

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

ATARI INC

CIK: **1002607** | IRS No.: **133689915** | State of Incorporation: **DE** | Fiscal Year End: **0331**
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): MARCH 5, 2008

ATARI, INC.

(Exact name of registrant as specified in charter)

DELAWARE

(State or other jurisdiction
of incorporation or organization)

Commission File Number: 0-27338

13-3689915

(I.R.S. employer identification no.)

417 FIFTH AVENUE
NEW YORK, NEW YORK 10016

(Address of principal executive
offices, including zip code)

(212) 726-6500

(Registrant' s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

Receipt of Non-Binding Expression of Intent. On March 6, 2008, Atari, Inc. (“Atari”) issued the press release attached hereto as Exhibit 99.1. A copy of the letter referred to in the press release is attached hereto as Exhibit 99.2.

Extension to Forbearance Agreement. As previously disclosed, BlueBay High Yield Investments (Luxembourg) S.A.R.L. (“BlueBay”), the lender under Atari’s senior secured credit facility, had agreed to forbear from exercising its remedies with respect to certain violations of covenants under the credit facility until the earliest to occur of (i) March 3, 2008, (ii) additional covenant defaults, other than the ones existing as the date of the forbearance agreement or (iii) any action that is viewed to be adverse to the position of the lender. BlueBay has extended the March 3, 2008 date to March 17, 2008.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are filed herewith:

99.1 Press release dated March 6, 2008.

99.2 Letter dated March 5, 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ATARI, INC.

By: /s/ Curtis G. Solsvig III

Curtis G. Solsvig III
Chief Restructuring Officer

Date: March 6, 2008

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated March 6, 2008
99.2	Letter dated March 5, 2008



**FOR IMMEDIATE
RELEASE**

Contact: Arturo Rodriguez
Atari, Inc.
212-726-4234
arturo.rodriguez@atari.com

ATARI, INC. REPORTS RECEIPT OF NON-BINDING OFFER FROM INFOGRAMES ENTERTAINMENT S.A.

NEW YORK – March 6, 2008 – Atari, Inc. (Nasdaq: ATAR), an interactive entertainment company, today announced that it received a letter from Infogrames Entertainment S.A. (IESA), Atari, Inc.' s majority shareholder, regarding IESA' s non-binding expression of intent to acquire the outstanding common stock of Atari, Inc. not owned by IESA and its affiliates for a per share cash amount of \$1.68. A Special Committee of Atari, Inc.' s Board of Directors intends to undertake, together with its advisors, a thorough evaluation of the proposal.

The offer is non-binding and there is no assurance that any transaction will occur or as to the terms of any transaction.

About Atari, Inc.

New York-based Atari, Inc. (Nasdaq: ATAR) publishes and distributes interactive entertainment software in the U.S. The Company' s 1,000+ published titles distributed by the Company include hard-core, genre- defining franchises such as Test Drive(R); and mass-market and children' s franchises such Dragon Ball Z(R). Atari, Inc. is a majority-owned subsidiary of France-based Infogrames Entertainment SA (Euronext – ISIN: FR-0000052573), an interactive games publisher in Europe. For more information, visit <http://www.atari.com>.

Safe Harbor Statement

With the exception of the historical information contained in this release, the matters described herein contain certain “forward-looking statements” that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this release are not promises or guarantees and are subject to risks and uncertainties that could cause actual occurrences to differ materially from those anticipated. These statements are based on management' s current expectations and assumptions and are naturally subject to uncertainty and changes in circumstances. We caution you not to place undue reliance upon any such forward-looking statements.

The Company undertakes no duty to update any forward-looking statements to conform the statement to actual results or changes in the Company' s expectations.



March 5, 2008

Board of Directors
Atari, Inc.
417 Fifth Avenue
New York, NY 10016

Gentlemen:

We are pleased to submit this letter summarizing the principal terms upon which Infogrames Entertainment S.A. (“IESA”) and/or our affiliates would potentially acquire the remaining equity interests in Atari, Inc. (“Atari”). As Atari’s largest single shareholder, IESA is prepared to work expeditiously on the Acquisition (defined below) which we believe will be in the best interests of Atari and its public shareholders.

1. Proposed Terms. We are proposing to acquire all of the remaining outstanding shares of common stock of Atari, other than the shares held IESA and its affiliates (which would be cancelled), for a cash amount per share of US\$1.68 (the “Acquisition”). The Acquisition would not be subject to any financing condition.

2. Due Diligence. IESA would only require a limited amount of due diligence. IESA intends to have its due diligence investigation completed prior to entering into a definitive agreement regarding the Acquisition.

THIS LETTER IS A NON-BINDING EXPRESSION OF INTENT. IESA RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REVISE OR WITHDRAW THE PROPOSAL CONTAINED IN THIS LETTER AT ANY TIME AND FOR ANY REASON PRIOR TO THE EXECUTION AND DELIVERY OF A SEPARATE DEFINITIVE AGREEMENT REGARDING THE ACQUISITION. THE PARTIES SHALL HAVE NO OBLIGATION TO CONSUMMATE THE ACQUISITION UNLESS AND UNTIL A SEPARATE DEFINITIVE AGREEMENT IS EXECUTED AND DELIVERED BY EACH PARTY THERETO AND SUBJECT IN ALL RESPECTS TO THE SATISFACTION OF THE CONDITIONS CONTAINED IN SUCH AGREEMENT.

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Société Anonyme au capital 74.023.849,13 Euros. RCS Lyon B341 699 106. TVA n° FR69341699106.



IESA and its advisors are prepared to work diligently on the Acquisition. We would appreciate a response prior to 5:00pm EST on March 11, 2008.

Please contact me at +447785300739 if you have any questions regarding the contents of this letter. I look forward to the successful completion of the discussions contemplated by this letter.

Very truly yours,

/s/ David Gardner
David Gardner
Chief Executive Officer
Infogrames Entertainment S.A.

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