

# **Exhibit 38**



March 20, 2009

Masthead Studios Ltd  
Cvetan Lazarov blvd  
Floor 6  
Sofia, Bulgaria

Attn: Atanas Atanasov

Re: Letter of Intent - Product Development and License Agreement

Dear Atanas,

I have set forth below the principle deal points proposed by Interplay Entertainment Corp. ("Interplay") in connection with consummating a development and license transaction with Masthead Studios ("Developer").

1. Product Development Agreement

Interplay and Developer will enter into a Product Development Agreement (the "PDA") to jointly develop the massively multiplayer online computer software game presently known as "Project V13" (the "Product") on the PC platforms. Developer will handle the programming, art and the technical design and the integration of all elements to complete the final product.

Tasks to be executed by Developer are including without limitation:

Programming

Game Systems, Engine (Client & Server), Database, Networking, AI, Tools, Billing Support, Customer Service Support, Localization, Web Interface

Art

Character Modeling, Texturing and Animation, Effects, Environmental Modeling and Texturing, Scenery Object Modeling, User Interface

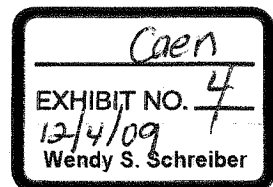
Design

Technical Design, Scenery Modeling & Object Placement

Interplay will handle the concept art, the majority of design and producing (both in LA and Sofia) for project oversight.

Interplay will control the audio, cinematics, billing, IT, customer support and servers. Audio will be broken up into music/voice over (Interplay) & sound effects (developer). Cinematics will be broken up into storyboarding/post-production (Interplay) & modeling/rendering/animation/special effects (developer).

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2. Engine License Agreement.

Interplay and Developer will enter into an Engine License Agreement (the "ELA") outlining the terms under which the Product will be using the Developer's existing massively multiplayer game engine (the "Engine"), including but not limited to the royalty Interplay will pay to Developer as consideration for such Engine use.

3. Tools License Agreement.

Interplay and Developer will enter into a Tools License Agreement (the "TLA") outlining the terms under which the Product will be developed using the Developer's existing massively multiplayer set of tools engine (the "Tools"), including but not limited to the royalty Interplay will pay to Developer as consideration for such Tools use.

4. Royalties.

Subject to the recoupment of any advances, Interplay will pay Developer the following royalty percentages of Interplay's net receipts received for sales of the Product:

- Under the ELA, 2.5%
- Under the TLA, 2.5%
- Under the PDA, between 20% and 40% depending on the milestones achieved by the Developer, the number of retail units sold and the number of paying subscribers as follows:

Royalty	Units	Subscribers
40%	1 - 250,000	1-125,000
30%	250,001 through 500,000	125,001-250,000
20%	All units above 500,000	250,001 and above

The above royalty rates are assuming Developer will be achieving all milestones as outlined in the PDA and shall be reduced according to a formula which shall be described in the PDA should Developer not reach all milestones.

5. Early buyout provision.

Interplay will have an option to buyout Developer's future royalties derived from the exploitation of the Game in a territory under the PDA at any time after 12 month following the launch of the Product in such territory by paying Developer a one time buyout fee of an amount equal to the immediately preceding trailing 12 months royalty earned by Developer from exploitation of the Product in such territory.

6. Termination option.

Should Interplay decide not to release the Product, Interplay will have an option to terminate the PDA at anytime prior to the completion of the Product and at its sole  
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discretion subject to payment to Developer's of all incurred expenses and cost in the Product thru the date of termination.

7. Ownership.

Interplay will own all right, title and interest into the Product on all platforms and delivery systems now known or developed in the future. Interplay will select and own the trademarks for the name of the Product. Developer represents to Interplay that it has the right to enter into this letter agreement, that this agreement will not conflict with any other obligation to which Developer is bound, that Developer owns all right, title and interest in and to the Tools and Engine and that the Tools and Engine do not and will not violate or infringe any patent, copyright, trademark, trade secret or other right of any third party.

8. Other Terms.

Developer agrees to keep the terms of this letter agreement confidential.

This letter constitutes a binding agreement between the parties, provided that the parties will negotiate and enter into a definitive agreement on the principle terms contained in this letter. The parties agree that the definitive agreement will contain other customary licensing terms and conditions including, without limitation, acceptance procedures, support obligations, warranties, indemnities and the like. This Letter is to be governed under the laws of the State of California and any dispute regarding this letter is to be resolved solely in the federal and state courts of Interplay's principle place of business and both parties consent to such jurisdiction and venue.

If these terms are acceptable, please sign a copy of this letter and return it to me. Upon receipt of a signed copy of this letter, we will begin drafting the definitive agreements.

Very truly yours,

Hervé Caen  
Chief Executive Officer

Agreed and accepted:

Developer

By: ATANAS ATANASOV

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