

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION**

In re:)	Chapter 11
)	
DAN RIVER INC., et al.,)	Case Nos. 04-__ through 04-__
)	Jointly Administered
Debtors.)	
)	Judge Drake
)	

**MOTION OF THE DEBTORS FOR
ORDER APPROVING NOTICE PROCEDURES**

Dan River Inc. (“Dan River”), The Bibb Company LLC (“Bibb”), Dan River International Ltd. (“Dan River International”), and Dan River Factory Stores, Inc. (“Dan River Stores”) (collectively, the “Debtors” or the “Company”) file this Motion, respectfully showing the Court as follows:

Jurisdiction

1. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. § 1334. Consideration of this Motion is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of this proceeding is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

2. On the date hereof (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Debtors are authorized to operate their businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

A. Company Background.

3. Dan River was founded in 1882 and is a leading designer, manufacturer and marketer of products for the home fashions and apparel fabrics markets. Dan River operates three business segments: home fashions, apparel fabrics, and engineered products.

4. During fiscal 2003, Dan River's home fashions division produced approximately 72 percent of the Company's revenues, generating \$342 million in net sales. Dan River's home fashions products include bedroom furnishings such as comforters, sheets, pillowcases, shams, bed skirts, decorative pillows and draperies. Dan River is an innovator in merchandising home fashions products and introduced the "Bed-in-a-Bag" complete bed ensemble that consists of a comforter with matching sheets, pillowcases, shams, and a dust ruffle. The home fashions products are marketed under the "Dan River" name as well as under private labels of the Company's major retail customers and under licenses from, among others, "Colours by Alexander Julian" and "Lilly Pulitzer." Dan River also markets home fashions products for the juvenile market under a number of licensed names and trademarks, including "Barbie," "Looney Tunes," "Spiderman," and "Scooby Doo" among others.

5. During fiscal 2003, Dan River's apparel fabrics division produced approximately 21 percent of Dan River's total revenues, generating \$102 million in net sales. Dan River's apparel fabrics products include a broad range of high quality woven cotton and cotton-blend fabrics that are marketed primarily to clothing manufacturers.

6. During fiscal 2003, the engineered products division was Dan River's smallest division, and produced 7 percent of Dan River's gross revenue, generating \$34 million in net sales. Dan River's engineered products include coated yarns and woven fabrics that are

manufactured to customer specifications for use in such products as high pressure hoses for the automotive industry, conveyer belts and other industrial applications.

7. The remaining debtors, Bibb, Dan River International, and Dan River Stores are wholly-owned subsidiaries of Dan River. Bibb was acquired by Dan River in 1998, and substantially all of its assets were subsequently transferred to Dan River. In 2001, Bibb was converted to a single member Delaware limited liability company, wholly owned by Dan River. The only remaining assets of Bibb are its environmentally impaired Abbeville facility, and small parcels of raw land with nominal value. Dan River International is a holding company for the Company's international operations.¹ Dan River Stores was formed in 1992. In 2001, Dan River Stores transferred substantially all of its assets to Dan River. The only remaining material assets of Dan River Stores are intercompany receivables and inconsequential leases.

B. The Debtors' Long-Term Debt Structure.

8. On April 15, 2003, the Debtors completed the refinancing of substantially all of their outstanding long-term debt. The refinancing included the sale, at 95.035 percent of par, of 12-3/4 percent senior notes due 2009 in the aggregate principal amount of \$157 million.

9. In addition, the Debtors entered into a new senior secured credit agreement (the "Credit Agreement") dated April 15, 2003 with Deutsche Bank Trust Company Americas, as Agent, Fleet Capital Corporation, as Syndication Agent, Wachovia Bank, National Association,

¹ The Company's international operations include the following Mexican entities: Dan River de Mexico, S. de R.L. de C.V. ("DRMEX"), Maquilas Pinnacle, S. de R.L. de C.V. and Adsercorp, S. de R.L. de C.V. (collectively, the "Mexico Companies"). The Mexico Companies are the equivalent of limited liability companies. However, Mexico does not allow single member limited liability companies. Therefore, Dan River owns a one peso interest in DRMEX. The remaining Mexico Companies own a one peso interest in each other. Dan River International owns all remaining interests in the Mexico Companies. Dan River B.V. is a Netherlands corporation that was formed in 2000 as a wholly-owned subsidiary of Dan River International to hold Dan River International's interests in the Mexico Companies. However, those interests were never transferred to Dan River B.V., and Dan River B.V. has nominal assets. Neither Dan River B.V. nor any of the Mexico Companies are debtors in these proceedings.

as Documentation Agent, and the several lenders from time to time party thereto (collectively, the “Lenders”).

10. The Credit Agreement provides for a five-year \$40 million term loan and a \$160 million revolving credit facility. Availability under the revolving credit facility is based upon a borrowing base determined by reference to eligible accounts receivable and inventory. As of the Petition Date, the principal and interest outstanding under the term loan was \$35.85 million, and the principal and interest outstanding under the revolving credit facility was approximately \$75.8 million. In addition, letters of credit in the approximate amount of \$5.05 million were outstanding under the terms of the Credit Agreement, for a total current amount outstanding under the Credit Agreement of approximately \$116.7 million. The Debtors’ obligations under the Credit Agreement are secured by substantially all of the Debtors’ assets.

C. Events Leading to the Debtors’ Chapter 11 Cases.

11. In fiscal 2003, the Debtors experienced a significant drop in revenues beginning in the second quarter. Retail sales of the Debtors’ products began to weaken in the second quarter due to a lackluster retail environment in general and inventory adjustments by some of its customers, including its largest customer, Kmart. For fiscal 2003, total revenues were down 22.1 percent compared to the previous year.

12. During the second, third and fourth quarters of fiscal 2003, in response to the drop in sales, the Debtors initiated plans to eliminate approximately \$18 million in annual expenses through the closure and consolidation of manufacturing facilities and a reduction of workforce. Four manufacturing facilities were closed, which eliminated over 850 positions for a total estimated annual savings of \$13.6 million. Approximately 80 managerial and administrative positions were eliminated which reduced annual expenses by over \$4 million. The benefits of

these cost-cutting efforts were not expected to be realized until fiscal 2004, too late to mitigate a continued reduction in gross profit caused by the poor economic environment. The Debtors' gross profit for fiscal 2003 was approximately \$61 million less than their gross profit for the previous year.

13. The Debtors are not the only domestic textile company which has encountered financial problems. Numerous other domestic textile companies such as Burlington Industries, Cone Mills, WestPoint Stevens, Pillowtex, and others have already filed for bankruptcy protection.

14. As a result of the Debtors' financial performance, they failed to meet the maximum leverage ratio covenant contained in the Credit Agreement for the third quarter of 2003. The Debtors and the Lenders entered into an amendment of the Credit Agreement that waived the covenant violation and imposed new requirements for minimum levels of excess availability and monthly operating EBITDA. An additional amendment and waiver to the Credit Agreement was executed in December 2003, waiving certain anticipated defaults resulting from the Debtors' financial performance and imposing additional requirements on the Debtors. Another amendment was executed in January 2004 modifying certain terms of the Credit Agreement. Among other things, the Credit Agreement, as amended, requires the Debtors to deliver to the Agent on March 31, 2004 satisfactory evidence that the Debtors will be in compliance with the financial covenants in the Credit Agreement for the fiscal quarter ending April 3, 2004.

15. The Debtors' sales and profitability have not sufficiently improved to be in compliance with all of the Credit Agreement's financial covenants. As a result, commencing April 1, 2004, the Debtors will be in default under the Credit Agreement. Accordingly, the

Company will no longer have access to the funds necessary to meet its operating expenses and will be faced with a loss of enterprise value if it cannot restructure its debt and obtain additional financing. Therefore, the Debtors have concluded, after consultation with their advisors, that their interests and the interests of their creditors and employees will be best served by a reorganization under Chapter 11 of the Bankruptcy Code.

Relief Requested

16. By this motion, the Debtors request entry of an order establishing appropriate notice procedures. For the reasons set forth below, the Debtors request entry of an order limiting notice on various matters to only the affected parties as described herein.

17. Currently, literally thousands of creditors and parties in interest may be technically entitled to receive notice in these cases. To require the Debtors to provide notice of all pleadings and other papers filed in these cases to these parties in interest would be extremely burdensome and costly to the Debtors' estates, as a result of photocopying and postage expenses as well as other expenses associated with such large mailings.

18. The Debtors therefore propose to establish a master service list (the "Master Service List"), which would include the following: (i) the Office of the United States Trustee for the Northern District of Georgia; (ii) the Debtors; (iii) the attorneys for the Debtors; (iv) the Debtors' thirty largest unsecured creditors, or the attorneys for the official committee of creditors appointed in these chapter 11 cases (the "Creditors' Committee"); (v) the attorneys for any other committee appointed by the Court; (vi) the attorneys for the Debtors' senior secured lenders; (vii) counsel to the Agent for the Debtors' proposed debtor-in-possession post-petition lenders; (viii) indenture trustees for the Debtors' senior notes and pollution control bonds; (ix) those persons who have formally appeared and requested service in these cases pursuant to Bankruptcy

Rule 2002; and (x) the Securities and Exchange Commission, the Internal Revenue Service, state and federal attorneys general and environmental agencies, as well as other government agencies, to the extent required by the Bankruptcy Rules and the Local Rules.

19. With respect to the proposed Master Service List (the “Initial Master Service List”), the Debtors also propose to include their thirty largest unsecured creditors on a consolidated basis. At such time that the Creditors’ Committee is formed, the Debtors will add the attorney for the Creditors’ Committee to the Master Service List and will remove the consolidated list of the Debtors’ thirty largest unsecured creditors.

20. In furtherance of the above noticing request, the Debtors have prepared a proposed Initial Master Service List, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, which list is consistent with the relief requested in this Motion.

21. The proceedings with respect to which notice would be limited to the Master Service List would include all matters covered by Bankruptcy Rule 2002, with the *express exception* of the following: (i) notice of the first meeting of creditors pursuant to Section 341 of the Bankruptcy Code; (ii) the time fixed for filing proofs of claim pursuant to Bankruptcy Rule 3003(c); (iii) the time fixed for filing objections to, and the hearing to consider approval of, a disclosure statement or confirmation of a plan of reorganization; and (iv) notice and transmittal of ballots for accepting or rejecting a plan of reorganization. The Master Service List also would be used for proceedings in addition to Rule 2002 matters that may be required by the Local Rules to be served upon all parties in interest.

22. The Debtors will update the Master Service List on a monthly basis to include the name and address of any party in interest that has made a written request for notice since the

prior month. Such updated Master Service List will be filed with the Court and circulated to all parties appearing thereon only in the event that there is a change to the Master Service List.

23. Upon the completion of noticing any particular matter, the Debtors or their agent will submit to the Court either an affidavit of service or certification of service annexing the list of those parties who received the subject notice.

24. With respect to the notice of commencement of case and notice of the first meeting of creditors pursuant to Section 341 of the Bankruptcy Code, the Debtors request approval of such notice substantially in the form annexed hereto as Exhibit B.

25. The Debtors assert that the relief requested in this motion is in the best interest of their estates and creditors and will not prejudice the rights of any party in interest in these cases.

Notice

26. Notice of this Motion has been provided to the Office of the United States Trustee, counsel for the Debtors' pre-petition secured lenders, counsel to the Agent for the Debtors' proposed debtor-in-possession lender, the indenture trustee for Debtors' senior note holders, and the Debtors' thirty largest unsecured creditors on a consolidated basis. In light of the nature of the relief requested, the Debtors submit that no further notice is necessary.

Conclusion

WHEREFORE the Debtors respectfully request entry of an order granting the relief requested herein, and granting the Debtors such other and further relief as may be just.

Dated: Atlanta, Georgia
March 31, 2004

Respectfully submitted,

KING & SPALDING LLP

/s/ James A. Pardo, Jr.

James A. Pardo, Jr.

Georgia Bar No. 561206

Sarah Robinson Borders

Georgia Bar No. 610649

191 Peachtree Street

Atlanta, Georgia 30303-1763

(404) 572-4600

Fax: (404) 572-5149

PROPOSED ATTORNEYS FOR THE DEBTORS

EXHIBIT A

**DAN RIVER INC. et al.
INITIAL MASTER SERVICE LIST**

MASTER SERVICE LIST

Mr. H.L. Goodrich Dan River Inc. 2291 Memorial Drive P.O.Box 261 Danville, VA 24543 Fax: 434-799-7276 General Counsel to Debtors	James A. Pardo, Jr. Sarah Robinson Borders King & Spalding LLP 191 Peachtree Street Atlanta, GA 30303 Fax: 404-572-5149 Counsel for Debtors
Office of the United States Trustee 362 United States Courthouse 75 Spring Street, S. W. Atlanta, GA 30303	Internal Revenue Service Insolvency Room 400 - Stop 334D 401 West Peachtree Street NW Atlanta, GA 30308
Securities and Exchange Commission 3475 Lenox Road NE, Suite 1000 Atlanta, GA 30326-1232 Attn: Reorganization	Frank J. Godino HSBC Bank, USA 452 Fifth Avenue New York, NY 10018-2706 Trustee for Senior Note Holders
Pension Benefit Guaranty Corporation 1200 K Street, NW Washington, DC 20005-4026 Attn: Legal Department	Robert J. Rosenberg Latham & Watkins 885 Third Avenue, Suite 1000 New York, NY 10022-4834 Fax: (212) 751-4864 Counsel for Deutsche Bank Trust Company Americas
Jesse H. Austin III Paul Hastings Janofsky & Walker LLP Twenty-Fourth Floor 600 Peachtree Street NE Atlanta, GA 30306 Fax: (404) 815-2424 Counsel for Deutsche Bank Trust Company Americas	

30 LARGEST UNSECURED CREDITORS
ON A CONSOLIDATED BASIS

<p>HSBC Bank USA, Trustee for Senior Notes 452 Fifth Avenue New York NY 10018-2706 Attn: Frank Godino</p>	<p>Lester A. Hudson, Jr. 517 McDaniel Ave Greenville SC 29605</p>
<p>SunTrust Bank, Trustee 919 E. Main Street Richmond, VA 23219 Attn: Nancy Harrison</p>	<p>Honeywell/Allied Signal Inc. P.O. Box 33051 Newark, NJ 07188-0051 Attn: William Doughty, CBF</p>
<p>Richard L. Williams 59 Warren Place Montclair, NJ 07042</p>	<p>Cht. R. Beitlich Corp. P.O. Box 60768 Charlotte, NC 28260 Attn: Jim Ogle</p>
<p>Kmart Corp. 1300 West Big Beaver Troy, MI 48084 Attn: James Donlon</p>	<p>Inland Paperboard & Pkg. Inc. 102368 Annex 68 Atlanta, GA 30368 Attn: Tommy Hancock</p>
<p>American Electric Power P.O. Box 24404 Canton, OH 44701-4404 Attn: Brian Brannock</p>	<p>William J. Mika 321 Connestee Trail Brevard NC 28712</p>
<p>Scana Energy Marketing, Inc. 1426 Main St. Palmetto Center MC 072 Columbia, SC 29201 Attn: Wayne Mills</p>	<p>Sears Canada (Retail) 222 Jarvis Street Toronto ONT M5B 2B8 Attn: Frances Magliocchi</p>
<p>P. Kaufman, Inc. P.O. Box 19173-A Newark, NJ 07195-0173 Attn: Peter Higgins</p>	<p>Alpha Decade First 60B Commerce Place Hicksville, NY 11801 Attn: Jonathan Lee</p>

<p>Teijin Akra, S.A. de C.V. 1100 Matamoros St. Laredo, TX 78040 Attn: Grover Smith</p>	<p>City of Danville Div. Cent. Coll. PO Box 3308 Danville, VA 24543-3308 Attn: Paul Kalv</p>
<p>EuroVista 40 Wall Street, 23rd Floor New York, NY 10005-1339 Attn: Mr. Lath</p>	<p>Sunstates Maintenance Corp. PO Box 77138 Greensboro, NC 27417 Attn: Donnie Williamson</p>
<p>Nanya Plastic Corp. America P. O. Box 1067 Charlotte, NC 28201 Attn: John Freeman</p>	<p>Noveon, Inc. P.O. Box 73605-N Cleveland, OH 44193-0941 Attn: Howard Brink</p>
<p>Spider-Man Merchandising L.P. 10202 W. Washington Blvd. Culver City, CA 90232 Attn: Mitchell McDiffett</p>	<p>NASCAR Licensing Group 1 First Union Center Charlotte, NC 28202 Attn: Mark Dyer</p>
<p>Robert S. Small 14 Mt. Vere Ct Greenville SC 29607</p>	<p>Progressive Screen Engraving P.O. Box 65680 Charlotte, NC 28265 Attn: Mike Phillips</p>
<p>Elliot H. Baum 2905 Round Hill Rd Greensboro, NC 27408</p>	<p>Hearst Magazine Brand Development 1790 Broadway, 12th floor New York, NY 10019 Attn: Glen Ellen Brown</p>
<p>Wellman Inc. 5146 Parkway Plaza Blvd. Charlotte, NC 28217 Attn: W.E. Wolcenhauer</p>	<p>Robert C. Crawford 1001 Botany Road Greenville SC 29615</p>
<p>Grover S. Elliot P.O. Box 26376 Greenville SC 29616</p>	<p>Cargill Cotton P.O. Box 751992 Charlotte, NC 28275-1992 Attn: Mr. Gary Taylor - CEO</p>

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION**

NOTICE OF COMMENCEMENT OF BANKRUPTCY CASES, MEETING OF CREDITORS, AND DEADLINES

You may be a creditor of the debtors. **This notice lists important deadlines.** You may want to consult an attorney to protect your rights. All documents filed in these cases may be inspected at the bankruptcy clerk's office at the address listed below. NOTE: The staff of the bankruptcy clerk's office cannot give legal advice.

DEBTOR	ADDRESS	CASE NO.	TAXPAYER I.D.
Dan River Inc.	2291 Memorial Drive Danville, VA 24541		58-1854637
The Bibb Company LLC	2291 Memorial Drive Danville, VA 24541		58-2253133
Dan River International Ltd.	2291 Memorial Drive Danville, VA 24541		54-2050008
Dan River Factory Stores, Inc.	2291 Memorial Drive Danville, VA 24541		54-1655132

_____, 2004, at _____.m.
18 Greenville Street
Newnan, Georgia 30264

Deadline to File a Proof of Claim

No deadline to file a proof of claim has been set. You will receive notice of the deadline when it is set by the Court. See the Explanation concerning Claims on page 3. Proofs of claim may be filed with the claims agent approved by the Court via United States mail at the following address: Bankruptcy Management Corporation, P.O. Box 949, El Segundo, CA 90245-0949 or via overnight service or hand delivery at the following address: Dan River Inc., c/o Bankruptcy Management Corporation, 1330 E. Franklin Avenue, El Segundo, CA 90245. **PLEASE TAKE NOTICE** that pursuant to Bankruptcy Code § 1111(a), a proof of claim or interest is deemed filed for any claim that appears in the debtors' schedules unless the claim is scheduled as disputed, contingent, or unliquidated. The debtors' schedules are expected to be filed on or about [REDACTED], 2004. They may be examined during normal business hours at the office of the bankruptcy clerk, whose address appears below, or on the Internet at www.bmccorp.net.

Attorneys for the Debtors

James A. Pardo, Jr.
Sarah Robinson Borders
King & Spalding LLP
191 Peachtree Street, Suite 4900
Atlanta, Georgia 30303-1763
(404) 572-4600

Creditors May Not Take Certain Actions

The filing of a bankruptcy case automatically stays certain collection and other actions against the debtor and the debtor's property. If you attempt to collect a debt or take other action in violation of the Bankruptcy Code, you may be penalized.

Address of the Bankruptcy Clerk's Office:	For the Court:
Lewis Morgan Federal Building 18 Greenville Street Newnan, Georgia 30264	Clerk of the Bankruptcy Court: /s/ W. Yvonne Evans
Hours Open: 8:00 a.m. to 4:00 p.m.	Date: [REDACTED], 2004

Explanations

FILING OF CHAPTER 11 BANKRUPTCY CASE. Bankruptcy cases under Chapter 11 of the Bankruptcy Code (Title 11, United States Code) have been filed in this court by the debtors listed in this notice, and orders for relief have been entered. Chapter 11 allows a debtor to reorganize or liquidate pursuant to a plan. A plan is not effective unless confirmed by the Court. You may be sent a copy of the plan and a disclosure statement telling you about the plan, and you might have the opportunity to vote on the plan. You will be sent notice of the date of the confirmation hearing, and you may object to confirmation of the plan and attend the confirmation hearing. Unless a trustee is appointed, the debtors will remain in possession of their property and may continue to operate their businesses.

CREDITORS MAY NOT TAKE CERTAIN ACTIONS. Prohibited collection actions are listed in Bankruptcy Code § 362. Common examples of prohibited actions include contacting the debtor by telephone, mail, or otherwise to demand repayment; taking actions to collect money or obtain property from the debtor; repossessing the debtor's property; and starting or continuing lawsuits or foreclosures.

MEETING OF CREDITORS. A meeting of creditors is scheduled for the date, time, and location listed on page 2 of this notice. *The debtor must be present at the meeting to be questioned under oath by creditors.* Creditors are welcome to attend, but are not required to do so. The meeting may be continued and concluded at a later date without further notice.

CLAIMS. A proof of claim is a signed statement describing a creditor's claim. You may obtain a proof of claim form at any bankruptcy clerk's office or on the Internet at www.bmccorp.net. You may look at the schedules that have been or will be filed in these cases at the bankruptcy clerk's office. If your claim is scheduled and is *not* listed as disputed, contingent, or unliquidated, it will be allowed in the amount scheduled unless you file a proof of claim or you are sent further notice about the claim. Whether or not your claim is scheduled, you are permitted to file a proof of claim. If your claim is not listed at all *or* if your claim is listed as disputed, contingent, or unliquidated, then you must file a proof of claim or you might not be paid any money on your claim against the debtors in these bankruptcy cases. The Court has not yet set a deadline to file a proof of claim. When a deadline is set, you will be sent another notice.

NOTICE OF PROCEEDINGS. **As provided in an Order Establishing Notice Procedures dated [REDACTED], 2004, you will not receive notice of all motions and other proceedings in these bankruptcy cases unless you file a request with the bankruptcy clerk's office to receive copies of all papers filed in these cases.** Even if you do not file a request for copies of all papers, you will still receive notice of the deadline for filing proofs of claim, notice of the deadline for objecting to and of the hearing to consider approval of a disclosure statement, notice of the deadline for accepting or rejecting a plan of reorganization, notice of the deadline for objecting to and of the hearing to consider confirmation of a plan of reorganization, and notice of any paper or proceeding likely to directly affect your interests.

DISCHARGE OF DEBTS. Confirmation of Chapter 11 plan may result in discharge of debts, which may include all or part of your debt. See Bankruptcy Code § 1141(d). A discharge means that you may never try to collect the debt from the debtor, except as provided in the plan.

BANKRUPTCY CLERK'S OFFICE. Any paper that you file in these bankruptcy cases should be filed at the bankruptcy clerk's office at the address listed on page 2 of this notice, except that proofs of claim should be filed with Bankruptcy Management Corporation ("BMC"), which is acting as the claims agent in these cases. Bankruptcy Management Corporation's address is listed on page 2 of this notice. You may inspect all papers filed, including the lists of the debtors' property and debts, at the bankruptcy clerk's office.

LEGAL ADVICE. The staff of the bankruptcy clerk's office cannot give legal advice. You may want to consult an attorney to protect your rights.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION**

In re:)	Chapter 11
)	
DAN RIVER INC., <i>et al.</i>,)	Case Nos. 04-__ through 04-__
)	Jointly Administered
Debtors.)	
)	Judge Drake
_____)	

ORDER ESTABLISHING NOTICE PROCEDURES

This matter is before the Court on the motion of Dan River Inc. and its debtor affiliates (collectively, the “Debtors”) for the establishment of notice procedures in this case (the “Motion”).

The Court has considered the Motion, the Declaration of Barry F. Shea in Support of First-Day Applications and Motions, and the matters reflected in the record of the hearing held on the Motion. It appears that the Court has jurisdiction over this proceeding; that this is a core proceeding; that notice of the Motion has been given to the Office of the United States Trustee; to counsel for the Debtors’ pre-petition secured lenders, the indenture trustee for the Debtors’ senior note holders, counsel to the Agent for the Debtors’ proposed debtor-in-possession lenders, and to the Debtors’ thirty largest unsecured creditors on a consolidated basis; that no further notice is necessary; that the relief sought in the motion is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief.

Accordingly, it is hereby ORDERED as follows:

1. The Motion is GRANTED.
2. The Debtors shall establish a master service list (the “Master Service List”) that shall initially include the following parties in interest: (i) the Office of the United States Trustee

for the Northern District of Georgia; (ii) the Debtors; (iii) the attorneys for the Debtors; (iv) the Debtors' thirty largest unsecured creditors, or the attorneys for the official committee of creditors appointed in these Chapter 11 cases (the "Creditors' Committee"); (v) the attorneys for any other committee appointed by the Court; (vi) the attorneys for the Debtors' senior lenders; (vii) the attorneys for Debtors' post-petition lenders; (viii) indenture trustees for the Debtors' senior notes and pollution control bonds; (ix) those persons who have formally appeared and requested service in these cases pursuant to Bankruptcy Rule 2002; and (x) the Securities and Exchange Commission, the Internal Revenue Service, state and federal attorneys general and environmental agencies, as well as other government agencies, to the extent required by the Bankruptcy Rules and the Local Rules.

3. The Debtors shall update the Master Service List monthly and shall file an updated Master Service List with the Court if it includes changes from the last Master Service List filed with the Court.

4. The Master Service List shall clearly identify interested parties and their counsel who participate in the Court's Electronic Case Filing ("ECF") system.

5. Any person filing a pleading or other paper in this case shall serve such pleading or paper on (a) all parties in interest listed on the most recent Master Service List; and (b) any creditor or other party in interest whose interests are likely to be affected directly by the pleading or proceeding. Such person shall file a certificate of service with the Court identifying the interested parties served. Except as provided in paragraph 7 below with respect to particular papers, no further service shall be required.

6. As provided in this Court's General Order No. 5, the electronic filing of a pleading or paper by any person who participates in the ECF system constitutes service of the

pleading or paper on any other interested party listed on the Master Service list who participates in the ECF system, and no conventional service on such interested party shall be required; provided, however, that notices required by Bankruptcy Rule 2002(a)(1), (4), (5), (7), and (8), and (b)(1) and (2) shall be served conventionally in hard copy.

7. Notwithstanding the foregoing, the following shall be provided to all known creditors and other parties in interest, at their last address known to the Debtors, unless otherwise ordered by the Court: (a) notice of the first meeting of creditors pursuant to Section 341 or 1104(b) of the Bankruptcy Code; (b) notice of the time fixed for filing proofs of claim pursuant to Bankruptcy Rule 3003(c); (c) notice of the time fixed for filing objections and the hearing to consider approval of a disclosure statement; (d) notice of the time fixed for filing objections and the hearing to consider confirmation of a plan of reorganization; and (e) notice of and transmittal of ballots for accepting or rejecting a plan of reorganization.

8. The notice of commencement of case and notice of the first meeting of creditors substantially in the form annexed to the Motion as Exhibit B is hereby approved.

9. Within seven days of the entry of this Order, the Debtors shall serve a copy of this Order on all known creditors and parties in interest, at their last address known to the Debtors.

10. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

SO ORDERED.

At Atlanta, Georgia this ____ day of _____, 2004.

W. HOMER DRAKE, JR.
UNITED STATES BANKRUPTCY JUDGE

Prepared and Presented by:

KING & SPALDING LLP

/s/ James A. Pardo, Jr.

James A. Pardo, Jr.

Georgia Bar No. 561206

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Proposed Attorneys for the Debtors