Game maker THQ files for bankruptcy

The Associated Press

Struggling video game company THQ Inc. said Wednesday that it has filed for bankruptcy protection and is selling its business.

The Agoura Hills, California, company said investment firm Clearlake Capital Group has put in a $60 million "stalking horse" bid for its operations, which include four development studios and games in currently in development. The process allows others to come forward and place higher bids.

THQ said it plans to continue running its business as it moves through the sale, keeping studios open and continuing to develop games. It said it has secured $37.5 million in financing from Wells Fargo and Clearlake, pending court approval.

"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 Brian Farrell, the company's chairman and CEO.

THQ's games include "Saints Row: The Third" and "UFC Undisputed 3." It has struggled to keep up with rival game developers such as Electronic Arts Inc. and Activision Blizzard Inc., which are much larger and have better-received games. The video-game industry itself is facing difficulties as consumers turn to mobile and online games instead of expensive packaged titles.

THQ said its foreign operations are not included in the bankruptcy filing.

Shares of THQ plunged $1.02, or 74 percent, to close at 36 cents on Wednesday.

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