

**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>
	)	

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**MOTION FOR AUTHORITY TO RETAIN SITRICK AND  
COMPANY, INC. AS CORPORATE COMMUNICATIONS CONSULTANTS**

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 11 U.S.C. § 327(a), authorizing them to employ Sitrick and Company Inc. (“Sitrick”) to serve as corporate communications consultants in these bankruptcy cases.

### **Basis for Relief**

17. As explained above, the Debtors are suffering from financial distress. During this critical time, the perceptions of customers, suppliers, employees, lenders, and others on whom the Debtors regularly rely are of great importance. In order to ensure a successful reorganization, the Debtors must manage their corporate relations in such a way as to minimize the negative perceptions that are often associated with a Chapter 11 reorganization. Accordingly, the Debtors seek to employ Sitrick to manage their corporate communications.

18. Sitrick has been the Debtors’ corporate communications consultant since March 2, 2004, and has since that time provided communications services to the Debtors.

19. Sitrick has substantial experience in the area in which it is to be retained. Its practice focuses on corporate, financial, transactional and crisis communications. To its knowledge, it has the largest restructuring practice in the public relations industry, having been involved in approximately 150 Chapter 11 filings and out-of-court restructurings since the firm’s founding in 1989. Representative of the firm’s Chapter 11 engagements are Consec Inc., Eddie

Haggar Limited, Inc., Payless Cashways, Inc., and US Airways, Inc. Sitrick has specific experience in the textile industry, having been involved in the Burlington Industries bankruptcy reorganization as well as Brazos Sportswear, Inc., Fortsman & Co. and Lida Stretch Fabrics, Inc.

20. Sitrick has recently been retained under Section 327 in other Chapter 11 cases to perform similar services. *See, e.g., In re Solutia Inc.*, Case No. 03-17949 (Bankr. S.D.N.Y. Dec. 18, 2003); *In re Communication Dynamics, Inc.*, Case No. 02-12753 (Bankr. D. Del. Oct. 23, 2002).<sup>2</sup>

21. Annexed hereto as Exhibit A is the declaration of Steven D. Goldberg, Member of the Firm of Sitrick, in which he represents that, upon information and belief, Sitrick is not connected with the Debtors, their creditors, other parties in interest, the United States Trustee, or any person employed by the Office of the United States Trustee, and that to the best of Sitrick's knowledge, after due inquiry, it does not hold or represent any interest adverse to the Debtors, their estates, or any class of creditors or equity interest holders with respect to the matters upon which it is to be engaged.

22. Sitrick's compensation is set forth in the agreement attached hereto as Exhibit B. Prior to the Petition Date, Sitrick received retainer payments totaling \$170,000 from the Debtors, a portion of which has been applied toward fees and expenses incurred by Sitrick prior to the Petition Date. The Debtors respectfully submit that such compensation and retainer arrangement is reasonable in light of the services to be performed. Sitrick will file fee applications with the Court under 11 U.S.C. §§ 330 and 331, and will follow the compensation and expense reimbursement guidelines and policies set by the Court.

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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.

### **Notice**

23. 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**

**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>
	)	

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**DECLARATION OF STEVEN D. GOLDBERG IN SUPPORT  
OF DEBTORS' MOTION FOR ORDER APPOINTING SITRICK AND  
COMPANY, INC. AS CORPORATE COMMUNICATIONS CONSULTANTS**

I, Steven D. Goldberg, hereby state and declare as follows:

1. I am a Member of the Firm of Sitrick and Company, Inc. ("Sitrick"), corporate communications consultants, whose offices are located at 675 Third Avenue, 31st Floor, New York, New York. I submit this affidavit in support of the Motion (the "Motion") of Dan River Inc. and its debtor affiliates (collectively, the "Debtors") for authorization to employ and retain Sitrick as corporate communications consultants in the Debtors' Chapter 11 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. The services my firm proposes to render to the Debtors include the services described in the Motion.

3. Sitrick specializes in providing corporate communication consulting to Chapter 11 debtors. Sitrick has provided identical or substantially similar services in other Chapter 11

cases in a variety of jurisdictions such as Burlington Industries, Consecro Inc., Eddie Haggard Limited, Inc., Payless Cashways, Inc., and US Airways, Inc.

4. Neither I, Sitrick, nor any member of or associate of Sitrick represents any entity other than the Debtors in, or in connection with, the Debtors' Chapter 11 cases.

5. Sitrick is a "disinterested person," as that term is defined in Section 101(14) of the Bankruptcy Code, in that, except as otherwise disclosed herein, Sitrick, its members and associates:

- (a) are not creditors, equity holders, or insiders of the Debtors;
- (b) are not and were not investment bankers for any outstanding security of the Debtors;
- (c) have not been, within three years before the Petition Date, (i) investment bankers for a security of the Debtors, or (ii) an attorney for such an investment banker in connection with the offer, sale, or issuance of a security of the Debtor;
- (d) are not and were not, within two years before the Petition Date, a director, officer, or employee of the Debtors or an investment banker as specified in subparagraph (b) or (c) of this paragraph; and
- (e) have not represented any party in connection with matters relating to the Debtors.

6. Sitrick is not a creditor of the Debtors. The Debtors have paid Sitrick a total of \$70,000 as a retainer to be maintained during the Chapter 11 cases and applied in accordance with future orders of the Court. Prepetition fees and expenses have been applied against that retainer. In addition, I anticipate after the execution of this declaration, but before the Petition Date, Debtors will have paid to Sitrick an additional \$100,000 to be held as a retainer during the course of these bankruptcy cases.

7. To the best of my knowledge, information, and belief formed after reasonable inquiry, other than in connection with this case, neither I nor Sitrick has any connection with the

Debtors, their creditors, the United States Trustee, or any other party with an actual or potential interest in these Chapter 11 cases, or their respective attorneys or accountants, except that (a) Sitrick may have performed services from time to time in the past, and may perform services in the future, in other cases or matters where one or more of such parties may have been or may be involved; and (b) Sitrick may have been retained by certain creditors and other parties in interest on matters unrelated to the Debtors or their Chapter 11 cases.

8. Sitrick has researched its client database to determine whether it has any relationships with the following entities (collectively, the "Interested Parties"):

- (a) the Debtors;
- (b) the agent for and lenders in the Debtors' senior secured credit facility;
- (c) the indenture trustee for the Debtors' 12 ¾% Senior Notes due 2009;
- (d) the Debtors' thirty largest unsecured creditors on a consolidated basis as of January 31, 2004;
- (e) the Debtors' non-debtor subsidiaries;
- (f) the Debtors' officers and directors;
- (g) the Debtors' accountants for the prior three years; and
- (h) those other creditors and parties in interest listed on Attachment 1 hereto.

The identities of the Interested Parties were provided to Sitrick by counsel for the Debtors and are listed on Attachment 1 hereto. My review of the results of the search of our client database with regard to the Interested Parties indicates that Sitrick previously performed services for and/or currently provides services the following persons and entities (or their parent companies, subsidiaries or affiliates) in connection with matters totally unrelated to the Debtors or their Chapter 11 cases: Solutia, Inc.

9. The Debtors have several thousand creditors and parties in interest. I anticipate that a review of Sitrick's client database with regard to all of the Debtors' creditors and parties in interest would disclose that Sitrick previously worked for or currently works for one or more creditors or parties in interest in addition to those Interested Parties who are specifically identified in paragraph 8 of this Declaration. My review of the results of the search of our client database indicates, however, that any such other representation of a creditor or party in interest would have been or would be in connection with matters totally unrelated to the Debtors or their Chapter 11 cases.

10. To the best of my knowledge, information, and belief formed after reasonable inquiry, neither I nor Sitrick holds or represents any interest adverse to the Debtors' estates.

11. Subject to the Court's approval of the Motion, Sitrick will earn and receive only those fees and other payments authorized by this Court.

12. Prior to the filing of these Chapter 11 cases, the Debtors caused to be paid to Sitrick a retainer in the amount of \$60,000. I anticipate that the Debtors will pay an additional \$100,000 to Sitrick prior to the Petition Date to be held as additional retainer (both payments are collectively the "Retainer"). At the Petition Date, a portion of the Retainer will continue to be held by Sitrick subject to the future direction and orders of the Court. In consideration for services to be rendered to the Debtors in this Chapter 11 case, Sitrick, subject to the approval of the Court, will be compensated for such services rendered at its standard hourly rates and will be reimbursed for all reasonable and necessary out-of-pocket expenses.

13. The current standard hourly rates of professionals resident in Sitrick's office range from a low of \$165 per hour to as much as \$650 per hour for certain senior professionals.

These rates are at least as favorable as the prices Sitrick charges in cases in which the firm has been retained to perform similar services. The firm's standard hourly rates are subject to adjustment annually as of January 1 of each year.

14. No agreement or understanding in any form or guise exists between Sitrick and any other person for a division of compensation for services rendered in or in connection with these cases, and no such division of compensation prohibited by Section 504 of the Bankruptcy Code will be made, except among members of Sitrick. Sitrick has not shared or agreed to share any compensation received in these cases with any entity other than its members and associates.

Accordingly, I believe the proposed employment of Sitrick is appropriate under Section 327(a) of the Bankruptcy Code and is not prohibited by or improper under Federal Rule of Bankruptcy Procedure 5002. Sitrick and the professionals it employs are qualified to represent the Debtors in the matters for which Sitrick is proposed to be employed.

**[Signature on following page]**

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

Executed on March 24, 2004 at New York, New York.

/s/ Steven Goldberg  
Steven D. Goldberg

## **Attachment 1**

### **List of Interested Parties**

#### **Company**

Dan River Inc.

#### **Current or Past Directors**

Joseph L. Lanier, Jr.

Donald J. Keller

Richard L. Williams

Edward J. Lill

John F. Maypole

Rainer H. Mimberg

#### **Current or Past Officers**

Joseph L. Lanier, Jr.

Richard L. Williams

Barry F. Shea

Thomas L. Muscalino

Gregory R. Boozer

Anthony J. Bender

Joseph C. Bouknight

Harry L. Goodrich

Denise Laussade

Mark K. Tapp

Gary D. Waldman

#### **Publicly Identified Shareholders**

Donald J. Keller

Joseph L. Lanier, Jr.

Edward J. Lill

John F. Maypole

Rainer H. Mimberg

Richard L. Williams

Thomas L. Muscalino

Barry F. Shea

Gregory R. Boozer

Mezzanine Investment Limited Partnership-BDR Dimensional Fund Advisors, Inc.

T. Rowe Price Associates, Inc.

### **Debtor Subsidiaries**

The Bibb Company, LLC  
Dan River International, Ltd.  
Dan River Factory Stores, Inc.

### **Non-Debtor Subsidiaries**

Dan River de Mexico, S. de R.L. de C.V.  
Maquilas Pinnacle S. de R.L. de C.V.  
Adsercorp S. de R.L. de C.V.  
Dan River, B.V.

### **Senior Secured Bank Group**

Deutsche Bank Trust Company Americas, Agent and Lender  
AmSouth Bank  
Fleet Capital Corporation  
General Electric Capital Corporation  
GMAC Commercial Finance LLC  
LaSalle Business Credit LLC  
The Provident Bank  
UPS Capital Corp.  
U.S. Bank National Association  
Wachovia Bank National Association  
WellsFargoFoothill Capital Corp.  
Whitehall Business Credit Corp.  
Transamerica Business Capital Corp.  
Washington Mutual Bank, N.A.

### **144A Senior Unsecured Notes**

HSBC Bank USA, Indenture Trustee

### **Top 30 Unsecured Creditors as of 1/31/04**

Ixtaccihauatl, S.A. de C.V.  
Sunshine Mills, Inc.  
Honeywell/Allied Signal Inc.  
Wellman Inc.  
GTP Greenville Inc/Picanol  
Teijin Akra, S.A.de C.V.  
Inland Paperboard & Pkg Inc.  
CHT R. Beitlich Corp.



P. Kaufman, Inc.  
Industrias Quiltex S.A. de C.V.  
Solutia, Inc.  
Nanya Plastic Corp America  
Noveon, Inc.  
Diolen Industrial Fibers Inc.  
O'Mara Incorporated  
Vita Prelude Fibers  
Alpha Decade First  
Omnova Solutions, Inc. (Gencorp)  
Mitsui Textile Corp.  
Shamash & Sons, Inc.  
Hanes Converting Co.  
Cargill Cotton  
UNIFI, Inc.  
BASF Corporation  
Chemical Technologies, L.L.C.  
Sevier Co Trustee  
Staplcotn  
Salomon Smith Barney  
United Embroidery Inc.  
Coats American Inc.

**Lessors of Real Property**

Paramount Group, Inc., as Agent for 1325 Avenue of the Americas, L.P.  
TrizecHahn 1065 Avenue of the Americas LLC  
Manhattan Properties Company  
Shamrock Ventures, Ltd.  
1801 Partnership L.P.  
Winship Properties  
Orlando Corporation  
Nom Shores, Ltd.  
Pattillo Lumber Company  
U.S. Outlets, L.L.C.  
North Atlanta Partners, LLC  
Dukes-Weeks Realty Limited Partnership  
The Westminster Partnership  
Boonesville Industry, Inc.  
Susan E. Wilson  
Home Accents Direct Outlet Center, LLC  
City of Sevierville  
Hall Stonebriar Three Associates, Ltd.  
Lake Kiowa Enterprises

Nancy R. Lea and American National Bank as Co-Trustees of W. Townes Lea Martial Trust  
Elizabeth S. Marshall  
Gerdau International, Inc.  
City of Danville, Virginia  
Dimon Incorporated  
Felton Brothers Transit Mix, Inc.

### **Lessors of Personal Property**

Pullman Bank and Trust Co.  
MDFC Equipment Leasing Corporation  
BCC Equipment Leasing Corporation  
Yale Financial Services  
Hyster Credit Company  
Raymond Leasing Corporation  
Toyota Motor Credit Corporation  
IOS Capital, LLC  
WAMCO XXIV, Ltd.  
SunTrust Bank  
J. Zimmer Maschinenbau Gesm.b.H.  
NMHG Financial Services Inc.  
Fuji Photo Film USA, Inc.  
Industrial Development Authority of Danville, Virginia

### **Mortgage Holders**

American National Bank

### **Insurance Companies Providing Coverage to Dan River**

Industrial Risk Insurers  
American Guarantee & Liability Ins. Co.  
ACE American Ins. Co.  
United States Fire Ins. Co.  
Lexington Ins. Co.  
Arch Specialty Ins. Co.  
General Security Indemnity Co of AZ  
ACE Bermuda  
AXIS Specialty Limited  
Endurance Specialty Ins. Ltd.  
Montpelier Re  
Employers Ins. of Wausau  
Hartford Steam Boiler Inspection & Insurance Co.

Twin City Fire Insurance Co. ( Hartford)  
Hartford Fire Insurance Co.  
United States Aircraft Insurance Group  
National Casualty Company  
Continental Insurance Co.  
American Bankers Inc. Co. of Florida  
Zurich Insurance Co.  
Grupo Nacional Provincial, S.A.  
Zurich American Ins. Co.  
Gulf Ins. Co.  
Federal Ins. Co.  
Navigators Mgmt. Co. Inc.  
Federal Insurance Co. ( Chubb)  
National Union Fire Insurance Co.  
Employers Reinsurance Corp.

**Auditor**

Ernst & Young LLP

**IN THE UNITED STATES BANKRUPTCY COURT  
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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 THE RETENTION OF SITRICK  
AND COMPANY, INC. AS CORPORATE COMMUNICATIONS CONSULTANTS**

This matter is before the Court on the Motion of Dan River Inc. and its debtor affiliates (collectively, the “Debtors”) for authority to retain Sitrick and Company, Inc. as corporate communications counsel (“Sitrick”) to act as corporate communications consultants in these cases.

The Court has considered the Motion, the Declaration of Barry Shea in Support of First-Day Applications and Motions, the Declaration of Steven D. Goldberg in Support of Debtors’ Motion for Order Appointing Sitrick and Company, Inc. as Corporate Communications Consultants, 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 to the Debtors’ thirty largest unsecured creditors on a consolidated basis; 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, subject to any objections filed within twenty days after entry of this Order (the “Objection Deadline”).

2. Subject to any such objections, the Debtors are authorized to retain Sitrick as corporate communications consultants to perform the services described in the Motion.

3. If any supplemental declarations are filed and served after the entry of this Order, absent any objections filed within twenty days after the filing and service of such supplemental declarations, Sitrick’s engagement shall continue as authorized pursuant to this Order.

4. Sitrick is permitted to hold any retainer received from the Debtors to secure the payment of fees, charges, costs and expenses relating to services rendered after the Petition Date. Sitrick shall be compensated upon appropriate application in accordance with Sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Bankruptcy Local Rules, and orders of this Court.

5. Within five days of the entry of this Order, the Debtors shall serve a copy of this Order on 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, the Debtors’ thirty largest unsecured creditors on a consolidated basis, and any counsel or party that has filed a notice of appearance or request for notice.

6. Any objection to the relief requested in the Motion shall be filed with the Court, 18 Greenville Street, PO Box 1408, Newnan, Georgia 30263, by the Objection Deadline and shall be served upon (i) the Office of the United States Trustee, 75 Spring Street, S.W., Room 362, Atlanta, Georgia 30303; and (ii) James A. Pardo, Jr., King & Spalding LLP, 191 Peachtree Street, Atlanta, Georgia 30303, so as to be received by the Objection Deadline. If no objection

is timely filed and served, this Order shall be deemed a final order, and no further hearing on the Motion shall be held.

7. 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**

/s/ James A. Pardo, Jr.

James A. Pardo, Jr.

Georgia Bar No. 561206

Sarah Robinson Borders

Georgia Bar No. 610649

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