EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
BARCALOUNGER CORPORATION, *et al.*,	:	Case No. 10-11637-BLS
Debtors.	:	Jointly Administered

STIPULATION BETWEEN THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS AND CAPITAL BUSINESS CREDIT LLC CONCERNING THE EXTENT, VALIDITY AND PRIORITY OF SECURITY INTERESTS AND LIENS

The Official Committee of Unsecured Creditors of the above-captioned Debtors and Debtors-in-Possession (the "Committee") and Capital Business Credit LLC ("CBC"), by and through their undersigned counsel, hereby stipulate and agree as follows:

WHEREAS, on May 19, 2010 (the "Petition Date"), Barcalounger Corporation ("Barcalounger") and American of Martinsville, Inc. ("AOM") (together with Barcalounger, the "Debtors"), filed voluntary petitions pursuant to Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Court"); and

WHEREAS, the Debtors have continued in the management and operation of their businesses pursuant to Bankruptcy Code §§1107 and 1108, and no trustee or examiner has been appointed in these cases; and

WHEREAS, the Committee was formed by the United States Trustee on May 28, 2010; and

WHEREAS, the Debtors filed a motion with the Court (i) Authorizing the Debtors to Obtain Postpetition Financing Pursuant to Section 364 of the Bankruptcy Code, (ii) Authorizing the Use of Cash Collateral Pursuant to Section 363 of the Bankruptcy Code, (iii)

Granting Liens and Superpriority Claims, (iv) Granting Adequate Protection to the Prepetition Secured Party, and (v) Scheduling a Final Hearing on the Debtors' Motion to Incur Such Financing on a Permanent Basis (the "Financing Motion") [Docket No. 6]; and

WHEREAS, the Court entered on June 18, 2010, a Final Order (i) Authorizing Debtors to Obtain Postpetition Financing Pursuant to Section 364 of the Bankruptcy Code, (ii) Authorizing the Use of Cash Collateral Pursuant to Section 363 of the Bankruptcy Code, (iii) Granting Liens and Superpriority Claims, and (iv) Granting Adequate Protection to the Prepetition Secured Party (the "Final Financing Order") [Docket No. 96]; and

WHEREAS, pursuant to paragraph 22 of the Final Financing Order, the Committee was granted until August 4, 2010, to commence an adversary proceeding against CBC for the purpose of (i) challenging the extent, validity, priority, perfection, enforceability and/or non-avoidability of CBC's pre-petition claims and liens, (ii) seeking to avoid or challenge any transfer made by or on behalf of the Debtors to or for the benefit of CBC prior to the Petition Date, and/or (iii) seeking damages or equitable relief against CBC arising from or relating to the pre-petition business relationship among the Debtors and CBC; and

WHEREAS, the Committee and CBC are willing to stipulate and agree concerning the extent, validity, priority, perfection and enforceability of CBC's liens and security interests as set forth herein.

NOW THEREFORE, subject to the approval of the Court, in order to avoid the costs, risks and inconvenience of litigation, the Committee and CBC hereby agree and stipulate as follows:

1. The Committee hereby acknowledges and agrees that CBC has valid and enforceable pre-petition liens and security interests that are not avoidable on all assets of

the Debtors as of the Petition Date, except that CBC acknowledges and agrees that it does not have a valid or enforceable pre-petition lien or security interest in the following specific assets in the specified dollar amounts:

(i) Cash in the amount of $26,745.55;

(ii) Vehicles with an aggregate "Acquired Value" as set forth in the Debtors' Statements and Schedules (as amended) in an amount not to exceed $137,679.84; and

(iii) The Debtors' interest in any trademarks registered in foreign jurisdictions in an amount not to exceed $25,000.00.

2. CBC hereby acknowledges and agrees that the early termination fee or similar fee that it may be entitled to pursuant to its Pre-Petition Agreements (as defined in the Financing Motion and Final Financing Order) is reduced to and shall be fixed at $50,000.00 as part of CBC's pre-petition claim, and that CBC shall not assert any other post-petition claim for an early termination fee or similar fee.

3. The Committee agrees that it shall not assert any Challenge (as defined in paragraph 22 of the Final Financing Order) against CBC.

4. All of the recitals set forth in the WHEREAS clauses above are hereby incorporated by reference as if fully set forth herein.

5. This Stipulation constitutes the entire agreement between CBC and the Committee concerning the subject matter hereof, and no modification or amendment of this Stipulation shall be valid or enforceable unless it is in writing and signed by or on behalf of CBC and the Committee.

6. This Stipulation shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of law provisions.

7. The Court shall retain exclusive jurisdiction to resolve any and all disputes or controversies arising from or related to this Stipulation and the terms hereof.

8. It is acknowledged that both CBC and the Committee have participated in and jointly consented to the drafting of this Stipulation and that any claimed ambiguity shall not be construed for or against either the Committee or CBC.

9. This Stipulation may be executed in counterparts, any of which may be transmitted by facsimile or electronic mail, and each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

10. This Stipulation is subject to approval by the Court. The Committee and CBC agree to present this Stipulation promptly to the Court for approval. If the Court does not approve this Stipulation, the terms and conditions set forth in this Stipulation shall be deemed null and void and shall not prejudice any party whatsoever and the Committee's time period to assert a Challenge against CBC as set forth in paragraph 22 of the Final Financing Order shall automatically be extended through and including August 20, 2010, without the need for the entry of an order of the Court.

11. This Stipulation, upon approval by the Court, shall be binding up (i) any liquidating trustee, plan administrator, distribution agent and/or any other responsible person appointed pursuant to any Chapter 11 plan confirmed in the Debtors' bankruptcy cases; (ii) any Chapter 11 trustee appointed in the Debtors' bankruptcy cases; and/or (iii) any Chapter 7 trustee appointed or elected in the Debtors' bankruptcy cases.

12. Each party signing this Stipulation as an agent or representative of the Committee or CBC hereby covenants and warrants to the other party and the Bankruptcy

Court that he or she is fully authorized to sign this Stipulation on behalf of the party he or she represents and is fully authorized to bind such party to the terms of this Stipulation.

13. This Stipulation shall become immediately effective upon the entry of an Order of the Court approving this Stipulation.

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