

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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 In re: : Chapter 11
 :
 THQ INC., *et al.*, : Case No. 12-13398 (MFW)
 :
 Debtors.¹ : Jointly Administered
 :
 : **Hearing Date: February 4, 2013 at 11:30 a.m. (ET)**
 : **Objection Deadline: January 28, 2013 at 4:00 p.m. (ET)**
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**DEBTORS’ APPLICATION PURSUANT TO SECTION 327(a) OF THE
BANKRUPTCY CODE AND BANKRUPTCY RULE 2014 FOR AN
ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT OF
YOUNG CONAWAY STARGATT & TAYLOR, LLP AS ATTORNEYS
FOR DEBTORS, NUNC PRO TUNC TO THE PETITION DATE**

THQ Inc. (“**THQI**”) and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”) submit this application (the “**Application**”) for entry of an order, pursuant to sections 327 and 330 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), authorizing the retention and employment of Young Conaway Stargatt & Taylor, LLP (“**Young Conaway**” or the “**Firm**”) as attorneys for the Debtors, effective as of the Petition Date (as defined below). In support of this Application, the Debtors rely upon the declaration of Michael R. Nestor (the “**Nestor Declaration**”), attached hereto as **Exhibit A**. In further support of this Application, the Debtors respectfully represent:

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.

JURISDICTION

1. The United States Bankruptcy Court for the District of Delaware (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)(2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are sections 327(a) and 330 of the Bankruptcy Code, Bankruptcy Rules 2014 and 2016, and Rules 2014-1 and 2016-2 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court of the District of Delaware (the “**Local Rules**”).

BACKGROUND

3. On December 19, 2012 (the “**Petition Date**”), each of the Debtors commenced a voluntary case under chapter 11 of the 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.

4. The Debtors’ chapter 11 cases (the “**Chapter 11 Cases**”) are being jointly administered pursuant to Rule 1015(b) of the Bankruptcy Rules and Rule 1015-1 of the Local Rules. The Official Committee of Unsecured Creditors (the “**Committee**”) was appointed by the Office of the United States Trustee on January 3, 2013 [Docket No. 80]. No trustee or examiner creditors has been appointed in these cases.

5. 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 [Docket No. 2].

RELIEF REQUESTED

6. By this Application, the Debtors request entry of an order authorizing the Debtors to retain and employ Young Conaway as their attorneys in the Chapter 11 Cases, effective as of the Petition Date.

A. Services to be Provided

7. Young Conaway was retained by the Debtors pursuant to an engagement agreement effective as of December 12, 2012 (the “**Engagement Agreement**”). Young Conaway’s representation of the Debtors’ as the Debtors’ restructuring counsel, in preparing for, and during the course of, all aspects of its restructuring efforts.

8. By separate application, the Debtors are seeking to retain Gibson, Dunn LLP (“**Gibson Dunn**”) to serve as their lead counsel in connection with the Chapter 11 Cases. To avoid any duplication of efforts, Gibson Dunn and Young Conaway have discussed and will continue to discuss each firm’s respective responsibilities in connection with representation of the Debtors.

BASIS FOR RELIEF REQUESTED

A. Young Conaway’s Qualifications

9. The Debtors seek to retain Young Conaway as their attorneys because of the Firm’s extensive knowledge, expertise, and experience in the field of the Debtors’ and creditors’ rights and business reorganizations under chapter 11 of the Bankruptcy Code. The Debtors submit that Young Conaway’s knowledge, expertise, and experience practicing before this Court will enable it to work in an efficient and cost-effective manner on behalf of the

Debtors' estates. Additionally, in preparing for the Chapter 11 Cases, Young Conaway has become familiar with the Debtors' business and affairs and many of the potential legal issues that may arise in the context of the Chapter 11 Cases. Accordingly, the Debtors believe that Young Conaway is uniquely qualified to represent them as co-counsel in the Chapter 11 Cases and will do so in a most expedient manner.

B. Payment of Fees and Expenses

10. Young Conaway will seek Court approval of its compensation and reimbursement of its actual, necessary expenses, and other charges incurred by the Firm upon the filing of appropriate applications for interim and final compensation and reimbursement pursuant to sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. The principal attorneys and paralegal presently designated to represent the Debtors and their current standard hourly rates are:

- | | |
|-------------------------------|-------------------|
| a. Michael R. Nestor | \$675.00 per hour |
| b. M. Blake Cleary | \$650.00 per hour |
| c. Jaime Luton Chapman | \$375.00 per hour |
| d. Morgan L. Seward | \$315.00 per hour |
| e. Michelle Smith (paralegal) | \$185.00 per hour |

11. The hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. Other attorneys and paralegals from Young Conaway may from time to time also serve the Debtors in connection with the matters described herein with rates ranging from \$285 to \$975 per hour for attorneys and \$80 to \$250 per hour for paralegals and other para-professionals.

12. The hourly rates set forth above are the Firm's standard hourly rates for work of this nature. These rates are set at a level designed to fairly compensate the Firm for the

work of its attorneys and paralegals and to cover fixed and routine overhead expenses. It is the Firm's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, charges for mailing supplies (including, without limitation, envelopes and labels) provided by the Firm to outside copying services for use in mass mailings, travel expenses, expenses for "working meals," computerized research, transcription costs, as well as non-ordinary overhead expenses approved by the client such as secretarial and other overtime. The Firm will charge the Debtors for these expenses in a manner and at rates consistent with charges made generally to the Firm's other clients. The Firm believes that it is fairer to charge these expenses to the clients incurring them than to increase the hourly rates and spread the expenses among all clients.

13. Young Conaway received an initial retainer in the amount of \$100,000 (the "**Retainer**")² in connection with the planning and preparation of initial documents and its proposed post-petition representation of the Debtors. A portion of the Retainer has been applied to outstanding balances existing as of the Petition Date. The remainder will constitute a general retainer as security for post-petition services and expenses.³

14. In this case, the general security retainer is appropriate for several reasons. See In re Insilco Tech., Inc., 291 B.R. 628, 634 (Bankr. D. Del. 2003) ("Factors to be considered, include . . . whether terms of an engagement agreement reflect normal business terms in the marketplace; . . . the relationship between the Debtor and the professionals, i.e., whether the parties involved are sophisticated business entities with equal bargaining power who engaged in

² Young Conaway received no other payments from the Debtors in the ninety days prior to the commencement of the Chapter 11 Cases.

³ Young Conaway's statement pursuant to Bankruptcy Rule 2016 is attached hereto as Exhibit B.

an arms-length negotiation[] [and] . . . whether the retention, as proposed, is in the best interests of the estate[] . . .”); see also In re CTC Commc’n Group, Inc., Case No. 02-12873 (PJW) (Bankr. D. Del. May 22, 2003), Hr’g Tr. 43 (“I agree and adopt wholeheartedly Judge Carey’s decision in the Insilco case.”). First, these types of retainer agreements reflect normal business terms in the marketplace. See In re Insilco Tech., Inc., 291 B.R. at 634 (“[I]t is not disputed that the taking of [security] retainers is a practice now common in the market place.”). Second, both Young Conaway and the Debtors are sophisticated business entities that have negotiated the retainer at arm’s length. Third, the retention of Young Conaway is in the best interests of the Debtors’ estates because the retention agreement and retainer allow the Debtors to maintain the prepetition relationship established with Young Conaway. Thus, under the standards articulated in In re Insilco Tech., Inc., and adopted In re CTC Commc’n Group, Inc., the facts and circumstances of the Chapter 11 Cases supports the approval of the security retainer.

15. As set forth in the Nestor Declaration, Young Conaway has not shared or agreed to share any of its compensation from the Debtors with any other person, other than as permitted by section 504 of the Bankruptcy Code.

C. Bankruptcy Rule 2014 Disclosure

16. To the best of the Debtors’ knowledge, and except as disclosed herein and in the Nestor Declaration, Young Conaway has not represented the Debtors, their creditors, or any other parties-in-interest, or their respective attorneys, in any matter relating to the Debtors or their estates. Young Conaway is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code in that the Firm, its partners, counsel, and associates:

- a. are not creditors, equity security holders, or insiders of the Debtors;
- b. are not and were not, within two (2) years before the Petition Date, directors, officers, or employees of the Debtors; and

- c. do not have an interest materially adverse to the interests of the Debtors' estates or of any class of the Debtors' creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, any of the Debtors, or for any other reason.

17. For the above reasons, the Debtors submit that Young Conaway's employment is necessary and in the best interests of the Debtors and their estates.

NOTICE

18. The Debtors have provided notice of this Application to: (a) the Office of the United States Trustee for the District of Delaware; (b) counsel to the Committee; (c) counsel for Wells Fargo Capital Finance, LLC; (d) Clearlake Capital Group, L.P.; and (e) those parties who have formally filed a request for notice in the chapter 11 cases pursuant to Bankruptcy Rule 2002.

WHEREFORE, Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as **Exhibit C**, granting the relief requested herein and granting Debtors such other and further relief as is just and proper.

Dated: January 14, 2013

THQ INC.

/s/ Edward L. Kaufman _____

Edward L. Kaufman

Executive Vice President, Business and Legal Affairs,
and Corporate Secretary

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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: Chapter 11
In re: :
: Case No. 12-13398 (MFW)
THQ INC., *et al.*, :
: Jointly Administered
Debtors.¹ :
: **Hearing Date: February 4, 2013 at 11:30 a.m. (ET)**
: **Objection Deadline: January 28, 2013 at 4:00 p.m. (ET)**
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NOTICE OF APPLICATION

TO: (A) THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE; (B) COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS; (C) COUNSEL FOR WELLS FARGO CAPITAL FINANCE, LLC; (D) CLEARLAKE CAPITAL GROUP, L.P.; AND (E) THOSE PARTIES WHO HAVE FORMALLY FILED A REQUEST FOR NOTICE IN THE CHAPTER 11 CASES PURSUANT TO BANKRUPTCY RULE 2002

THQ Inc. (“**THQI**”) along with its affiliated debtors and debtors in possession (collectively, the “**Debtors**”) in the above-referenced chapter 11 cases, have filed the attached **Debtors’ Application Pursuant to Section 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014 for an Order Authorizing the Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Attorneys for Debtors, Nunc Pro Tunc to the Petition Date** (the “**Application**”).

Responses, if any, to the relief requested in the Application must be filed with the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801 on or before **January 28, 2013, at 4:00 p.m. (ET)** (the “**Objection Deadline**”). At the same time, you must serve a copy of your response upon the undersigned counsel.

A HEARING ON THE RELIEF REQUESTED IN THE APPLICATION WILL BE HELD ON FEBRUARY 4, 2013 AT 11:30 A.M. (ET) BEFORE THE HONORABLE MARY F. WALRATH, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 5TH FLOOR, COURTROOM 4, WILMINGTON, DELAWARE 19801.

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.

IF YOU FAIL TO RESPOND TO THE APPLICATION IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED THEREIN WITHOUT FURTHER NOTICE OR A HEARING.

Dated: January 14, 2013
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Jaime Luton Chapman

Michael R. Nestor (No. 3526)
M. Blake Cleary (No. 3614)
Jaime Luton Chapman (No. 4936)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

-and-

Oscar Garza (CA No. 149790)
Jeffrey C. Krause (CA No. 94053)
GIBSON, DUNN & CRUTCHER LLP
333 South Grand Avenue
Los Angeles, CA 90071-1512
Telephone: (213) 229-7000
Facsimile: (213) 229-7520

*Proposed Counsel to the Debtors
and Debtors in Possession*

EXHIBIT A

Nestor Declaration

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11

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THQ INC., *et al.*, : Case No. 12-13398 (MFW)

:

Debtors.¹ : Jointly Administered

:

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DECLARATION OF MICHAEL R. NESTOR IN SUPPORT OF THE DEBTORS’ APPLICATION PURSUANT TO SECTION 327(a) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 2014 FOR AN ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT OF YOUNG CONAWAY STARGATT & TAYLOR, LLP AS ATTORNEYS FOR THE DEBTORS, NUNC PRO TUNC TO THE PETITION DATE

I, Michael R. Nestor, hereby declare under penalty of perjury the following:

1. I am a partner in the law firm of Young Conaway Stargatt & Taylor, LLP (“**Young Conaway**”), Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, and am duly admitted to practice in the States of Delaware, Pennsylvania and New Jersey as well as before the United States District Court for the District of Delaware. I submit this declaration (the “**Nestor Declaration**”) in support of *Debtors’ Application Pursuant to Section 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014 for an Order Authorizing the Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Attorneys for the Debtors, Nunc Pro Tunc to the Petition Date* (the “**Application**”).²

2. Young Conaway was retained by the Debtors pursuant to an engagement agreement effective as of December 12, 2012 (the “**Engagement Agreement**”).

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

3. Young Conaway has conducted a series of searches in the Firm's conflicts databases to identify relationships with the Debtors, their lenders, equity holders, and various other parties-in-interest in these cases (collectively, the "**Interested Parties**").

4. Based on the conflicts and connections search conducted and described herein, to the best of my knowledge, neither I, Young Conaway, nor any partner, counsel or associate thereof, insofar as I have been able to ascertain, has any connection with the Debtors or any other parties-in-interest herein, except as stated below:

- a. In recent months, Young Conaway and certain of its partners and associates have rendered legal services to the Debtors relating to their plans to seek relief under chapter 11 of title 11 of the United States Code 11 U.S.C. §§ 101–1532 (the "**Bankruptcy Code**") and the preparation of the petitions and other papers initiating and prosecuting these cases.
- b. The Debtors have sought or will seek to retain Gibson, Dunn & Crutcher, LLP as general bankruptcy counsel; FTI Consulting, Inc. as Financial Advisor; Kurtzman Carson Consultants LLC as claims, noticing, and administrative agent; and Centerview Partners as investment bankers in these cases. Young Conaway has in the past and/or currently does work with and/or against these professionals in connection with matters wholly unrelated to these chapter 11 proceedings.
- c. Young Conaway has previously represented the following parties, or affiliates of the following parties, who may be Interested Parties, in matters wholly unrelated to the Debtors and these Chapter 11 cases:
 - i) First Union National Bank
 - ii) Camden Asset Management, L.P.
 - iii) Camco Asset Management, Inc. (affiliate)
 - iv) Barclays Capital Inc.
 - v) Sony Corporation (affiliates)
 - vi) Viacom, Inc.
 - vii) American Express

- viii) Mattel Inc.
- ix) Deloitte & Touche LLP
- x) Disney Interactive Studios, Inc. (affiliate)
- xi) Walker Digital, LLC
- xii) Sony Pictures Consumer Products (affiliates)
- xiii) Random House, Inc. (affiliate)

d. Young Conaway currently represents the following parties, or affiliates of the following parties, who may be Interested Parties, in matters wholly unrelated to the Debtors and these chapter 11 proceedings:

- i) Wilmington Trust Company
- ii) Sony Computer Entertainment

5. Young Conaway is continuing to review the Debtors' complete lists of creditors. Based upon its review as of this date, Young Conaway has determined that it does not represent any party in these proceedings with a material adverse interest with respect to the Debtors. Young Conaway will supplement this affidavit, as necessary, with additional information or disclosures in the event that additional information is developed.

6. Young Conaway is a "disinterested person" as that term is defined in § 101(14) of the Bankruptcy Code in that Young Conaway, its partners, counsel, and associates:

- a. are not creditors, equity security holders or insiders of the Debtors;
- b. are not and were not, within two (2) years before the date of the filing of the petition, a director, officer, or employee of the Debtors; and
- c. do not have an interest materially adverse to the interest of the Debtors' estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason.

7. As set forth above, and subject to any explanations and/or exceptions contained therein or herein, Young Conaway: (a) does not hold or represent any interest adverse

to the Debtors in connection with the matters upon which Young Conaway is to be engaged, and (b) is disinterested. If the results of further investigation reveal any additional connections, Young Conaway will make any further disclosures as may be appropriate at that time.

8. Young Conaway intends to apply for compensation for professional services rendered in connection with these Chapter 11 Cases subject to approval of this Court and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any administrative order entered by this Court, on an hourly basis, plus reimbursement of actual, necessary expenses and other charges incurred by Young Conaway. The principal attorneys and paralegal designated to represent the Debtors and their current standard hourly rates are:

- | | |
|-------------------------------|-------------------|
| a. Michael R. Nestor | \$675 per hour |
| b. M. Blake Cleary | \$650.00 per hour |
| c. Jaime Luton Chapman | \$375.00 per hour |
| d. Morgan L. Seward | \$315.00 per hour |
| e. Michelle Smith (paralegal) | \$185.00 per hour |

9. The hourly rates set forth above are subject to periodic adjustments to reflect economic and other conditions. Other attorneys and paralegals may from time to time serve the Debtors in connection with the matters herein described with rates ranging from \$285 to \$975 per hour for attorneys and \$80 to \$250 per hour for paralegals and other para-professionals.

10. The Debtors has been advised that the hourly rates set forth above are Young Conaway's standard hourly rates for work of this nature and that these rates are set at a level designed to fairly compensate Young Conaway for the work of its attorneys and paralegals

and to cover fixed and routine overhead expenses. It is the Firm's policy to charge its clients in all areas of practice for all other expenses incurred in connection with the client's case. The expenses charged to clients include, among other things, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, charges for mailing supplies (including, without limitation, envelopes and labels) provided by the Firm to outside copying services for use in mass mailings, travel expenses, expenses for "working meals," computerized research, transcription costs, as well as non-ordinary overhead expenses approved by the client such as secretarial and other overtime. The Firm will charge the Debtors for these expenses in a manner and at rates consistent with charges made generally to the Firm's other clients. The Firm believes that it is fairer to charge these expenses to the clients incurring them than to increase the hourly rates and spread the expenses among all clients.

11. Young Conaway received an initial retainer in the amount of \$100,000 (the "**Retainer**")³ in connection with the planning and preparation of initial documents and its proposed post-petition representation of the Debtors. A portion of the Retainer has been applied to outstanding balances existing as of the Petition Date. The remainder will constitute a general retainer as security for post-petition services and expenses.

12. No promises have been received by Young Conaway, nor by any partner, counsel, or associate thereof, as to compensation in connection with these Chapter 11 Cases other than in accordance with the provisions of the Bankruptcy Code. Young Conaway has no agreement with any other entity to share with such entity any compensation received by Young Conaway in connection with these Chapter 11 Cases.

³ Young Conaway received no other payments from the Debtors in the ninety (90) days prior to the commencement of this case.

13. The facts set forth in the Application are true and correct to the best of my knowledge, information, and belief.

Dated: Wilmington, Delaware
January 14, 2013

/s/ Michael R. Nestor
Michael R. Nestor

Exhibit B

Rule 2016 Statement

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

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In re: : Chapter 11

:

THQ INC., *et al.*, : Case No. 12-13398 (MFW)

:

Debtors.¹ : Jointly Administered

:

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**STATEMENT OF YOUNG CONAWAY STARGATT & TAYLOR, LLP
UNDER RULE 2016 OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE AND SECTION 329 OF THE BANKRUPTCY CODE**

1. Young Conaway Stargatt & Taylor, LLP (“**Young Conaway**”), pursuant to Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 2016-1 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court of the District of Delaware (the “**Local Rules**”) and section 329 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), states that the undersigned is co-counsel for the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) in these Chapter 11 Cases.

2. Compensation agreed to be paid by the Debtors to Young Conaway is to be for legal services rendered in connection with these bankruptcy cases. The Debtors have agreed to pay Young Conaway for the legal services rendered or to be rendered on the Debtors’ behalf in connection with these cases by Young Conaway’s various attorneys and paralegals. The Debtors have also agreed to reimburse Young Conaway for its actual and necessary expenses incurred in connection with these cases.

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.

3. Young Conaway was retained by the Debtors pursuant to an engagement agreement dated December 12, 2012 (the “**Engagement Agreement**”). Young Conaway received an initial retainer in the amount of \$100,000 (the “**Retainer**”)² in connection with the planning and preparation of initial documents and its proposed post-petition representation of the Debtors. A portion of the Retainer has been applied to outstanding balances existing as of the Petition Date. The remainder will constitute a general retainer as security for post-petition services and expenses.

4. Within the year prior to the Petition Date, Young Conaway has received no other payments or promises of payment from the Debtors on account of services rendered or to be rendered in contemplation of or in connection with these Chapter 11 Cases. At all times, the Retainer exceeded the amounts due to Young Conaway on account of its prepetition fees and expenses.

5. Young Conaway will seek approval of payment of compensation upon its filing of appropriate applications for allowance of interim or final compensation pursuant to sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rules, Local Rules and any applicable Orders of this Court.

6. All filing fees in these Chapter 11 Cases have been paid in full.

7. The services to be rendered include all those services set forth in *Debtors’ Application Pursuant to Section 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014 for an Order Authorizing the Retention and Employment of Young Conaway Stargatt & Taylor, LLP as Attorneys for the Debtors, Nunc Pro Tunc to the Petition Date* (the “**Application**”).

² Young Conaway received no other payments from the Debtors in the ninety (90) days prior to the commencement of this case.

8. Young Conaway further states that it has neither shared nor agreed to share (a) any compensation it has received or may receive with another party or person, other than with the partners, counsel and associates of Young Conaway, or (b) any compensation another person or party has received or may receive.

Dated: Wilmington, Delaware YOUNG CONAWAY STARGATT & TAYLOR, LLP
January 14, 2013

/s/ Michael R. Nestor
Michael R. Nestor (No. 3526)
M. Blake Cleary (No. 3614)
Jaime Luton Chapman (No. 4936)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

Proposed Co-Counsel for the Debtors and Debtors in Possession

EXHIBIT C

Proposed Order

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11

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THQ INC., *et al.*, : Case No. 12-13398 (MFW)

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Debtors.¹ : Jointly Administered

:

: **RE: Docket No.** ____

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**ORDER PURSUANT TO SECTION 327(a) AND BANKRUPTCY
RULE 2014 AUTHORIZING THE RETENTION AND EMPLOYMENT
OF YOUNG CONAWAY STARGATT & TAYLOR, LLP AS ATTORNEYS
FOR THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE**

Upon the application (the “**Application**”)² of the above captioned debtors and debtors in possession (collectively, “**Debtors**”) for entry of an order authorizing the Debtors to retain and employ Young Conaway Stargatt & Taylor, LLP (“**Young Conaway**”) as their co-counsel, *nunc pro tunc* to Petition Date, as more fully described in the Application; and upon consideration of the Nestor Declaration and the First Day Declaration; and it appearing that the relief requested is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided under the particular circumstances, and it appearing that

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 Capitalized terms used but not defined herein have the meanings ascribed to them in the Application.

no other or further notice need be provided; and the Court finding that Young Conaway is a “disinterested person,” as defined in section 101(14) of the Bankruptcy Code and as required by section 327(a) of the Bankruptcy Code because (a) Young Conaway has no connection with the Debtors, any creditors, or other parties in interest, their respective attorneys and accountants, or the U.S. Trustee or any of its employees, except as set forth in the Nestor Declaration, (b) Young Conaway is not a creditor, equity security holder, or insider of the Debtors, (c) none of Young Conaway’s members or employees are or were, within two (2) years of the Petition Date, a director, officer, or employee of the Debtors, and (d) Young Conaway does not hold and neither has represented nor represents an interest materially adverse to the interests of the Debtors’ estates or of any class of creditors or equity security holders by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors or for any other reason; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED THAT:

1. The Application is granted and approved.
2. In accordance with section 327(a) of the Bankruptcy Code, the Debtors are hereby authorized to retain and employ the firm of Young Conaway as their bankruptcy counsel on the terms set forth in the Application, the Nestor Declaration and the Engagement Agreement effective, *nunc pro tunc*, as of the Petition Date.
3. Young Conaway shall be entitled to allowance of compensation and reimbursement of expenses, upon the filing and approval of interim and final applications pursuant to the Bankruptcy Rules, the Local Rules, and such other orders as the Court may direct.
4. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

5. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application and the Nestor Declaration.

6. This Court shall retain jurisdiction over any and all matters arising from or related to the interpretation or implementation of this Order.

Dated: Wilmington, Delaware
_____, 2013

Mary F. Walrath
United States Bankruptcy Judge