

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

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

**MOTION FOR AUTHORITY TO RETAIN AND COMPENSATE  
PROFESSIONALS USED IN THE ORDINARY COURSE OF BUSINESS**

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.<sup>1</sup> 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,

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<sup>1</sup> 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 respectfully request the entry of an order, pursuant to Sections 105(a), 327, 328, and 363 of the Bankruptcy Code, authorizing them to retain and compensate professionals used by the Debtors in the ordinary course of business as of the Petition Date and thereafter (collectively the “Ordinary Course Professionals”), subject to certain monthly expenditure limitations. Exhibit A attached hereto contains a list of the Ordinary Course Professionals identified by the Debtors as of the Petition Date.

### **Basis for Relief**

17. The Debtors desire to continue to employ the Ordinary Course Professionals to render services to their estates similar to those services they provided prior to the Petition Date. These services include: (a) tax preparation and other tax advice; (b) legal services with regard to (i) routine litigation, (ii) collection matters, (iii) reimbursement, shareholder and regulatory matters, (iv) acquisitions, divestitures, and other corporate services, and (v) real estate issues; and (c) other relatively minor matters, such as actuarial services, requiring the expertise and assistance of professionals.

18. As noted above, the Debtors maintain substantial operations in various locations within the United States. As a result, prior to the Petition Date, the Debtors used the Ordinary Course Professionals to provide professional services required on a day-to-day basis to manage

the Debtors' affairs. The Debtors submit that, in light of the costs associated with the preparation of employment applications for professionals who will receive relatively small fees, it would be impractical, inefficient, and unnecessarily costly for the Debtors to submit individual applications and proposed retention orders for each professional. Similarly, given the broad geographic reach of the Debtors' operations, it would not be practical for the Debtors' general bankruptcy counsel to handle legal matters in all of the various jurisdictions in which legal services will be required. Accordingly, the Debtors request that this Court dispense with the requirement of individual employment applications, retention orders, and fee applications (subject to the limitation described below) with respect to each Ordinary Course Professional, and that the Debtors be permitted to employ the Ordinary Course Professionals from time to time as their services are needed.

19. The Debtors propose that each Ordinary Course Professional be required to file an affidavit, substantially in the form of Exhibit B, stating that such professional does not represent or hold any interest adverse to the Debtors or their estates with respect to the matters on which such professional is to be employed (the "Retention Affidavit"). The Debtors will not make any payment to any Ordinary Course Professional until such professional has filed a Retention Affidavit.

20. The Debtors propose that they be permitted to pay each Ordinary Course Professional, without prior application to the Court by such professional, 100 percent of the fees and disbursements owed to such Ordinary Course Professional, upon the submission to and approval by the Debtors of an appropriate invoice setting forth in reasonable detail the nature of the services rendered and disbursements actually incurred; *provided, however*, that if any Ordinary Course Professional's fees and disbursements exceed \$20,000 in a particular month,

then the payment to such Ordinary Course Professional for any amount in excess of \$20,000 per month shall be subject to the prior approval of the Court in accordance with Sections 330 and 331 of the Bankruptcy Code.

21. The Debtors propose that approximately twenty days after the expiration of every ninety days (commencing ninety days from the date of the granting of this Motion), the Debtors will file a statement with the Court, and serve the same on the Office of the United States Trustee, counsel for the Debtors' post-petition secured lenders and counsel for any statutory committee appointed in these cases, certifying the Debtors' compliance with the terms of the relief requested herein, which statement shall include the following information: (a) for each Ordinary Course Professional paid during the prior ninety-day period: (i) the name of the Ordinary Course Professional, and (ii) the aggregate amounts paid as compensation for services rendered and for reimbursement of expenses incurred by such Ordinary Course Professional during such ninety-day period; and (b) a list of any additional Ordinary Course Professionals retained or used after the Petition Date that have not been reported to the Court previously.

22. Although certain of the Ordinary Course Professionals may hold unsecured claims against the Debtors with respect to pre-petition services rendered to the Debtors, the Debtors do not believe that any of the Ordinary Course Professionals has an interest materially adverse to the Debtors, their creditors, or other parties in interest as to the matters for which they are to be engaged, and thus none would be retained who do not meet, if applicable, the retention requirement of Section 327(e) of the Bankruptcy Code. Moreover, the employment of ordinary course professionals is contemplated by Bankruptcy Code Section 363 as an ordinary use of estate assets.



23. The proposed ordinary course retention and payment procedures set forth herein will not apply to those professionals for whom the Debtors have filed separate applications for approval of employment.

24. In addition to the Ordinary Course Professionals, the Debtors rely on the services of numerous other specialized service providers in the ordinary course of their businesses. The Debtors will continue to employ such other service providers as their needs demand.

25. The Debtors desire to continue to employ the Ordinary Course Professionals to render services to their estates similar to those services rendered prior to the Petition Date. It is essential that the employment of the Ordinary Course Professionals, who are already familiar with the Debtors' affairs, be continued on an ongoing basis to enable the Debtors to conduct, without disruption, their ordinary business affairs. The relief requested will save the Debtors the expense of separately applying for the employment of each professional. Relief similar to that requested herein has been granted by courts in other substantial Chapter 11 cases, *see, e.g., In re Burlington Industries, Inc.*, Case No. 01-11282 (Bankr. D. Del. Dec. 12, 2001), including several in this district, *see, e.g., In re Centennial HealthCare Corporation*, Case No. 02-74974 (Bankr. N.D. Ga. Dec. 23, 2002) (Massey, J.); *In re The New Power Company*, Case No. 02-10835 (Bankr. N.D. Ga. July 24, 2002) (Drake, J.); *In re Wolf Camera, Inc.*, No. 01-83470 (Bankr. N.D. Ga. Aug. 1, 2001) (Bankr. N.D. Ga. June 22, 2001) (Mullins, J.).<sup>2</sup> Furthermore, relieving the Ordinary Course Professionals of the requirement of preparing and prosecuting fee applications will save the estate additional professional fees and expenses and encourage the Ordinary Course Professionals to continue their relationships with the Debtors. Likewise, the procedure outlined above will spare the Court and the United States Trustee from having to consider numerous fee

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<sup>2</sup> For the Court's convenience, copies of unpublished authorities cited herein are submitted for the Court's consideration in a separate binder.

applications involving relatively modest amounts of fees and expenses. The Debtors submit that the proposed employment of the Ordinary Course Professionals and the payment of compensation on the basis set forth above are in the best interests of the Debtors' estates and their creditors.

### **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, the indenture trustee for Debtors' senior note holders, counsel to the Agent for the Debtors' proposed debtor-in-possession lenders 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**

**ORDINARY COURSE PROFESSIONALS**

<b><u>Ordinary Course Professional</u></b>	<b><u>Services Provided</u></b>
AccuVal Associates, Inc. 10218 N. Port Washington Rd Mequon, WI 53092 Contact: Rick Ferron	Appraisals required under Senior Credit Agreement
Allen Dixon Smith Townsend Frederick Square – Suite 340 77 Westmoreland Street Fredericton, NB E3B 4Y9 Canada Contact: Charles A. Sargeant, Esq. (Sunshine Mills)	Non-bankruptcy legal counsel
American Appraisal Associates 2839 Paces Ferry Road Suite 400 Atlanta, GA 30339 Contact: Michael P. Amacker, Vice President	Valuation work in connection with accounting matters
Beltran Fortuny Y Beltran Rivera, S.C. Juan Bautista P. Moliere 13, 14 <sup>th</sup> Floor Col. Polanco – Chapultepec Postal Office Box 105-339 Mexico, D.F. 11560 Mexico Contact: Teresa A. Lee at Pryor, Cashman, Sherman & Flynn, LLP (Trademark Counsel)	Non-bankruptcy legal counsel

<b><u>Ordinary Course Professional</u></b>	<b><u>Services Provided</u></b>
Binswanger 6105F Memorial Highway Tampa, FL 33615-4557 Telephone: (813) 881-1247 Contact: Doug Vanderhook	Real estate appraisals and sales/purchase broker
Clement & Wheatley 549 Main Street Danville, VA 24541 Contact: Glenn W. Pulley, Esq. (Litigation)	Non-bankruptcy legal counsel
Conestoga Rovers & Associates 2055 Niagara Falls Blvd. Niagara Falls, NY 14304 Contact: Mr. Robert T. Pyle	Environmental Engineering Services
Creel, Garcia-Cuellar y Muggenburg Paseo de los Tamarindos 60 Col. Bosques de Las Lomas 05120 Mexico, D.F. Mexico Contact: Jean Michel Enriquez, Esq. (Mexican facility matters)	Non-bankruptcy legal counsel
CT Corporation System 1025 Vermont Avenue, N.W. Washington, D.C. 20005 Contact: Ms. Hilary England	Statutory agent in various states

<b><u>Ordinary Course Professional</u></b>	<b><u>Services Provided</u></b>
Daniel, Vaughan, Medley & Smitherman, P.C. 116 South Ridge Street Danville, VA 24541 Contact: James A. L. Daniel, Esq. (Workers' Compensation, Litigation)	Non-bankruptcy legal counsel
Daniels, Daniels & Verdonik, P.A. Attorneys at Law 1822 N.C. Highway 54 East Suite 200 Durham, NC 27713 Contact: A. José Cortina	Patent litigation counsel
EquiServe, LP Blue Hills Office Park 150 Royall Street Canton, MA 02021 Contact: Mr. Keith Hathaway	Shareholder/administrative services
FTI Consulting, Inc. 1500 Market Street 12 <sup>th</sup> Floor, East Tower Philadelphia, PA 19102 Contact: Kris Coghlan	Process control audits required under Senior Credit Agreement
Gallet & Associates 320 Beacon Parkway West Birmingham, AL 35209 Contact: Douglas E. Reymann, P.G.	Environmental matters
GE Global Asset Protection Services 200 S. College St, Suite 1630 Charlotte, NC 28202 Contact: Arthur P. Mattos, Jr.	Loss prevention control consultant

<b><u>Ordinary Course Professional</u></b>	<b><u>Services Provided</u></b>
Georgeson Shareholder 219 Murray Hill Parkway East Rutherford, NJ 07073 Contact: Ms. Fran DeRobertis	Shareholder/proxy services
Grunfeld, Desiderio, Lebowitz, Silverman & Klestadt LLP 245 Park Avenue 33 <sup>rd</sup> Floor New York, NY 10167-3397 Contact: Robert B. Silverman, Esq. (Customs Matters)	Non-bankruptcy legal counsel
Haynsworth, Baldwin, Johnson, & Greaves P.O. Box 10888 Greenville, SC 29603	Non-bankruptcy legal counsel
Hunton & Williams Suntrust Center Suite 1000 500 East Main Street Norfolk, VA 23510 Contact: James P. Naughton, Esq. (Litigation, Labor)	Non-bankruptcy legal counsel
Kilpatrick Stockton LLP 3737 Glenwood Avenue Suite 400 Raleigh, NC 27612 Contact: Alan H. McConnell, Esq. (Environmental, Patent Matters)	Non-bankruptcy legal counsel
Ladas & Parry 26 West 61 <sup>st</sup> Street New York, NY 10023 Contact: Daniel F. Zendel, Esq. (Trademarks)	Non-bankruptcy legal counsel

<b><u>Ordinary Course Professional</u></b>	<b><u>Services Provided</u></b>
Lee, C.W., Law Practice LLC 16 Upper Circular Road Benning House Level 4 Singapore 058414 Contact: Ms. Hannah Goh (Trademarks)	Non-bankruptcy legal counsel
Lowenstein Sandler PC 1330 Avenue of the Americas 21 <sup>st</sup> Floor New York, NY 10019-5400 Contact: Bruce S. Nathan, Esq. (Customer Credit Matters)	Non-bankruptcy legal counsel
McCarthy Tetrault LLP Toronto Dominion Bank Tower Box 48, Suite 4700 Toronto, Ontario Canada M5K 1E6 Contact: Linda Pieterston, Esq. (Patent and Trademark, Finance)	Non-bankruptcy legal counsel
Mercer Human Resources Consulting P O Box 905234 Charlotte, NC 28290 Contact: W. Sanford Godwin	Human resources consultants
Ogletree, Deakins, Nash, Smoak & Steward, P.C. 300 North Main Street Post Office 2757 Greenville, SC 29602 Contact: Robert O. King, Esq. (Labor Matters)	Non-bankruptcy legal counsel
Osler, Hoskin & Harcourt LLP Suite 1500 50 O'Connor Street Ottawa, Ontario Canada K1P 6L2 Contact: Donna White, Esq. (Trademarks, Canadian Legal Matters)	Non-bankruptcy legal counsel

<b><u>Ordinary Course Professional</u></b>	<b><u>Services Provided</u></b>
Plan Advisory Services, Inc. 21 N. Main Street Doylestown, PA 18901 Contact: Rick Shoff	Retirement plans investment advisory services
Pryor, Cashman, Sherman & Flynn, LLP 410 Park Avenue New York, NY 10022-4441 Contact: Kenneth A. Schulman, Esq. (Litigation, Trademarks)	Non-bankruptcy legal counsel
Raja, Darryl & Loh Wisma Sime Darby – 18 <sup>th</sup> Floor Jalan Raja Laut 50350 Kuala Lumpur Malaysia Contact: Ms. Hannah Goh at CW Lee Law Practice LLC (Trademarks)	Non-bankruptcy legal counsel
Towers Perrin 100 N. Tryon Street Suite 4100 Charlotte, NC 28202-4000	Actuarial services
TRC Environmental Corporation 516 N. West Street Raleigh, NC 27603 Telephone: 919-828-3150	Environmental/Engineering Services
Uhthoff, Gomez, Vega & Uhthoff, S.C. Hamburgo No. 260 Col. Juarez, C.P. 06600 Mexico, D.F. 0600 Mexico Contact: Robert Young M., Esq. (Trademarks)	Non-bankruptcy legal counsel



<b><u>Ordinary Course Professional</u></b>	<b><u>Services Provided</u></b>
Wayne Mabry/ Mabry Engineering 2500 Devine Street Suite K Columbia, SC 29260-6168 Telephone: 803-252-6913	Engineering Services
Womble, Carlyle, Sandridge & Rice PLLC 300 N. Greene Street Greensboro, NC 27402 Contact: James M. Powell, Esq. (OFCCP Audit, Labor)	Non-bankruptcy legal counsel
Woods Rogers PLC 530 Main Street Danville, VA 24541 Contact: Robert J. Lackey, Esq. (Labor)	Non-bankruptcy legal counsel

**Exhibit B**

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

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

**DECLARATION AND DISCLOSURE STATEMENT OF \_\_\_\_\_  
ON BEHALF OF [FIRM]**

I, \_\_\_\_\_, hereby state and declare as follows:

1. I am a **[partner]** in the firm of **[Firm]**, a \_\_\_\_\_ firm that maintains an office at \_\_\_\_\_. I am duly authorized to make this Declaration on behalf of **[Firm]**, and I make this Declaration pursuant to the Order Authorizing Debtors to Retain and Compensate Professionals Used in the Ordinary Course of Business entered in these cases. The facts set forth in this Declaration are personally known to me, and, if called as a witness, I could and would testify thereto.

2. **[Firm]** has been engaged by Dan River Inc. and its debtor affiliates (collectively, the “Debtors”) to provide the following services: \_\_\_\_\_.

3. To the best of my knowledge, information, and belief formed after reasonable inquiry, (a) neither I nor **[Firm]** holds or represents any interest adverse to the Debtors or their estates with respect to the matters on which **[Firm]** is to be employed; and (b) neither I, nor any other partner of or professional employed by **[Firm]** is a relative of the bankruptcy judge presiding in these cases or of the United States Trustee for this region.

4. Neither I nor any partner in or professional employed by **[Firm]** has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the partners and regular employees of **[Firm]**.

5. The Debtors owe **[Firm]** \$\_\_\_\_\_ for services rendered prior to the Petition Date.

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

Executed on \_\_\_\_\_, 200\_\_, at \_\_\_\_\_.

\_\_\_\_\_  
**[Name]**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
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<b>In re:</b>	)	<b>Chapter 11</b>
	)	
<b>DAN RIVER INC., <i>et al.</i>,</b>	)	<b>Case Nos. 04-__ through 04-__.</b>
	)	<b>Jointly Administered</b>
<b>Debtors.</b>	)	
	)	<b>Judge Drake</b>
	)	

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**ORDER AUTHORIZING DEBTORS TO RETAIN AND COMPENSATE  
PROFESSIONALS USED IN THE ORDINARY COURSE OF BUSINESS**

This matter is before the Court on the motion of Dan River Inc. and its debtor affiliates (collectively, the “Debtors”) for authority to retain and compensate certain professionals used in the ordinary course of business (the “Motion”).

The Court has considered the Motion, the Declaration of Barry 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, 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 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 are authorized to retain the Ordinary Course Professionals (as defined in the Motion) without further application to or approval of this Court.

3. Each Ordinary Course Professional shall file with this Court a Retention Affidavit, substantially in the form of Exhibit B attached to the Motion, stating that such professional does not represent or hold any interest adverse to the Debtors or their estates with respect to the matters on which such professional is to be employed.

4. The Debtors are authorized to compensate and reimburse expenses to each of the Ordinary Course Professionals retained pursuant to this Order (whether identified on Exhibit A to the Motion or identified subsequently) in the customary manner, in the full amount billed by each such professional, upon receipt of a reasonably detailed invoice indicating the nature of the services rendered and calculated in accordance with such professional's standard billing practices (without prejudice to the Debtors' rights to dispute any such invoices), up to \$20,000 per month per such professional (the "Fee Cap"). Any payment in excess of the Fee Cap to any Ordinary Course Professional shall be subject to the prior approval of this Court in accordance with Sections 330 and 331 of the Bankruptcy Code.

5. The Debtors shall not make any payment to an Ordinary Course Professional who has not filed a Retention Affidavit.

6. Every ninety days (commencing ninety days from the date hereof), the Debtors shall file a statement with this Court certifying their compliance with this Order, which statement shall include the following information: (a) for each Ordinary Course Professional, (i) the name of such Ordinary Course Professional and (ii) the aggregate amounts paid as compensation for services rendered and for reimbursement of expenses incurred by such Ordinary Course Professional during such ninety-day period; and (b) a list of any additional Ordinary Course Professionals who are retained or used after the Petition Date and that have not been reported to

the Court previously. Such statement shall be served on the Office of the United States Trustee and on counsel for any official committee appointed in these cases.

7. This Order shall not apply to any professional retained by the Debtors pursuant to a separate order of this Court.

8. To the extent the ten-day stay of Bankruptcy Rule 6004(g) may be construed to apply to the subject matter of this Order, such stay is hereby waived.

9. 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.

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W. HOMER DRAKE, JR.  
UNITED STATES BANKRUPTCY JUDGE

Prepared and Presented by:

**KING & SPALDING LLP**

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