

## 38 GAMES LAYS OFF ALL WORKERS



If you play games then you may know about the game studio known as 38 Studios, formerly known as Green Monster Games. Oh, you don't know them? Well, with lackluster titles such as *Copernicus* and *Kingdoms of Amalur: Reckoning*<sup>TM</sup>, you can see how the game studio has been fairing as of late. For those of you not in the know one of the issues that this company may have been having is that it was founded not by a game developer, not by someone with a background in business, but by a baseball player. That's right 38 studios is owned by one Mr. Curt Schilling, who was best known for his time as a pitcher for the Boston Red Sox. Combine inexperienced leadership with a long term global economic down turn and what do you get? Well, in this case at least, you get total layoffs. The company, which is based in Rhode Island, sent layoff notices to all of the members of its staff on Thursday. This total layoff, which is almost a sure sign that the company is getting ready to shutter its doors in the near future, will mean that at least 300 people are out of a job as 300 is the head count for the company in Rhode Island and the company does have an office in Maryland. At this time the number of people working in the Maryland office is unknown. Then again this could all just be a tactic. The company is looking for some big money from this little state. In 2012 the management of studio 38 applied for roughly \$2.1 million in film tax credits in order to reduce its overall expenses. Last week the company came back with its hand out to the state again. This time they will be looking for more than \$6 million in money from the state of Rhode Island. It looks like their right to that money, which comes in the form of tax credits, may not be something that the company is eligible for. In order to get the money the company must be incorporated in the state of Rhode Island, but according to recent information the company appears to be incorporated in the state of Delaware. This is a move that many companies choose because of Delaware's limitations on corporate liability and their company friendly state judiciary system. While this is more than enough job cuts to put the company into mass layoff territory there is one, more pressing issue that the company has to deal with, and that issue has to do with money that they owe to the state of Rhode Island. TO get them to move into the state, and out of Massachusetts back in 2010, the state gave the company a \$75 million loan guarantee. The company has been paying this loan back, but their last payment, of more than \$1 million, was more than two weeks late this month. Add this to the fact that the company was unable to meet its last payroll and we can see how closures, instead of a roundabout political maneuver is the more likely scenario in this situation.

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