charged at \$1.00 per page for outgoing facsimiles only. LRC represents that its rate for duplication is \$0.10 per page, consistent with the Local Rules and Guidelines. In order to more efficiently handle the voluminous copying of pleadings served and filed in these cases, LRC on occasion retained third-party duplication service providers. LRC seeks reimbursement only for the actual expenses charged by such third-party service providers. Finally, LRC seeks reimbursement for computer assisted research, which is the actual cost of such charges.

23. LRC seeks reimbursement for its reasonable, necessary and actual expenses incurred during the Application Period for the total amount of \$421.38.

LEGAL STANDARD

24. Bankruptcy Code Section 330(a)(1) allows the payment of:

(A) reasonable compensation for actual, necessary services rendered by the trustee, examiner, 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). Reasonableness of compensation is driven by the "market-driven approach" which considers the nature, extent and value of services provided by the professional and the cost of comparable services in non-bankruptcy contexts. See Zolfo Cooper & Co. v.

Sunbeam-Oster Co., 50 F.3d 253, 258 (3d Cir. 1995); In re Busy Beaver Building Ctr., Inc., 19 F.3d 833, 849 (3d Cir. 1994). Thus, the “baseline rule is for firms to receive their customary rates.” Zolfo Cooper, 50 F.3d at 259.

25. In accordance with its practices in non-bankruptcy matters, LRC has calculated its compensation requested in this Application by applying its standard hourly rates. LRC’s calculation is based upon hourly rates that are well within the range of rates that are charged by comparable firms in similar bankruptcy cases. Accordingly, LRC’s rates should be determined to be reasonable under Bankruptcy Code Section 330.

26. LRC’s fees during the Application Period are also reasonable under the prevailing legal standard and should be allowed. The amount of these fees is not unusual given the complexity and size of the Debtors’ Chapter 11 cases. LRC’s fees are commensurate with fees that other attorneys of comparable experience and expertise have charged and been awarded in similar Chapter 11 cases. Accordingly, LRC’s fees are reasonable pursuant to Bankruptcy Code Section 330.

27. Bankruptcy Code Section 330(a)(1)(B) permits reimbursement for actual, necessary expenses. LRC’s legal services and expenses incurred during the Application Period are set forth in this Application and constitute only those necessary expenses that were incurred for the benefit of the Debtors’ estates. LRC has properly requested reimbursement of only actual, necessary and appropriate legal expenses.

28. Except as permitted by Rule 2016 of the Federal Rules of Bankruptcy Procedure, no agreement or understanding exists between LRC and/or any third person for the sharing or division of compensation. All of the services for which compensation is requested in this Application were rendered at the request of and solely on behalf of the Committee.

29. Pursuant to the standards set forth in Bankruptcy Code Sections 330 and 331, LRC submits that the compensation requested is for actual and necessary services and expenses, and is reasonable, based upon the nature, extent and value of such services, the time spent thereon, and the costs of comparable services in a case under the Bankruptcy Code.

30. The time records annexed to this Application constitute only a general statement of the services rendered and time expended without description of the pressure and constraints under which LRC actually rendered these services. The considerable challenges of these cases have been attended to and managed by LRC at all levels, promptly, expertly and often to the exclusion of other matters in LRC's office. LRC submits, therefore, that its fees and expenses were actually, necessary, reasonable and justified, and should be allowed in full.

NOTICE AND NO PRIOR APPLICATION

31. No trustee or examiner has been appointed in these Chapter 11 cases. Notice of this Application has been given to: (a) Debtors; (b) counsel to the Debtors; (c) the UST; and (d) all parties required to be given notice in the Administrative Order. In light of the nature of the relief requested herein, LRC submits that no further or other notice is required.

32. No previous application for the relief sought herein has been made to this or any other Court.

WHEREFORE, LRC respectfully requests that the Court: (i) grant the Application; and (ii) grant such other and further relief as is just and proper.

Dated: March 19, 2013
Wilmington, Delaware

LANDIS RATH & COBB LLP



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