IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
G.I. JOE'S HOLDING CORPORATION and G.I. JOE'S, INC.,[1]	)	Case No. 09-_____ (____)
Debtors.	)	Joint Administration Requested

APPLICATION OF DEBTORS FOR AN ORDER APPROVING AGREEMENT WITH BMC GROUP, INC. AND APPOINTING BMC GROUP, INC. AS NOTICE AND CLAIMS AGENT FOR THE DEBTORS

The above-captioned debtors and debtors in possession (collectively, the "Debtors") hereby move for entry of an order, attached hereto as **Exhibit C**, approving the Debtors' agreement with BMC Group, Inc. ("BMC") and appointing BMC as notice and claims agent in connection with their chapter 11 cases. In support of this Application, the Debtors rely on the *Declaration of Patrick J. O'Malley Chief Restructuring Officer of the Debtors In Support of First Day Pleadings* (the "O'Malley Declaration"), filed concurrently herewith. In further support of this Application, the Debtors respectfully represent as follows:

JURISDICTION

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

4. The statutory predicates for the relief sought herein are § 156(c) of title 28 of the United States Code, 28 U.S.C. § 156(c), § 503(b) of title 11 of the United States Code (11 U.S.C.

[1] G.I. Joe's Holding Corporation (Federal Tax I.D. #20-8330022) and G.I. Joe's, Inc. (Federal Tax I.D. #93-0500948) have requested joint administration of their chapter 11 cases.

§§ 101–1532, the "Bankruptcy Code") and Rule 2002-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules").

INTRODUCTION

5. On the date hereof (the "Petition Date"), each of the Debtors filed a voluntary petition for relief with the Court under chapter 11 of title 11 of the Bankruptcy Code. The Debtors are operating their business and managing their property as debtors in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases (the "Chapter 11 Cases") and, as of the date of the filing of this Application, no official committees have been appointed or designated. Concurrently with the filing of this Application, the Debtors have sought procedural consolidation and joint administration of these Chapter 11 Cases.

6. The factual background relating to the Debtors' commencement of these Chapter 11 Cases is set forth in detail in the O'Malley Declaration incorporated herein by reference.

RELIEF REQUESTED

7. By this Application, the Debtors seek to employ and retain BMC as the notice, claims and balloting agent pursuant to 28 U.S.C. § 156(c)[2] as more fully described below.

8. The Debtors have determined to seek authority from this Court to employ BMC to perform notice and claims services for the Debtors in these Chapter 11 Cases upon the terms and conditions contained in that certain Agreement, dated as of March 3, 2009, by and between BMC and the Debtors (together with all amendments, modifications, renewals thereof and all

[2] Section 156(c) provides in relevant part that "[a]ny court may utilize facilities or services, either on or off the court's premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in cases filed under the provisions of title 11, United States Code, where the cost of such facilities or services are paid for out of the assets of the estate and are not charged to the United States."

documents ancillary thereto or otherwise entered into in connection therewith, the "Agreement"), a copy of which is attached hereto as **Exhibit B** and incorporated herein by reference.

9. As described more fully in the O'Malley Declaration, the Debtors have more than 200 potential creditors.

10. Local Rule 2002-1(f) requires that "[I]n all cases with more than 200 creditors, unless the court orders otherwise, the debtor **shall** file [a motion to retain a notice and claims clerk under 28 U.S.C. § 156(c)] on the first day of the case . . . ." Local Rule 2002-1(f) (emphasis added).

11. Accordingly, and because the Debtors agree that retaining BMC as notice and claims agent is in the best interest of the Debtors and their estates, the Debtors propose to engage BMC to act as the Debtors' notice and claims agent. This retention is the most effective and efficient manner of noticing Debtors' creditors and other parties in interest of the filing of these Chapter 11 Cases and other developments in these Chapter 11 Cases. In that capacity, BMC will transmit, receive, docket and maintain proofs of claims filed in connection with these Chapter 11 Cases.

12. BMC is equipped to handle the volume of mailing necessary to send the required notices to, and process the claims of, creditors and other interested parties in these Chapter 11 Cases. BMC will follow the procedures that conform to the guidelines promulgated by the Clerk of the Court and the Judicial Conference of the United States, and as may be established by the Court's order.

13. As specialists in legal administration services, BMC provides comprehensive legal notice and claims management solutions. With respect to chapter 11 case management, BMC specializes in noticing, claims processing and other administrative tasks necessary to

operate chapter 11 cases effectively. In fact, BMC is well recognized as a specialist in performing these functions and has been retained in numerous chapter 11 cases of significant size in this district. *See, e.g.*, *In re Home Prods. Int'l, Inc.*, Case No. 06-11457 (Bankr. D. Del. Dec. 21, 2006) (Sontchi, J.) [D.I. 26]; *In re Sea Containers Ltd.*, Case No. 06-11156 (Bankr. D. Del. Oct. 17, 2006) (Carey, C.J.) [D.I. 17]; *In re J.L. French Auto. Castings, Inc.*, Case No. 06-10119 (Bankr. D. Del. Feb. 13, 2006) (Walrath, J.) [D.I. 69]; *In re Chi Chi's, Inc.*, Case No. 03-13063 (Bankr. D. Del. Dec. 8, 2003) (Carey, C.J.) [D.I. 296]; *In re Fleming Cos.*, Case No. 03-10945 (Bankr. D. Del. May 6, 2003) (Walrath, J.) [D.I. 726]; *In re Metrocall Inc.*, Case No. 02-11579 (Bankr. D. Del. June 4, 2002) (Case, J.) [D.I. 61]; *In re Exide Techs.*, Case No. 02-11125 (Bankr. D. Del. May 10, 2002) (Carey, C.J.) [D.I. 223]; *In re eToys, Inc.*, Case No. 01-0706 (Bankr. D. Del. Mar. 26, 2001) (Walrath, J.) [D.I. 92]; *In re Trans World Airlines, Inc.*, Case No. 01-00056 (Bankr. D. Del. Jan. 4, 2001) (Walsh, J.) [D.I. 2706].

14. The Debtors seek to employ BMC to provide noticing, claims processing and administrative services as set forth in the Agreement including, without limitation:

a) assisting the Debtors, Counsel and Office of the Clerk with noticing and claims docketing and

b) assisting Debtors with the compilation, administration, evaluation and production of documents and information necessary to support a restructuring effort.

c) At Debtors', Counsel's or the Clerk's Office's direction, as the case may be, and in accordance with any court orders or rules in the bankruptcy case(s) (including any court order authorizing BMC's engagement), BMC will

    1) prepare and serve those notices required in the bankruptcy cases;

    2) receive, record and maintain copies of all proofs of claim and proofs of interest filed in the bankruptcy cases;

3) create and maintain the official claims register(s);

4) receive and record all transfers of claims pursuant to Bankruptcy Rule 3001(e);

5) maintain an up-to-date mailing list for all entities who have filed proofs of claim and/or requests for notices in the bankruptcy cases;

6) assist Debtors and Counsel with the administrative management, reconciliation and resolution of claims;

7) print, mail and tabulate ballots for purposes of plan voting;

8) assist with the preparation and maintenance of Debtors' Schedules of Assets and Liabilities, Statements of Financial Affairs and other master lists and databases of creditors, assets and liabilities,

9) assist with the production of reports, exhibits and schedules of information for use by the Debtors, Counsel or to be delivered the Court, the Clerk's Office, the U.S. Trustee or third parties;

10) provide other technical and document management services of a similar nature requested by Debtors or the Clerk's office;

11) facilitate or perform distributions, and

12) assist Debtors with all analyses and/or collections of avoidance actions pursuant to chapter 5 of the United States Bankruptcy Code.

15. In addition, BMC will provide such other noticing, claims processing and related administrative services, and technology support as the Debtors or Clerk's Office may request from time to time in accordance with the terms of the Agreement. BMC will provide these services on an a la carte basis, only charging the Debtors for necessary or requested services. For example, BMC may provide notice for and mail, if necessary, a motion to sell substantially all of the Debtors' assets.

16. The fees to be charged by BMC in connection with these Chapter 11 Cases are set forth in the Fee Schedule annexed to the Agreement. The Debtors respectfully submit that BMC's rates for its services in connection with the notice and claims processing services are competitive and comparable to the rates charged by their competitors for similar services.

17. Furthermore, the Debtors respectfully submit that the fees and expenses incurred by BMC are administrative in nature and, therefore, should not be subject to the standard fee application procedures for professionals. Specifically, the Debtors request authorization to compensate BMC in accordance with the terms and conditions set forth in the Agreement, upon BMC's submission to the Debtors of invoices summarizing in reasonable detail the services rendered and expenses incurred in connection with services provided by BMC to the Debtors. Pursuant to § 503(b)(1)(A) of the Bankruptcy Code, the Debtors request that the fees and expenses of BMC under the Agreement be allowed as administrative expenses of the Debtors' estates.

18. Although the Debtors do not propose to retain BMC under § 327 of the Bankruptcy Code, BMC has nonetheless conducted a conflicts analysis and, to the best of its knowledge and except to the extent disclosed in the *Declaration of Brad Daniel in Support of Application of Debtors for an Order Approving Agreement with BMC Group, Inc. and Appointment BMC Group, Inc. as Notice and Claims Agent for the Debtors,* attached hereto as **Exhibit A,** BMC neither holds nor represents an interest adverse to the Debtors' estates nor has a connection to the Debtors, their creditors or their related parties with respect to any matter for which BMC will be employed. Should BMC discover any new relevant facts or relationships bearing on the matters described herein during the period of its retention, BMC will use reasonable efforts to file promptly a supplemental declaration.

BASIS FOR RELIEF

19. Section 156(c), which governs the staffing and expenses of the Bankruptcy Court, authorizes the Court to use facilities other than the Clerk's Office for administration of bankruptcy cases as follow:

> Any court may utilize facilities or services, either on or off the court's premises, which pertain to the provision of notices, dockets, calendars, and other administrative information to parties in cases filed under the provisions of title 11, United States Code, where the costs of such facilities or services are paid for out of the assets of the estate and are not charged to the United States. The utilization of such facilities or services shall be subject to such conditions and limitations as the pertinent circuit council may prescribe.

28 U.S.C. § 156(c).

20. In addition, Local Bankruptcy Rule 2002-1(f) provides, in relevant part, as follows:

> Notice and Claims Clerk. Upon motion of the debtor or trustee, at any time without notice or hearing, the Court may authorize the retention of a notice and/or claims clerk under 28 U.S.C. § 156(c). In all cases with more than 200 creditors, unless the Court orders otherwise, the debtor shall file such motion on the first day of the case or within ten (10) days thereafter. The notice and/or claims clerk may be retained to do any or all of the following: (i) Serve the following notices: (a) 341 Notice (Notice of Commencement of Case); (b) Notice of Claims Bar Date in chapter 11 cases; (c) Objections to Claims and Transfers of Claims; (d) Notice of Hearing on confirmation of Plan/Disclosure Statement; (e) Notice of Hearing on motions filed by United States Trustee; and (f) Notice of Transfer of Claim; (ii) Within 7 days of mailing, file with the Court, a copy of the notice served with a Certificate of Service attached, indicating the name and complete address of each party served; (iii) Maintain copies of all proofs of claims and proofs of interest filed in the case; (iv) Maintain the official claims register and record all Transfers of Claims and make changes to the creditor matrix after the objection period has expired. The claims clerk shall also record any order entered by the Court which may affect the claim by making a notation on the claims register and monitor the Court's docket for any claims related pleading filed and make necessary notations on the claims register. No claim or claim information should be deleted for any reason; (v) Maintain a separate claims register

> for each debtor in jointly administered cases; (vi) File a quarterly updated claims register with the Court in alphabetical and numerical order. If there has been no claims activity, the claims clerk may file a Certification of No Claim Activity; (vii) Maintain an up-to-date mailing list of all creditors and all entities who have filed proofs of claim or interest and/or request for notices in the case and provide such list to the Court or any interested party upon request (within 48 hours); (viii) Allow public access to claims and the claims register at no charge; and (ix) Within 10 days of entry of an Order converting a case or within 30 days or entry of a Final Decree, forward all claims and updated claims register to 15 the Court, along with an updated mailing list. The claims register and mailing list should be provided in both paper and on disc and in alphabetical and numerical order. The mailing list disc should be in .txt format.

Del. Bankr. L.R. 2002-1(f).

21. The retention of BMC, or another notice and claims agent, is contemplated by the Bankruptcy Court and required by the Local Rules. For all of the foregoing reasons, the Debtors believe that the retention of BMC as the notice and claims agent in these chapter 11 cases is in the best interests of the Debtors, their estates and creditors.

NOTICE

22. Notice of this Application has been given to: (a) the United States Trustee; (b) Wells Fargo Retail Finance, LLC; (c) counsel to Wells Fargo Retail Finance, LLC.; (d) Crystal Capital Fund Management, L.P.; (e) counsel to Crystal Capital Fund Management, L.P.; (f) the Debtors' thirty largest unsecured creditors as set forth in the consolidated list filed with the Debtors' petitions; (g) all required governmental agencies, (h) U.S. Bancorp, as Debtors' deposit bank; and (i) World Wide Distributors. In light of the nature of the relief requested, the Debtors submit that no further notice is required.

WHEREFORE, the Debtors respectfully request, for the reasons set forth herein and in the O'Malley Declaration, that the Court enter an order, substantially in the form submitted herewith, granting the relief requested herein and granting such other and further relief as this Court deems just and proper.

Dated: March 4, 2009

G.I. Joe's Inc.

Patrick J. O'Malley
Chief Restructuring Officer
G.I. Joe's Holding Corp. and G.I. Joe's Inc.

EXHIBIT A

DECLARATION IN SUPPORT

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
G.I. JOE'S HOLDING CORPORATION and G.I. JOE'S, INC.,[1]	)	Case No. 09-_____ (___)
Debtors.	)	Joint Administration Requested

DECLARATION OF BRAD DANIEL IN SUPPORT OF APPLICATION OF DEBTORS FOR AN ORDER APPROVING AGREEMENT WITH BMC GROUP AND APPOINTING BMC GROUP AS NOTICE AND CLAIMS AGENT FOR DEBTORS

I, Brad Daniel, hereby declare that the following is true and correct to the best of my knowledge, information and belief.

1. I am over the age of 18 and competent to testify. I am the Director of Restructuring Services of BMC Group ("BMC"), a bankruptcy administrator that specializes in providing comprehensive chapter 11 administrative services including noticing, claims processing, balloting and other related services critical to the effective administration of chapter 11 cases. I am duly authorized to make and submit this declaration (the "Declaration") on behalf of BMC and in support of the Debtors' application to retain BMC. Unless otherwise stated in this Declaration, I have personal knowledge of the matters set forth herein.

2. As specialists in legal administration services, BMC provides comprehensive legal notice and claims management solutions. With respect to chapter 11 case management, BMC specializes in noticing, claims processing and other administrative tasks necessary to operate chapter 11 cases effectively. BMC has provided or currently provides identical or substantially similar services as those services proposed to be provided pursuant to that certain

[1] G.I. Joe's Holding Corporation (Federal Tax I.D. #20-8330022) and G.I. Joe's, Inc. (Federal Tax I.D. #93-0500948) have requested joint administration of their chapter 11 cases.

agreement for services between the Debtors and BMC dated as of January 2, 2009 (the "Agreement") in other chapter 11 cases in this district.

SERVICES TO BE RENDERED

3. The Debtors seek to employ BMC to provide noticing, claims processing and administrative services as set forth in the Agreement including, without limitation:

4. The Debtors seek to employ BMC to provide noticing, claims processing and administrative services as set forth in the Agreement including, without limitation:

a) assisting the Debtors, Counsel and Office of the Clerk with noticing and claims docketing and

b) assisting Debtors with the compilation, administration, evaluation and production of documents and information necessary to support a restructuring effort.

c) At Debtors', Counsel's or the Clerk's Office's direction, as the case may be, and in accordance with any court orders or rules in the bankruptcy case(s) (including any court order authorizing BMC's engagement), BMC will

1) prepare and serve those notices required in the bankruptcy cases;

2) receive, record and maintain copies of all proofs of claim and proofs of interest filed in the bankruptcy cases;

3) create and maintain the official claims register(s);

4) receive and record all transfers of claims pursuant to Bankruptcy Rule 3001(e);

5) maintain an up-to-date mailing list for all entities who have filed proofs of claim and/or requests for notices in the bankruptcy cases;

6) assist Debtors and Counsel with the administrative management, reconciliation and resolution of claims;

7) print, mail and tabulate ballots for purposes of plan voting;

8) assist with the preparation and maintenance of Debtors' Schedules of Assets and Liabilities, Statements of Financial Affairs and other master lists and databases of creditors, assets and liabilities,

9) assist with the production of reports, exhibits and schedules of information for use by the Debtors, Counsel or to be delivered the Court, the Clerk's Office, the U.S. Trustee or third parties;

10) provide other technical and document management services of a similar nature requested by Debtors or the Clerk's office;

11) facilitate or perform distributions, and

12) assist Debtors with all analyses and/or collections of avoidance actions pursuant to chapter 5 of the United States Bankruptcy Code.

5. In addition, BMC will provide such other noticing, claims processing and related administrative services, and technology support as the Debtors or Clerk's Office may request from time to time in accordance with the terms of the Agreement. BMC will provide these services on an a la carte basis, only charging the Debtors for necessary or requested services. For example, BMC may provide notice for and mail, if necessary, a motion to sell substantially all of the Debtors' assets.

STATEMENT OF CONNECTIONS

6. The Debtors have many creditors, and accordingly, BMC may have rendered and may continue to render services to certain of these creditors. Additionally, BMC employees may, in the ordinary course of their personal affairs, have relationships with certain creditors of the Debtors. For example, one or more of BMC's employees may have obligations outstanding with financial institutions that are creditors of the Debtors.

7. To the best of my knowledge, BMC neither holds nor represents an interest adverse to the Debtors' estates nor has a connection to the Debtors, their creditors or their related

parties with respect to any matter for which BMC will be employed. Should BMC discover any new relevant facts or relationships bearing on the matters described herein during the period of its retention, BMC will use reasonable efforts to file promptly a supplemental declaration.

8. In connection with its appointment as Noticing Agent:

(a) BMC will not consider itself employed by the United States government and shall not seek any compensation from the United States government in its capacity as the notice agent and claims agent in these chapter 11 cases;

(b) by accepting employment in these chapter 11 cases, BMC waives any rights to receive compensation from the United States government for its work on these chapter 11 cases;

(c) in its capacity as Noticing Agent in these chapter 11 cases, BMC will not be an agent of the United States and will not act on behalf of the United States;

(d) BMC will not employ any past or present employees of the Debtors in connection with its work as Noticing Agent in these chapter 11 cases; and

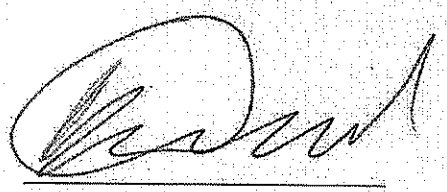
(e) BMC is not a creditor of the Debtors' estates.

COMPENSATION

9. The fees to be charged by BMC in connection with these chapter 11 cases are set forth in the Fee Schedule annexed to the Agreement. The compensation arrangement provided for in the Agreement is consistent with and typical of arrangements entered into by BMC and other such firms with respect to rendering similar services for clients such as the Debtors. BMC intends to seek compensation for its services as described in the Application and the Agreement in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the chapter 11 operating guidelines established by the Office of the United States Trustee, and any and all orders of this Court.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 4, 2009



Brad Daniel

EXHIBIT B

Agreement

AGREEMENT FOR SERVICES

This Agreement dated as of February 27, 2009, is entered between G.I. Joe's Holding Corp. and G.I. Joe's, Inc. (collectively, "Customer"), and BMC Group, Inc. ("BMC"). The services rendered by BMC pursuant to this Agreement will commence on the date first set forth above and will continue until the Agreement is terminated as set forth below.

TERMS AND CONDITIONS

I. SERVICES

In accordance with the terms and conditions contained in this Agreement and in the Fee Schedule annexed hereto, BMC agrees to provide services as follows: (a) assisting the Customer, Counsel and Office of the Clerk with noticing and claims docketing and (b) assisting Customer with the compilation, administration, evaluation and production of documents and information necessary to support a restructuring effort. At Customer's, Counsel's or the Clerk's Office's direction, as the case may be, and in accordance with any court orders or rules in the bankruptcy case(s) (including any court order authorizing BMC's engagement), BMC will (1) prepare and serve those notices required in the bankruptcy cases; (2) receive, record and maintain copies of all proofs of claim and proofs of interest filed in the bankruptcy cases; (3) create and maintain the official claims register(s); (4) receive and record all transfers of claims pursuant to Bankruptcy Rule 3001(e); (5) maintain an up-to-date mailing list for all entities who have filed proofs of claim and/or requests for notices in the bankruptcy cases; (6) assist Customer and Counsel with the administrative management, reconciliation and resolution of claims; (7) print, mail and tabulate ballots for purposes of plan voting; (8) assist with the preparation and maintenance of Customer's Schedules of Assets and Liabilities, Statements of Financial Affairs and other master lists and databases of creditors, assets and liabilities, (9) assist with the production of reports, exhibits and schedules of information or use by the Customer, Counsel or to be delivered the Court, the Clerk's Office, the U.S. Trustee or third parties; and (10) provide other technical and document management services of a similar nature requested by Customer or the Clerk's office; (11) facilitate or perform distributions, and (12) assist Customer with all analyses and/or collections of avoidance actions pursuant to chapter 5 of the United States Bankruptcy Code.

II. TECHNOLOGY SUPPORT

BMC agrees to provide computer software support and to educate and train Customer in the use of the support software, provide BMC's standard reports as well as consulting and programming support for Customer requested reports, program modifications, database modification, and/or other features.

III. PRICES, CHARGES AND PAYMENT

A. BMC agrees to charge, and Customer agrees to pay, BMC's standard prices for its services, expenses and supplies at the rates or prices in effect on the day such services and/or supplies are provided to the Customer, in accordance with the Fee Schedule annexed hereto.

B. At the commencement of the Agreement, Customer will provide BMC with an initial advance payment retainer ("Retainer") in the amount of fifty thousand dollars ($50,000.00). The Retainer or any portion thereof may be applied as set forth in Paragraph III.E below to payment for postage and courier charges. In addition, the Retainer will be applied to BMC's final bill for services and expenses rendered or incurred on behalf of Customer. After application to the final bill, the unapplied portion of the

Retainer (if any) shall be promptly refunded to the Customer. Wire transfer information for the transmission of the retainer is as follows:

Bank Name -	Wells Fargo Bank
Address -	933 3rd Avenue, Seattle, WA 98104
ABA/Routing # -	121000248
Account Name -	BMC Group, Inc.
Account # -	0033022633

C. BMC raises its rates from time to time and generally does so each January.

D. Customer agrees to pay BMC for any necessarily incurred out-of-pocket reasonable expenses for transportation, lodging, meals and related items.

E. In connection with noticing services, upon BMC's request, Customer agrees to prepay BMC estimated postage amounts with respect to each notice or shall authorize BMC to cause the courier's charges (such as UPS or FedEx) to be stated to Customer's own account with such courier.

F. BMC agrees to invoice Customer for fees and expenses and Customer agrees that the amount invoiced is due and payable upon its receipt of the invoice. If any amount is unpaid as of thirty (30) days from the receipt of the invoice, Customer further agrees to pay a late charge, calculated as one and one-half percent (1-1/2%) interest on the amount unpaid, accruing from the invoice date. In the case of a dispute in the invoice amount, notice shall be given to BMC within twenty (20) days of receipt of the invoice by Customer. Interest shall not accrue on any amounts in dispute. The balance of the invoice amount is due and payable in the normal course.

G. BMC will look only to the Customer for payment of invoices and in no event shall Counsel be liable for any of BMC's invoices in connections with this Services Agreement.

IV. WARRANTY

The BMC warranty under the Agreement shall be limited to the re-running, at its expense, of any inaccurate reports, provided that such inaccuracies were caused solely as a result of BMC performance hereunder and provided further that BMC shall receive written notice of such inaccuracies within thirty (30) days of delivery of such report. If said notice is not made to BMC within the prescribed time limit Customer is liable for all charges. Customer agrees that the foregoing constitutes the exclusive remedy available with respect to inaccurate reports.

V. RIGHTS OF OWNERSHIP

A. The parties understand that the software programs and other similar proprietary materials furnished by BMC pursuant to this Agreement and/or developed during the course of this Agreement by BMC are the sole property of BMC. The term "program" shall include, without limitation, data processing programs, specifications, applications, routines, sub-routines, procedural manuals, and documentation. Customer agrees not to copy or permit others to copy for unauthorized use the source code from the support software or any other programs or similar proprietary materials furnished pursuant to this Agreement.

B. Customer further agrees that any ideas, concepts, know-how or techniques relating to data processing or BMC's performance of its services developed during the course of its Agreement by BMC shall be exclusive property of BMC.

C. Upon Customer's request at any time or times while this Agreement is in effect, BMC shall immediately deliver to Customer at Customer's sole expense, any or all of the non-proprietary data, information and records held or controlled by BMC pursuant to this Agreement, in the form requested by Customer. Any information, data and records, in whatever form existing, whether provided to BMC by Customer or developed by BMC for Customer under this Agreement, may be retained by BMC until all amounts due under this Agreement are paid in full, it being understood that neither party asserts rights of ownership in the official claims register or materials filed with BMC as an agent of the court.

D. Customer shall remain liable for all charges imposed under this Agreement as a result of data or physical media maintained by BMC. BMC shall dispose of the data and media in the manner requested by Customer. Customer agrees to pay BMC for reasonable expenses incurred as a result of the disposition of the data or media. After giving Customer thirty (30) days advance notice, BMC reserves the right to dispose of data or media maintained by BMC for Customer if Customer has not utilized the services provided herein for a period of at least ninety (90) days or if Customer has not paid all charges due to BMC.

VI. NON-SOLICITATION

Customer agrees that it shall not, directly or indirectly, solicit for employment, employ or otherwise retain staff of BMC during the term of this Agreement, nor for a period of twelve (12) months after termination of this Agreement unless mutually agreed upon by both parties.

VII. CONFIDENTIALITY

A. BMC agrees to, and shall cause its servants, agents, employees, licensees, and subcontractors to, safeguard and keep confidential all data, records, information and communications of any sort or form, regardless of whether written, oral, visual or otherwise recorded or transmitted, with respect to Customer, but excluding such data, records, information and communications that exist in the public domain by reason other than a breach of BMC's obligations under this Section VII "Confidentiality" (the "Confidential Information"). BMC will use the Confidential Information only for the benefit of Customer in connection with the provision of services under this Agreement. Customer agrees to, and will cause its servants, agents, employees, licensees, and subcontractors to, keep all information with respect to BMC's system, procedures and software confidential; provided, however, that if either party is required to produce any such information by order of any governmental agency or other regulatory body, it may, upon not less than five business days' written notice to the other party, release the required information. The obligations set forth in this paragraph shall survive termination of this Agreement.

VIII. TERMINATION

A. This Agreement shall remain in force until terminated by Customer, or, by BMC upon thirty (30) days' prior written notice to the other party.

B. In the event that this contract is terminated, regardless of the reason for such termination, BMC shall cooperate with Customer to orderly transfer to Customer or its designee (or destroy, at Customer's direction) data, records and information in its possession or control and to effect an orderly transition of record-keeping functions. BMC shall provide all necessary staff, services and assistance required for an orderly transfer and transition. Customer agrees to pay for such services in accordance with BMC's then existing prices for such services.

IX. SYSTEM IMPROVEMENTS

BMC's policy is to provide continuous improvements in the quality of service to the Customer. BMC, therefore, reserves the right to make changes in operations procedures, operating systems, programming languages, general purpose library programs, application programs, time period of accessibility, types of terminal and other equipment and the BMC data center serving the Customer.

X. LIMITATIONS OF LIABILITY AND INDEMNIFICATION

Except with respect to breaches under Section VII "Confidentiality" above, Customer shall indemnify and hold BMC, its officers, employees and agents harmless against any losses, claims, damages, judgments, liabilities and expense (including reasonable counsel fees and expenses) resulting from action taken or permitted by BMC in good faith with due care and without negligence in reliance upon instructions or orders received from Customer as to anything arising in connection with its performance under this Agreement. Except with respect to breaches under Section VII "Confidentiality" above, BMC shall be without liability to Customer with respect to any performance or non-performance, in accordance with the terms of this Agreement or instructions properly received pursuant hereto, if done in good faith and without negligence or willful or wanton misconduct. Except with respect to breaches under Section VII "Confidentiality" above, in no event shall liability to Customer for any losses or damages, whether direct or indirect, arising out of this Agreement exceed the total amount billed or billable to Customer for the portion of the particular work which gave rise to the loss or damage. Except with respect to breaches under Section VII "Confidentiality", in no event shall BMC be liable for any indirect, special or consequential damages such as loss of anticipated profits or other economic loss in connection with or arising out of the services provided for in this Agreement.

XI. NOTICES

All notices in connection with this Agreement shall be given or made upon the respective parties in writing by facsimile or overnight courier and shall be deemed as given, if by facsimile, on the business day immediately following confirmed transmission, or if by courier, on the day it is delivered by such courier to the appropriate address set forth below:

BMC Group, Inc. Attn: Tinamarie Feil 600 1st Avenue Suite 300 Seattle, WA 98104 Telephone 206.516.3300 Fax 206.516.3304	G.I. Joe's Holding Corporation Attn: Telephone Fax

Or to such other address as the party to receive the notice or request so designates by written notice to the other.

XII. APPLICABLE LAW

This agreement shall be construed in accordance with the laws of the State of Washington and may be modified only by a written instrument duly executed by an authorized representative of Customer and an officer of BMC.

XIII. ENTIRE AGREEMENT/ MODIFICATIONS

Each party acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and further agrees that it is the complete and exclusive statement of the agreement between the parties, which supersedes and merges all prior proposals, understandings and other agreements, oral and written between the parties relating to the subject matter of this Agreement. The Agreement may not be modified or altered by written instrument duly executed by both parties. Customer represents that it has the authority to enter into this Agreement, may be subject to bankruptcy court approval, and the Agreement is non-dischargeable under any applicable statute or law. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby. In the event of any conflict between a term of this Agreement and any order of the court exercising jurisdiction over the Customer bankruptcy cases, the term of the order shall govern.

XIV. ASSIGNMENT

This Agreement and the rights and duties hereunder shall not be assignable by the parties hereto except upon written consent of the other, with the exception that this Agreement can be assigned by BMC to a wholly owned subsidiary of BMC.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

BMC Group, Inc. By: Tinamarie Feil Name: Tinamarie Feil Title: President, Client Services Date: February 27, 2009	G.I. Joe's Holding Corporation By: [illegible] Name: Phil Pop Title: VP/CFO Date: March 3, 2009
G.I. Joe's, Inc. By: [illegible] Name: Phil Pop Title: VP/CFO Date: March 3, 2009	

EXHIBIT C

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	Jointly Administered
G.I. JOE'S HOLDING CORPORATION and G.I. JOE'S, INC.,[1]	)	Case No. 09-_____ (___)
Debtors.	)	**Related Docket No.**

ORDER APPROVING AGREEMENT WITH BMC GROUP, INC. AND APPOINTING BMC GROUP, INC. AS NOTICE AND CLAIMS AGENT FOR THE DEBTORS

This matter came on to be heard on the Application of Debtors and Debtors in Possession for an Order Approving Agreement with BMC Group, Inc. and Appointing BMC Group, Inc. as Notice and Claims Agent for Debtors (the "Application"),[2] filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors"); the Court having reviewed the Application, the Declaration of Brad Daniel (the "Daniel Declaration"), and the O'Malley Declaration; the Court having heard the statements of counsel in support of the relief requested therein at a hearing thereon (the "Hearing"); the Court finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (c) based on the representations made in the Daniel Declaration, BMC does not hold or represent an interest adverse to the Debtors' estates; the Court finding that notice of the Application and the Hearing was sufficient under the circumstances; and the Court being fully advised in the premises and having determined that the legal and factual bases set forth in the Application, the O'Malley Declaration, the Daniel Declaration, and at the Hearing

[1] G.I. Joe's Holding Corporation (Federal Tax I.D. #20-8330022) and G.I. Joe's, Inc. (Federal Tax I.D. #93-0500948) have requested joint administration of their chapter 11 cases.

[2] Each capitalized term used but not otherwise defined herein shall have the meaning given to it in the Application.

establish just cause for the relief herein granted, and after due deliberation and cause appearing therefor:

IT IS HEREBY FOUND AND ORDERED THAT:

1. The Application is granted in all respects.

2. The Debtors are authorized to engage, effective as of the Petition Date, upon the terms and for the purposes set forth in the Application and the Agreement, BMC as noticing and claims agent to the Debtors in the above-captioned chapter 11 cases, and are authorized to pay BMC in accordance with this Application, the Agreement and other orders of the Court.

3. The Agreement is approved and the Debtors are authorized to execute and perform under the Agreement.

4. The Debtors are authorized to pay BMC in accordance with the Agreement without the necessity for BMC to file an application for compensation or reimbursement with the Court.

5. Pursuant to § 503(b)(1)(A) of the Bankruptcy Code, the fees and expenses of BMC incurred pursuant to the Agreement are to be treated as an administrative expense of the Debtors' chapter 11 estates.

6. All objections to the Application or the relief requested in the Application that have not been made, withdrawn, waived or settled, and all representation of rights included therein, are overruled and disallowed on the merits.

7. The Debtors and BMC are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

8. The Court retains jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: March __, 2009

_____
UNITED STATES BANKRUPTCY JUDGE