

What is Going On at OnLive?

Written by Marco Attard
22 August 2012

Remember OnLive, [the cloud gaming service to end all other gaming vendors?](#) Now it reaches its own end, hits the reset button and goes through a so-called Assignment for the Benefit of Creditors (ABC).



ABC is a courts-free alternative to bankruptcy. It allows a company to transfer all assets to another company-- in the OnLive case, a yet-unnamed newly-formed entity (a "new OnLive," if you will) with "substantial funding" from venture capital firm Lauder Partners.

The process also allows the company to dissolve costly server contracts-- the chief reason for OnLive's financial woes and eventual end.

The news follows reports of the company mass-firing virtually all employees and HTC announcing a \$40 million in losses from a February 2011 investment in OnLive.

The "new OnLive" will continue running all existing OnLive services (PC, mobile device apps and thin-client box) and should hire "a large percentage" (around 50%) of former employees.

OnLive claims it has an "active base" of 1.5m subscribers, with over 2.5m subscribers in total. However an anonymous source speaking to gaming news site Joystiq says the average peak amount of OnLive users totals only around 1800.

Reportedly OnLive CEO Steve Perlman (who founded OnLive in 2003) was waiting for a big

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company to buy the cloud gaming service after seeing [Sony buy cloud gaming rival Gaikai for \\$380m](#). Apparently the company even got an offer from HP, but Perlman was allegedly demanding too big a price-- \$1 billion.

What next for OnLive, then? So far the gaming service appears to be ticking along as usual, and the Joystiq source claims Perlman has further (perhaps predictable) plans for the future-- a patent scuffle with (who else?) Gaikai.

Go [OnLive](#)

Go [HTC Loses \\$40m from OnLive Restructuring \(IDG News\)](#)

Go [OnLive Averaged 1800 Concurrent Users, CEO Promised to Protect Patents Against Gaikai \(JoyStiq\)](#)