

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)**

In re * Case No. 05-____ (____) through
* 05-____ (____)
The Boyds Collection, Ltd., et al.¹ *
*
Debtors. * Chapter 11
* (Jointly Administered under
* Case No. 05-____ (____))
*
* * * * *

**DEBTORS' EMERGENCY MOTION FOR
EXPEDITED HEARINGS ON FIRST DAY MOTIONS**

The Boyds Collection, Ltd., et al., the debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"), by counsel, file this Emergency Motion for Expedited Hearing on First Day Motions (the "Motion"), and in support thereof state:²

Jurisdiction

1. This Court has jurisdiction over this Motion under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of this proceeding and this Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are Rule 9006(c) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 9013-1 of the Local Bankruptcy Rules for the District of Maryland (the "Local Bankruptcy Rules").

Background

3. On the date hereof (the "Commencement Date"), the Debtors each filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code (collectively, the "Reorganization

¹ The Debtors in the proposed jointly administered cases include: The Boyds Collection, Ltd.; The Boyds Collection, Ltd., LP; Boyds Operations Inc.; The Boyds Collection - Pigeon Forge, LLC; The Boyds Collection - Myrtle Beach, LLC; The Boyds Collection - Branson, LLC; J&T Designs and Imaginations, Inc.; HC Accents & Associates, Inc.; and Boyds Bear and Company, LP.

² The facts and circumstances supporting this Motion are set forth in the Affidavit of Jan L. Murley in Support of First Day Motions (the "Murley Affidavit") filed contemporaneously herewith.

Cases”). The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Contemporaneously herewith, the Debtors requested an order for the joint administration of the Reorganization Cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

4. The Boyds Collection, Ltd. (“Boyds”) is a leading designer, marketer and distributor of high-quality, hand-crafted collectibles, gift and other specialty products. Boyds was founded in 1979 and is the parent company, holding direct or indirect ownership interests in eight (8) domestic subsidiaries and four (4) foreign subsidiaries.

5. Boyds operates in two segments: a wholesale gift business and a retail gift/entertainment business. Boyds’ wholesale business designs, imports and distributes plush animals, resin figurines and other specialty giftware via a global network of independent retailers and distributors. Boyds imports substantially all of its products from manufacturers in China through buying agencies. Boyds’ retail business sells plush animals, resin figurines and specialty giftware products and provides a unique interactive entertainment experience at its Gettysburg, Pennsylvania and Pigeon Forge, Tennessee retail stores.

6. As set forth in the Form 10-Q filed by Boyds on August 12, 2005, as of June 30, 2005, the Debtors’ consolidated books and records reflected assets totaling approximately \$66.9 million and liabilities totaling approximately \$101.7 million. For the three months ended June 30, 2005, Boyds reported revenues of approximately \$17.1 million and net losses of approximately \$101.3 million.

7. The significant indebtedness of Boyds consists of: (i) approximately \$56.5 million in aggregate principal amount under a senior secured credit agreement, dated as of February 23, 2005 (the “Pre-Petition Credit Agreement”) and (ii) approximately \$34.4 million in aggregate principal amount pursuant to certain 9% senior subordinated notes due in 2008.

8. During 2001, Boyds’ financial results began to deteriorate significantly as a consequence of industry-wide and company-specific factors. Over a period of several years,

retail sales of plush toys shifted from small independent retailers, in which Boyds had a leading presence, to large regional and national retailers and mass merchandisers, in which Boyds did not have a meaningful presence. Moreover, the large retailers competed with Boyds' product line at lower price points. This shift in distribution channels coincided with a general cooling of consumer demand for "collectible" products. As a result, the retail sales of Boyds and its direct industry competitors were negatively affected.

9. In response, during 2004 Boyds began to implement various operational restructuring and cost reduction programs. Such programs focused on (i) redirecting sales efforts towards larger regional and national channels, (ii) developing products specifically targeted to these channels, (iii) selectively expanding distribution to include direct in-home marketing initiatives and (iv) developing co-branding campaigns with well-recognized brands such as NASCAR, Coca-Cola, Crayola and M&Ms. Unfortunately, despite the efforts of Boyds' management to reposition the business in response to the changing industry sales dynamics, Boyds was not able to increase sales in the new channels quickly enough to offset the decline in sales from the company's traditional core-market of independent retailers.

10. By the fall of 2005, it had become apparent that Boyds could not avoid a financial restructuring. From September to the Commencement Date, Boyds engaged in discussions with the lenders (the "Pre-Petition Lenders") under the Pre-Petition Credit Agreement regarding the terms of a comprehensive plan to restructure Boyds' operations and existing debt obligations. Though Boyds and the Pre-Petition Lenders made substantial progress in these negotiations, as of the Commencement Date, negotiations were still ongoing. The Pre-Petition Lenders were unwilling to extend the waiver or commit to providing any further liquidity outside of a reorganization. On the Commencement Date, the Debtors, in the exercise of their prudent business judgment, determined that it was in the best interest of all their stakeholders to commence the Reorganization Cases, continue negotiations with the Debtors' creditor constituencies and consummate a restructuring under the auspices of this Court.

Relief Requested

11. By this Motion, the Debtors seek entry of an order pursuant to Bankruptcy Rule 9006(c) and Local Bankruptcy Rule 9013-1 requesting expedited hearings on various motions filed by the Debtors in connection with their voluntary petitions (collectively, the “First Day Motions”).

12. With respect to the following First Day Motions, the Debtors request that the Court hold a hearing on October 17, 2005:

- (a) Debtors’ Emergency Motion for Entry of an Order Pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure Directing Joint Administration of the Debtors’ Reorganization Cases (the “Joint Administration Motion”);
- (b) Request for Designation as Complex Chapter 11 Bankruptcy Cases (the “Complex Case Motion”);
- (c) The Debtors’ Emergency Motion for Interim and Final Orders (I) Authorizing Debtors in Possession to Enter into Post-Petition Credit Agreement Pursuant to Section 364 of the Bankruptcy Code, (II) Authorizing Use of Code Collateral Pursuant to Section 363 of the Bankruptcy Code, (III) Granting Adequate Protection Pursuant to Sections 363 and 364 of the Bankruptcy Code, (IV) Scheduling Final Hearing Pursuant to Fed. R. Bankr. P. 4001(c) and (V) Approving Notice with Respect Thereto (the “DIP Financing and Cash Collateral Motion”);
- (d) Debtors’ Emergency Motion for Entry of an Order Pursuant to Sections 105(a), 362(a)(3), and 541 of the Bankruptcy Code (A) Limiting Certain Transfers of Equity Interests of the Debtors and Claims Against the Debtors and (B) Approving Related Notice Procedures (the “Claims Trading Motion”).
- (e) Debtors’ Emergency Motion for Entry of an Order Authorizing the Debtors to (A) Prepare a Consolidated List of Creditors and a List of Equity Security Holders In Lieu of a Matrix; (B) File a Consolidated List of the Thirty Largest General Unsecured Creditors; and (C) Mail Initial Notices (the “Creditor List Motion”);
- (f) Debtors’ Emergency Motion for Entry of an Order (A) Authorizing, But Not Requiring, the Debtors to Remit and Pay Sales, Use and Franchise Taxes and Certain Other Government Charges, and (B) Authorizing Banks and Other Financial Institutions to Receive, Process, Honor, and Pay Checks Issued and Electronic Payment Requests Made Relating to the Foregoing (the “Sales and Use Tax Motion”);
- (g) Debtors’ Emergency Motion for Entry of an Order Authorizing the Debtors to Honor Certain Prepetition Obligations to Customers In the Ordinary Course of Business (the “Customer Programs Motion”);
- (h) Debtors’ Emergency Motion for Entry of an Order (A) Authorizing, But Not Directing, the Debtors to Pay Certain Prepetition (I) Wages, Salaries and Other Compensation; (II) Employee Medical and Similar Benefits; and (III)

Reimbursable Employee Expenses; (B) to Make Deductions From Employees' Paychecks; and (C) Authorizing and Directing Banks and Financial Institutions to Pay All Checks and Electronic Payment Requests Made by the Debtors Relating to the Foregoing (the "Employee Wages and Benefits Motion");

- (i) Debtors' Emergency Motion for Entry of an Order Pursuant to Sections 363, 364, 1107 and 1108 of the Bankruptcy Code (A) Authorizing (I) Continued Use of Existing Cash Management System, (II) Maintenance of Existing Bank Accounts, and (III) Continued Use of Existing Business Forms; and (B) Granting Administrative Priority Status to Postpetition Intercompany Claims (the "Cash Management Motion");
- (j) Debtors' Emergency Motion for Entry of an Order (A) Deeming Utilities Adequately Assured of Future Performance and (B) Establishing a Procedure for Determining Adequate Assurances Pursuant to 11 U.S.C. § 366 (the "Utilities Motion");
- (k) Debtors' Emergency Motion for Entry of an Order Granting the Debtors Additional Time Within Which to File Schedules and Statements (the "Schedules and SOFA Motion"); and
- (l) Debtors' Emergency Motion for Entry of an Order (A) Authorizing the Debtors to Pay Prepetition Shipping and Warehousing Charges and (B) Authorizing Financial Institutions to Pay All Checks and Electronic Payment Requests Made by the Debtors Relating to the Foregoing (the "Shipping Motion").

Basis for Relief

13. The Debtors respectfully assert that good and sufficient cause exists for hearing the First Day Motions on the expedited schedule requested herein. An expedited schedule is essential to avoid potential disruption of the Debtors' businesses as a result of the filing of the Reorganization Cases. The Debtors' businesses are publicly traded companies and as reflected in the Murley Affidavit and the First Day Motions, the Debtors are requesting relief that they believe is essential for their businesses. While the Debtors believe that such cause is sufficiently set forth in the First Day Motions themselves, the Debtors are prepared to present evidence of such cause at such time and place as the Court may direct.

14. Importantly, in the event that the Court cannot hear all of the above First Day Motions on October 17, 2005, the Debtors submit that it is imperative for the Court to hear the DIP Financing and Cash Collateral Motion and the Claims Trading Motion on October 17, 2005 in order to avoid irreparable harm to the Debtors, the operation of their business and their opportunity to maximize the value of these estates through these Reorganization Cases. Thus,

Debtors request that even in the event that the Court's schedule does not permit that all of the First Day Motions can be heard on October 17, 2005, these two essential motions be heard and that the remaining First Day Motions listed above be heard by the Court at a date and time as soon as possible thereafter.

Memorandum of Law

15. This Motion includes citations to the applicable authorities and a discussion of their application to this Motion. Accordingly, the Debtors respectfully submit that such citations and discussion satisfy the requirement that the Debtors submit a separate memorandum of law in support of this Motion pursuant to Rule 9013-2 of the Local Bankruptcy Rules for the District of Maryland.

Notice

16. Notice of this Motion has been given to (a) the office of the United States trustee; (b) counsel to the Agent to the Debtors' Pre-Petition Lenders; (c) counsel for the indenture trustee for the Debtors' 9% Senior Subordinated Notes due 2008; and (d) each of the Debtors' top twenty (20) unsecured creditors.

No Prior Request

17. No prior motion for the relief requested herein has been made to this or any other court.

Conclusion

WHEREFORE, the Debtors respectfully request entry of an order substantially in the form annexed hereto granting the relief requested by this Motion and such other and further relief as is just and proper.

Washington, D.C.
Dated: October 16, 2005

Respectfully submitted,

SWIDLER BERLIN LLP

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Proposed Counsel for the Debtors and Debtors in Possession

EXHIBIT A
Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)**

In re

The Boyds Collection, Ltd., *et al.*¹

Debtors.

* Case No. 05-____ (____) through
* 05-____ (____)
*
* Chapter 11
* (Jointly Administered under
* Case No. 05-____ (____))
*

* * * * *

**ORDER GRANTING DEBTORS' EMERGENCY REQUEST FOR EXPEDITED
HEARINGS ON FIRST DAY MOTIONS**

Upon the Debtors' Emergency Motion for Expedited Hearings on First Day Motions, dated October 16, 2005;² upon consideration of the supporting papers and the files and records in these cases and upon the arguments and testimony presented at a hearing before the Court; any responses to the Motion having been withdrawn or overruled on the merits; it appearing that the Court has jurisdiction over the subject matter of the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; it appearing that this is a core proceeding pursuant to 28

¹ The Debtors in the proposed jointly administered cases include: The Boyds Collection, Ltd.; The Boyds Collection, Ltd., LP; Boyds Operations Inc.; The Boyds Collection - Pigeon Forge, LLC; The Boyds Collection - Myrtle Beach, LLC; The Boyds Collection - Branson, LLC; J&T Designs and Imaginations, Inc.; HC Accents & Associates, Inc.; and Boyds Bear and Company, LP.

² Capitalized terms used but not defined herein shall have the meaning set forth in the Motion.

U.S.C. § 157(b); it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors; it appearing that notice of the Motion was sufficient, and no other or further notice need be provided; and after due deliberation and cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is granted.
2. The Court shall hold an expedited hearing on the First Day Motions on _____, 2005 at ____:00 .m. prevailing Eastern Time.
3. Notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

END OF ORDER

ORDER SERVICE LIST

Admobile of Knoxville
10217 Lynn Chase Lane
Knoxville, TN 37932

AFC Worldwide Express
P.O. Box 965549
Marietta, GA 30066

All-Size Corrugated Products
P.O. Box 92973
Cleveland, OH 44194-2973

Alpha Marketing Resources LLC
10 Hilltop Drive
Mount Holly Springs, PA 17065

AmericaSmart Real Estate LLC
P.O. Box 933005
Atlanta, GA 31193-3005

Appalachia Business Comm Corp.
PO Box 30517
Knoxville, TN 37930-0517

Banta Direct Marketing Group
PO Box 78201
Milwaukee, WI 53278-0201

Best Read Guide
Touring Publications
PO Box 4580
Sevierville, TN

Bo Whaley Music, Inc.
Jimbo Whaley
686 Lloyd Huskey Road
Pigeon Forge, TN 37863

Brochure Distribution Services
PO Box 4065
1881 County Meadows Drive
Sevierville, TN 37864

Calico Cottage Inc.
210 New Highway
Amityville, NY 11701-1116

Capital Blue Cross
P.O. Box 779516
Harrisburg, PA 17177-9516

Chart Media
PO Box 1379
Murfreesboro, TN 37133-1379

C.I.T. Group/Commercial Services Inc.
PO Box 1036
Charlotte, NC 28201-1036

Cintas Corporation # 407
340 Dunavant Drive
Rockford, TN 37853

Cody Kramer
200 Corporate Drive
Blauvelt, NY 10913

Countainerport Group, Inc.
P.O. Box 827506
Philadelphia, PA 19182-7506

County of Sevier
125 Court Avenue, Suite 202e
Sevierville, TN 37862

Dolly Inc.
PO Box 931174
Cleveland, OH 44193

Effem Direct. Incorporated
PO Box 406678
Atlanta, GA 30384-6678

Fixture Resource Group
4148 Webster Avenue
Cincinnati, OH 45212

Grossman Law Offices
122 S. Michigan Avenue, Suite 1720
Chicago, IL 60603

H.G. Rotz Associates Inc.
105 Leader Heights Road
York, PA 17403

Hanover Terminal, Inc.
PO Box 77
Hanover, PA 17331

J.B. Hunt Transport, Inc.
File 98545
PO Box 1067
Charlotte, NC 28201-1067

John F. Freet, Jr.
2268 Sutton Road
York, PA 17403

Kelsan, Inc.
PO Box 60038
Charlotte, NC 28260

Kinsley Construction Inc.
2700 Water Street
PO Box 2886
York, PA 17405

Knoxville News - Sentinel Co.
Department 888583
Knoxville, TN 37995-8583

Kuehne & Nagel, Inc.
P.O. Box 33100
Newark, NJ 07188-0100

Lumpkin Oxner & Stacy PA
90 Wall Street
Pawleys Island, SC 29585

Mallmed Mall Media Inc.
PMB 4416
Blaine, WA 98230

Merchandise Testing Lab, Ltd.
NO. 105, Guang Zhong Road
Zhuan Quiao Town, Min Hang

Nancy Greenholt
Tax Collector
409 Main Street
McSherrystown, PA 17344

Neel's Wholesale Produce Co.
2308 Forest Avenue
Knoxville, TN 37916

Oki Wear Inc.
9109 Bachman Road
Orlando, FL 32824

PA Department of Community
Commonwealth Keystone Building
400 North Street- 4th Floor
Harrisburg, PA 17120-0225

Packaging Corp. of America
PO Box 532058
Atlanta, GA 30353-2058

Pelican Bay, Ltd.
150 Douglas Avenue
Dunedin, FL 34698-7908

Pickard Distributing Corp.
6900 Strawberry Plane Pike
Knoxville, TN 37914

QA International Ltd.
446 North Seymour Ave.
Mundelein, IL 60060

Reliable Printing
3425 Teaster Lane
Sevierville, TN 37876

Resource Global Professionals
File 55221
Los Angeles, CA 90074-5221

Roden
Box 440417
Nashville, TN 37244-0417

Sevier County Electric System
315 East Main Street
PO Box 4870
Sevierville, TN 37864

Sevier County Utility District
420 Robert Henderson Road
PO Box 4398
Sevierville, TN 37864-4398

Shoreline Creations Ltd.
2465 112th Avenue
Holland, MI 49424

Small Small World Enterprises
185 South Dean Street
Englewood, NJ 07631

Smoky Mountain Discount Service
912 Parkway
Gaitlinburg, TN 37738

Strine Printing Company
PO Box 149
York, PA 17405-0149

Sunny Day Guide
800 Seahawk Circle, #106
Virginia Beach, VA 23452

Sysco Food Services
Robert Orr-Sysco
PO Box 305138
Nashville, TN 37230

Sysco Foods
PO Box 3641
Harrisburg, PA 17105

Taiwan Merchants
140-42 Austin Rd, Tsim Sha Tsui
Kowloo Hong Kong China

Tennessee Florist Supply Inc.
2713 John Deere Drive
Knoxville, TN 37917

The Herald Newspaper
500 Maryvill Highway
Seymour, TN 37865

The Lamar Companies
TP Composites, Inc.
8 Croserville Road
Aston, PA 19014-1488

The Mountain Press
PO Box 4810
Sevierville, TN 37864-4810

The Tennessean
PO BOx 331309
Nashville, TN 37203-1309

Thinkmedia
2407 Elliot Avenue
Nashville, TN 37204

UNI - Contemporary
1504 Captains Court
Virginia Beach, VA 23452

United Parcel Service
P.O. Box 7247-0244
Philadelphia, PA 19170-0001

UPS
P.O. Box 7247-0244
Philadelphia, PA 19170-0001

UPS Canada Ltd.
P.O. Box 2127 CRO
Halifax, NS B3J 3B7

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2400 Chipman Street
Knoxville, TN 37917

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Charlotte, NC 28202-4003
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101 Barclay St., Floor 21 West
New York, NY 10286
Attn.: Corporate Trust Administration
The Boyds Collection, Ltd.

Office of the U.S. Trustee
300 W. Pratt Street, Suite 350
Baltimore, MD 21201
Attn.: Sandra Manocchio