UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

PROOF OF CLAIM

YOUR CLAIM IS SCHEDULED AS:
Schedule/Claim ID s483
Amount/Classification
$0.00 Unsecured Unliquidated
UNKNOWN Priority Unliquidated

In re:
G.I. Joe's, Inc.

Case Number:
09-10714-KG

NOTE: See Reverse for List of Debtors/Case Numbers/ important details. This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case.

The amounts reflected above constitute your claim as scheduled by the Debtor or pursuant to a filed claim. If you agree with the amounts set forth herein, and have no other claim against the Debtor, you do not need to file this proof of claim EXCEPT as stated below.

If the amounts shown above are listed as Contingent, Unliquidated or Disputed, a proof of claim must be filed.

If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again.

THIS SPACE IS FOR COURT USE ONLY

Name of Creditor and Address: the person or other entity to who the debtor owes money or property

19032347002367
DANIELS, NORMAN P
1321 SE 75TH CT
VANCOUVER, WA 98664

Creditor Telephone Number ( )

Name and address where **payment** should be sent (if different from above):
Norman Daniels
1321 SE 75th Ct
Vancouver Wa 98664

Payment Telephone Number (360 737 2945

☐ Check this box to indicate that this claim amends a previously filed claim.

Claim Number (see reverse):

1. AMOUNT OF CLAIM AS OF DATE CASE FILED $ 418,716.90

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. BASIS FOR CLAIM: Balance of Employment Contract

(See instructions #2 and #3a on reverse side.)

3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: 9976

3a. Debtor may have scheduled account as:

4. SECURED CLAIM (See instruction #4 on reverse side.)

Check the appropriate box if your claim is secured by a lien on property or a right of set off and provide the requested information

Secured Claim Amount: $

DO NOT include the priority portion of your claim here.

Unsecured Claim Amount: $

Nature of property or right of setoff:

☐ Real Estate ☐ Motor Vehicle ☐ Other

Value of Property: $ Annual Interest Rate: % Amount of arrearage and other charges at time case filed included in secured claim, if any: $ Basis for Perfection:

5. PRIORITY CLAIM

☐ Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Unsecured Priority Claim Amount: $

Include **ONLY** the priority portion of your unsecured claim here.

You MUST specify the priority of the claim:

☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B)

☐ Wages, salaries, or commissions (up to $10,950*), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).

☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).

☐ Up to $2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use -11 U.S.C. § 507(a)(7).

☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).

☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a) ( ).

** Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

6. CREDITS: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. SUPPORTING DOCUMENTS: *Attach redacted copies of supporting doc* such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements. You may also attach a summary. Attach redacted copies of evidence of perfection of a security interest. (See definition of "redacted" on reverse side.) If the documents are not available, please explain.

DATE-STAMPED COPY: DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received no later than 4:00 pm, PREVAILING EASTERN TIME, on the following dates: a) May 31, 2009 - General Bar Date; OR b) August 31, 2009 - Governmental Bar Date.

FILED
MAY 26 2009
BMC GROUP

THIS SPACE FOR COURT USE ONLY

BY MAIL TO:
G.I. Joe's Holding Corporation., et al.
Attn: BMC Group, Claims Processing
PO Box 2011
Chanhassen, MN 55317-2011

BY HAND OR OVERNIGHT DELIVERY TO:
G.I. Joe's Holding Corporation., et al.
Attn: BMC Group, Claims Processing
18750 Lake Drive East
Chanhassen, MN 55317

DATE
5/7/09

SIGNATURE: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Penalty for presenting fraudulent claim is a fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 AND 3571

G.I. Joe's Holding Corp
01228

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

ITEMS TO BE COMPLETED IN PROOF OF CLAIM FORM (IF NOT ALREADY PROPERLY FILLED IN)

Court, Name of Debtor, and Case Number:
Fill in the name of the federal judicial district where the bankruptcy case was filed, the name of the debtor in the bankruptcy case, and the bankruptcy case number. If you received a notice of the case from the Claims Agent, BMC Group, some or all of this information may have been already completed.

Debtor Name	Case No
G.I. Joe's Holding Corporation	09-10713
G.I. Joe's, Inc.	09-10714

Creditor's Name and Address:
Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:
State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete item 4. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:
State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:
State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:
Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Classification of Claim

Unsecured Nonpriority Claim:
If your claim is an unsecured nonpriority claim, sometimes referred to as a "general unsecured claim" (See DEFINITIONS, below), check the appropriate box in this section. If your claim is partly secured and partly unsecured, state here only the amount that is unsecured. If part of your claim is entitled to priority, state here the amount **not** entitled to priority.

Secured Claim:
Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).
If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:
An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Supporting Documents:
Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary.
You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d).
Do not send original documents, as attachments may be destroyed after scanning.

Date-Stamped Copy and Signature:
The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

Return claim form and attachments, if any. If you wish to receive an acknowledgement of your claim, please enclose a self-addressed stamped envelope and a second copy of the proof of claim form with any attachments to the Claims Agent, BMC Group, at the address on the front of this form.

Please read – important information: upon completion of this claim form, you are certifying that the statements herein are true.

Be sure all items are answered on the claim form. If not applicable, insert "Not Applicable."

DEFINITIONS

DEBTOR
A debtor is the person, corporation, or other entity that has filed a bankruptcy case is called the debtor.

CREDITOR
A creditor is any person, corporation, or other entity to whom the debtor owed a debt on the date that the bankruptcy case was filed.

CLAIM
A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

PROOF OF CLAIM
A form telling the bankruptcy court how much the debtor owed a creditor at the time the bankruptcy case was filed (the amount of the creditor's claim). This form must be filed with the court-appointed Claims Agent, BMC Group, at the address listed on the reverse side of this page

SECURED CLAIM Under 11 U.S.C. §506(a)
A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors.
The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim Examples of liens on property include a mortgage on real estate or a security interest in a car.
A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

UNSECURED NONPRIORITY CLAIM
If a claim is not a secured claim it is an unsecured claim. A claim may be partly secured and partly unsecured if the property on which a creditor has a lien is not worth enough to pay the creditor in full.

UNSECURED PRIORITY CLAIM Under 11 U.S.C. §507(a)
Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Evidence of Perfection
Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

Redacted
A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Offers to Purchase a Claim
Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.

INFORMATION

ONCE YOUR CLAIM IS FILED YOU CAN OBTAIN OR VERIFY YOUR CLAIM NUMBER BY VISITING www.bmcgroup.com

G.I. JOE'S, INC.
9805 Boeckman Road
Wilsonville, Oregon 97070
(503) 682-7200.

January 17, 2007

Norman P. Daniels
c/o G.I. Joe's, Inc.
9805 Boeckman Road
Wilsonville, Oregon 97070

Dear Mr. Daniels:

This letter agreement (this "Letter Agreement") sets forth G.I. Joe's, Inc.'s (the "Company") and Norman P. Daniels' ("Daniels") understanding and agreement with respect to Daniels compensation during his employment with the Company as its Chief Executive Officer. This Letter Agreement supersedes the letter agreement between the Company and Daniels dated as of November 12, 2004 and the Company shall have no further obligations thereunder. This Letter Agreement shall be effective (the "Effective Date") as of the closing of the transactions contemplated by that certain Agreement and Plan of Merger (the "Merger Agreement"), dated as of the date hereof, by and among the Company, the Parent and G.I. Joe's Acquisition, Inc.

The Company shall employ Daniels, and Daniels hereby accepts employment with the Company, upon the terms and conditions set forth in this Letter Agreement for the period beginning on the Effective Date and ending as provided in this paragraph (the "Employment Period"). Unless expressly renewed by the Company and Daniels in writing, the Employment Period shall end on the third anniversary of the Effective Date; provided that (i) the Employment Period shall terminate prior to such date immediately upon Daniels' death or disability and (ii) the Employment Period may be terminated by the Company at any time prior to such date for Cause (as defined below) or without Cause.

In exchange for the full performance of Daniels' duties and obligations as Chief Executive Officer of the Company, as determined by the Company's board of directors, and as set forth herein, the Company shall pay Daniels (i) an annual base salary (the "Base Salary") of $500,000, payable in accordance with the Company's customary payroll practices; provided that such Base Salary may be increased on August 1 of each year by up to five percent (5%) of the preceding year's Base Salary, and (ii) so long as the Company attains its budgeted annual consolidated EBITDA (as defined below) for fiscal year 2007 or any successive fiscal year (as set forth in Exhibit A hereto), a performance-based bonus for such year equal to 50% of Daniels' Base Salary for such year (such amount to be determined by the Company's board of directors), payable

promptly following the calculation of consolidated EBITDA for such year based on the Company's audit. The Company will not increase Daniels' compensation other than increases in Daniels' Base Salary as set forth above. Daniels shall report to the Company's board of directors and shall devote his best efforts and his full business time and attention to the business and affairs of the Company.

For purposes of this Letter Agreement, "EBITDA" shall mean earnings before interest, taxes, depreciation and amortization (excluding extraordinary gains or losses), determined by the Company's board of directors in accordance with United States generally accepted accounting principles; provided, that all (i) advisory or transaction fees paid to Gryphon by the Company and (ii) one-time fees incurred by the Company in connection with the consummation of the transactions contemplated by the Merger Agreement shall be added back into EBITDA.

In addition: (i) during Daniels' employment: (a) Daniels shall be reimbursed by the Company for reasonable business expenses actually incurred or paid by Daniels, consistent with past Company practice, in rendering Daniels' services (as established by the board of directors) to the Company, upon presentation of expense statements or such other supporting information as is consistent with past Company practices; (b) the Company shall pay Daniels an auto allowance of $1,500 per month; and (c) Company shall provide Daniels health and welfare benefits consistent with those provided to other senior management employees of the Company; and (ii) if Daniels' employment is terminated by the Company prior to the third anniversary of the Effective Date for any reason other than for Cause or on account of Daniels' death or disability, Daniels shall be entitled to continuation of his then current Base Salary, payable in regular installments in accordance with the Company's normal payroll practices, and medical benefits (subject to payment of historical employee contributions and co-payments) over what would have been the remainder of the initial three year Employment Period (the "Severance Payments"), if and only if Daniels has executed and delivered to the Company a general release in form and substance satisfactory to the Company within fourteen (14) days of such termination and only so long as Daniels has not revoked or breached the provisions of such release or breached the provisions of this Letter Agreement. For purposes of this Letter Agreement, "Cause" shall mean with respect to Daniels, one or more of the following: (i) the commission of a felony or other crime involving moral turpitude or the commission of any other act or omission involving misappropriation, embezzlement or fraud with respect to the Company, (ii) failure to perform duties as reasonably directed by the Company's board of directors (following written notice and a reasonable opportunity to cure) or (iii) breach of fiduciary duty, gross negligence or willful misconduct with respect to the Company.

Daniels will be granted options to purchase 8% of the common stock of G.I. Joe's Holding Corporation (the "Parent"). The options will be return target vesting options. 1/3 of such options shall be released if Gryphon Investors ("Gryphon") shall have obtained upon consummation of a change of control of the Parent a cash return on its cumulative cash investment ("Return") of 2.0x and a 27.5% IRR, an additional 1/3 of such options shall be released if Gryphon shall have obtained a Return of 2.5x and a 30.0% IRR and the final 1/3 of such options shall be released if Gryphon shall have

obtained a Return of 3.0x and a 35.0% IRR. Any unvested stock options are forfeited upon the occurrence of any of the following events: (i) termination of Daniels' employment by the Company for Cause, (ii) Daniels' resignation prior to the third anniversary of the Effective Date or (iii) if the Company requests that Daniels serve on the board of directors of the Company at any time during the five years after the Effective Date (whether or not Daniels continues to be employed by the Company), and Daniels refuses to do so. All shares of Parent stock purchased pursuant to the exercise of the stock options described above will be subject to restrictions on transfer.

The Base Salary, the Severance Payments and all other compensation paid to Daniels' by the company as specified herein (other than compensation related to reimbursement of expenses) are specified as gross amounts, and the Company shall be required to withhold from such amounts deductions with respect to Federal, state and local taxes, FICA, unemployment compensation taxes and similar taxes, assessments or withholding requirements.

As additional consideration for the payment and performance of the Company's obligations hereunder, Daniels agrees: (i) he will not voluntarily terminate his employment with the Company during the three years after the Effective Date; and (ii) he will not during the term of his employment with Company and for a period of two years thereafter, directly or indirectly, compete with the Company.

The Company may, at its discretion, apply for and procure in its own name and for its own benefit life and/or disability insurance on Daniels in any amount or amounts considered advisable. Daniels agrees to cooperate in any medical or other examination, supply any information and execute and deliver any applications or other instruments in writing as may be reasonably necessary to obtain and constitute such insurance.

Daniels shall not be entitled to any compensation, fee, income or distribution of any kind or type whatsoever from the Company, except as provided in this Letter Agreement.

Daniels hereby represents that he has full authority to enter into this Letter Agreement, that he is free to enter into this Letter Agreement and not under any contractual restraint that would prohibit Daniels from agreeing to the terms and conditions of this Letter Agreement and that upon the execution and delivery of this Letter Agreement by the Company, this Letter Agreement will be the valid and binding obligation of Daniels, enforceable in accordance with its terms. The representations and agreements of Daniels set forth in this paragraph shall survive the expiration or termination of this Letter Agreement (irrespective of the reason for such termination) or the termination of Daniels' employment with the Company.

Daniels hereby acknowledges that he is free to seek advice from independent counsel with respect to this Letter Agreement. Daniels has either obtained such advice or, after carefully reviewing this Letter Agreement, has decided to forego such advice. Daniels is not relying on any representation or advice from the Company or

any of its officers, directors, attorneys or other representatives regarding this Letter Agreement, its content or effect.

This Letter Agreement may be executed in any number of counterparts and by different parties on separate counterparts. Each of such counterparts shall be deemed to be an original, and all of such counterparts, taken together, shall constitute but one and the same agreement. Delivery of an executed counterpart of this Letter Agreement by telefacsimile shall be equally effective as delivery of a manually executed counterpart.

This Letter Agreement shall bind and inure to the benefit of the respective successors and assigns of the Company and the Parent. The Parent shall be deemed a third party beneficiary of this Letter Agreement. This Letter Agreement is personal in nature and Daniels shall not, without the prior written consent of the Company and the Parent, assign or transfer this Agreement or any rights or obligations hereunder.

This Letter Agreement may be amended, modified, superseded, canceled, renewed or extended and the terms or covenants of this Letter Agreement may be waived only by a written instrument executed by the parties to this Letter Agreement and the Parent or, in the case of a waiver, by the party waiving compliance and the Parent. Any such written instrument must be approved by the Company's board of directors to be effective as against the Company. The failure of any party at any time or times to require performance of any provision of this Letter Agreement shall in no manner affect the right at a later time to enforce the same. No waiver by any party of the breach of any term or provision contained in this Letter Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term or covenant contained in this Letter Agreement.

This Letter Agreement and terms and provisions hereof, constitute the entire agreement among the parties pertaining to the subject matter hereof and supersedes any and all prior or contemporaneous amendments or agreements relating to the subject matter hereof.

All notices, requests or consents required or permitted under this Letter Agreement shall be made in writing and shall be given to the other parties by U.S. mail, personal delivery, overnight air courier (with receipt signature) or facsimile transmission (with "answerback" confirmation of transmission), sent to such parties' addresses or telecopy numbers as are set forth on the first page of this Letter Agreement, or such other addresses or telecopy numbers of which the parties have given notice pursuant to this Letter Agreement. Each such notice, request or consent shall be deemed effective upon the date of actual receipt, receipt signature or confirmation of transmission, as applicable.

If any party to this Letter Agreement seeks to enforce his or its rights under this Letter Agreement, the prevailing party or parties shall be entitled to recover reasonable fees, costs and expenses incurred in connection therewith including, without

limitation, the fees, costs and expenses of attorneys, accountants and experts, whether or not litigation is instituted, and including such fees, costs and expenses of appeals.

Nothing herein shall be deemed to modify Daniels' at-will status as an employee of the Company.

This Letter Agreement shall be governed and construed and enforced in accordance with the internal substantive laws (and not the laws of conflicts) of the State of Oregon.

[SIGNATURE PAGE FOLLOWS]

Please indicate your acceptance hereof and agreement herewith by signing and returning to us the enclosed copies hereof.

Very truly yours,

G.I. JOE'S, INC.

By: _____
Name: Phil Pekit
Title: VP Secretary

ACCEPTED AND AGREED TO
This 11 Day of January 2007

_____
Norman P. Daniels

Exhibit A

EBITDA Targets

Fiscal Year Ending	EBITDA Target
January 31, 2008	$20,794,000
January 31, 2009	$27,409,000
January 31, 2010	$35,238,000