

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

<p>In re</p> <p>The Boyds Collection, Ltd., et al.¹</p> <p style="text-align: center;">Debtors.</p>	<p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p>	<p>Case No. 05-____ (____) through</p> <p>05-____ (____)</p> <p>Chapter 11</p> <p>(Jointly Administered under</p> <p>Case No. 05-____ (____))</p>
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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 LARGEST CREDITORS; AND (C) MAIL INITIAL NOTICES

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 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 Largest Creditors and; (C) Mail Initial Notices (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 section 521 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 1007(d) of the Federal Rules of Bankruptcy

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 filed contemporaneously herewith.

Procedure (the “Bankruptcy Rules”), and Rule 1007-1 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 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 request authority to prepare a consolidated list of creditors and a list of equity security holders in electronic format only, identifying their creditors in the format or formats currently maintained in the ordinary course of business in lieu of any required creditor matrix. The Debtors further seek authority not to file either list with the Court concurrently with the filing of their bankruptcy petitions, but instead to make such lists available only upon request. The Debtors further request authority to file a single, consolidated list of largest creditors.

Basis For Relief

A. Request for Authority to Prepare a Consolidated List of Creditors and Equity Security Holders

12. In this case, permitting the Debtors to maintain a consolidated list of their creditors in electronic format only in lieu of filing a creditor matrix is warranted under the circumstances. Indeed, converting the Debtors' computerized information to a format compatible with the matrix requirements would be an exceptionally burdensome task and would greatly increase the risk and recurrence of error with respect to information already intact on computer systems maintained by the Debtors or their agents.

13. Further, Local Bankruptcy Rule 1007-1 of the Local Rules directs a debtor to file, contemporaneously with the voluntary petition, a master mailing matrix containing the names and addresses of the debtor and all creditors. Many of the Debtors' creditors are creditors of more than one Debtor entity. Filing with this Court a single, consolidated creditor list in the

form currently maintained in the ordinary course of the Debtors' business would provide the essential information required by Local Bankruptcy Rule 1007-1 in a timely and efficient manner that would reduce the cost on both the Debtors' estate and the Court. Prior to filing their petitions, the Debtors, through their counsel, conferred with the Clerk of the Court and the office of the United States trustee (the "U.S. Trustee"), which indicated no objection to the relief requested herein.

14. Moreover, concurrently with this Motion, the Debtors have filed an application (the "Notice and Claims Agent Application") seeking the appointment of The Garden City Group, Inc. ("GCG") as claims, noticing and balloting agent in these Reorganization Cases. If the Notice and Claims Agent Application is granted, GCG will, among other things, (a) assist with the consolidation of the Debtors' computer records into a creditor database and (b) complete the mailing of the Notices to the parties in such database.

15. After consultation with GCG, the Debtors believe preparing the consolidated list in the format or formats currently maintained in the ordinary course of business will be sufficient to permit GCG to notice promptly all applicable parties. Accordingly, it is in the best interest of the Debtors' estates to avoid the cost and risks associated with preparing and filing separate matrix.

16. Relief similar to that requested in this Motion has been granted in comparable chapter 11 cases in this District and elsewhere. See, e.g., In re Nat'l Energy & Gas Transmission, Inc., Case No. 03-30459 (PM) (Bankr. D. Md. July 9, 2003); In re MCSi, Inc., Case No. 80169 (JFS) (Bankr. D. Md. June 4, 2003); In re NRG Energy, Inc., Case No. 03-13024 (PCB) (Bankr. S.D.N.Y. May 14, 2003); In re Enron Corp., Inc., Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. Dec. 3, 2001); In re Laidlaw USA, Inc., Case No. 01-14099 (Bankr. W.D.N.Y. June 29, 2001); In re HQ Global Holdings, Inc., Case No. 02-10760 (MFW) (Bankr. D. Del. March 14, 2002); In re Kaiser Aluminum, Corp., Case No. 02-10429 (PJW) (Bankr. D. Del. Feb. 13, 2002).

B. Request for Authority to File Single, Consolidated List of the Largest Creditors

17. Pursuant to Bankruptcy Rule 1007(d), a debtor shall file “a list containing the name, address and claim of the creditors that hold the 20 largest unsecured claims, excluding insiders. . . .” Fed. R. Bankr. P. 1007(d). However, because many creditors are shared amongst certain of the Debtors, and the Debtors would expend significant resources and effort to reconcile their accounts to accurately attribute to each creditor’s claim against each Debtor, the Debtors further request authority to file a single, consolidated list consisting of (a) the thirty (30) largest general unsecured creditors of The Boyds Collection, Ltd. and The Boyds Collection - Pigeon Forge, LLC and (b) all of the unsecured creditors of the remaining Debtors (the “Creditors List”).

18. The Debtors are highly complex enterprises with operations throughout the United States and abroad and have approximately 1000 potential unsecured creditors. Requiring each of the Debtors to file a separate top twenty list in each of their respective cases would generate hundreds of names, addresses and claim amounts. The Debtors do not believe that such a voluminous filing would facilitate the U.S. Trustee’s or any other party in interest’s review of creditor claims.

19. In addition, the exercise of compiling separate top twenty lists would consume an excessive amount of the Debtors’ scarce time and resources. Considering the tremendous burden that would be imposed upon the Debtors and their respective estates by filing individual top twenty lists and the absence of any corresponding benefit to the U.S. Trustee or parties in interest, the Debtors seek authority to file the Creditors List in these Reorganization Cases. The Debtors believe that such relief is not only appropriate under the circumstances, but necessary for the efficient and orderly administration of these cases.³

³ Indeed, the U.S. Trustee has agreed that Debtors can file a single, consolidated list of largest creditors.

20. Relief similar to that requested in this Motion has been granted in comparable chapter 11 cases. See, e.g., In re Nat'l Energy & Gas Transmission, Inc., Case No. 03-30459 (PM) (Bankr. D. Md. July 9, 2003); In re MCSi, Inc., Case No. 80169 (JFS) (Bankr. D. Md. June 4, 2003); In re NRG Energy, Inc., Case No. 03-13054 (PCB) (Bankr. S.D.N.Y. May 14, 2003); In re Enron Corp., Inc., Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. Dec. 3, 2001); In re Laidlaw USA, Inc., Case No. 01-14099K (Bankr. W.D.N.Y. June 29, 2001); In re HQ Global Holdings, Inc., Case No. 02-10760 (MFW) (Bankr. D. Del. March 14, 2002); In re Kaiser Aluminum, Corp., Case No. 02-10429 (PJW) (Bankr. D. Del. Feb. 13, 2002); In re Nationsrent, Inc., Case No. 01-11628 (PJW) (Bankr. D. Del. Dec. 18, 2001).

C. Mail Initial Notices to Creditors

21. As stated above, contemporaneously herewith, the Debtors, by separate application, are seeking authority to retain GCG as their notice and claims agent. The Debtors propose that GCG undertake all mailings directed by the Court, the U.S. Trustee or as required by the Bankruptcy Code. Additionally, GCG will assist the Debtors in preparing creditor lists and mailing required notices.

22. With such assistance, the Debtors will be prepared to file a computer readable consolidated list of creditors and a list of equity security holders upon request, and will be capable of undertaking all necessary mailings.

Memorandum of Law

23. 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

24. 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

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

Conclusion

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit A, (a) authorizing the Debtors to (i) prepare a consolidated list of creditors and a list of equity security holders, in lieu of a matrix, in a computer readable format that is acceptable to the Clerk of the Court and to make such list available upon request, (ii) file a consolidated list of the Debtors' largest creditors and (iii) mail initial notices and (b) granting such other and further relief as the Court deems appropriate.

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

Respectfully submitted,

SWIDLER BERLIN LLP

/s/ Monique D. Almy
Monique D. Almy (Bar No. 04479)
Kimberly E. Neureiter (Bar No. 27167)
The Washington Harbour
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Phone: (202) 424-7500
Fax: (202) 424-7643
mdalmy@swidlaw.com
keneureiter@swidlaw.com

-and-

KIRKLAND & ELLIS LLP
Richard M. Cieri (NY RM 6062)
Matthew A. Cantor (NY MC 7727)
(*Pro hac vice* admissions pending)
Citigroup Center
153 East 53rd Street
New York, New York 10022-4611
Phone: (212) 446-4800
Fax: (212) 446-4900
rcieri@kirkland.com
mcantor@kirkland.com

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-____ (____))
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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 LARGEST CREDITORS AND (C) MAIL INITIAL NOTICES

Upon the 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 Largest Creditors; and (C) Mail Initial Notices, dated October 16, 2005;² upon consideration of the supporting papers and the files and records in these

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

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 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. Notwithstanding Bankruptcy Rule 1007(d) and Local Bankruptcy Rule 1007-1, the Debtors are authorized to prepare a consolidated list of creditors and a list of equity security holders in a computer readable format that is acceptable to the Clerk of the Court and to make such list available only upon request.
3. The Debtors are authorized to file a consolidated list consisting of (a) the thirty (30) largest general unsecured creditors of The Boyds Collection, Ltd. and The Boyds Collection - Pigeon Forge, LLC and (b) all of the unsecured creditors of the remaining Debtors (the "Creditors List").
4. The Debtors, with the assistance of GCG (upon this Court's authorization to engage GCG as the Debtors' notice and claims agent (the "Notice and Claims Agent")), are authorized, but not directed, to mail initial notices, such as (a) a notice of filing of the Reorganization Cases; (b) a notice of a meeting of creditors under section 341 of the Bankruptcy Code and (c) any correspondence the Debtors may wish to send to creditors and equity security holders as part of the Debtors' communication efforts to keep their creditors and equity security holders informed with respect to the status of the Reorganization Cases.
5. The Debtors, with the assistance of the Notice and Claims Agent, are authorized, but not directed, to undertake all mailings directed by the Court, the U.S. Trustee or as required

by the Bankruptcy Code, including, but not limited to, the notice of commencement and any other correspondence that the Debtors may wish to send to creditors and equity security holders.

6. 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

