

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

**PROOF OF CLAIM**

In re:  
AMERICAN OF MARTINSVILLE, INC.

Case Number:  
10-11638

NOTE: See Reverse for List of Debtors/Case Numbers/ important details. Other than claims under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for administrative expenses arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503(a).

Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

**Name of Creditor and Address:** the person or other entity to whom the debtor owes money or property  
  
FURNITURE & EQUIPMENT SOLUTIONS, INC.  
C/O CLEMENT & WHEATLEY; ATTN: SETH LAND, ESQ.  
P.O. BOX 8200  
DANVILLE, VA 24543-8200

Check this box if you are the debtor or trustee in this case.

If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again.  
**THIS SPACE IS FOR COURT USE ONLY**

Creditor Telephone Number (434) 793-8200  
  
Name and address where payment should be sent (if different from above):  
FURNITURE & EQUIPMENT SOLUTIONS, INC.  
232 NORTH PRESCOTT CIRCLE  
WICHITA, KS 67212-4700

RECEIVED  
AUG 19 2010  
BMC GROUP

Check this box to indicate that this claim amends a previously filed claim.  
Claim Number (if known):  
Filed on: \_\_\_\_\_

Payment Telephone Number ( )

**1. AMOUNT OF CLAIM AS OF DATE CASE FILED** \$ 25,000.00  
If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.  
If all or part of your claim is entitled to priority, complete item 5.  
 Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

**2. BASIS FOR CLAIM:**  
MONEY LOANED

(See instructions #2 and #3a on reverse side.)

**3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:**  
3a. Debtor may have scheduled account as: \_\_\_\_\_

**4. SECURED CLAIM** (See instruction #4 on reverse side.)  
Check the appropriate box if your claim is secured by a lien on property or a right of set off and provide the requested information  
**Nature of property or right of setoff:**  
 Real Estate  Motor Vehicle  Other \_\_\_\_\_  
Secured Claim Amount: \$ \_\_\_\_\_  
Unsecured Claim Amount: \$ \_\_\_\_\_  
Amount of arrearage and other charges as of time case file included in secured claim.  
Value of Property: \$ \_\_\_\_\_ Annual Interest Rate: \_\_\_\_\_ % if any: \$ \_\_\_\_\_ Basis for Perfection: \_\_\_\_\_


**DO NOT** include the priority portion of your claim here.

**5. PRIORITY CLAIM**  
 Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.  
**You MUST specify the priority of the claim:**  
 Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).  
 Wages, salaries, or commissions (up to \$11,725\*), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).  
 Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).  
Unsecured Priority Claim Amount: \$ \_\_\_\_\_  
Include **ONLY** the priority portion of your unsecured claim here.  
 Up to \$2,600\* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).  
 Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).  
 Other - Specify applicable paragraph of 11 U.S.C. § 507(a) ( \_\_\_\_\_ ).  
\* Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

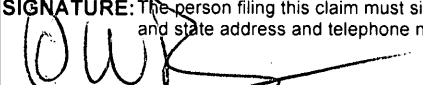
**SECTION 503(b)(9) CLAIM** \$ \_\_\_\_\_  
 Check this box if your claim is for the value of goods received by the debtor within 20 days before the date of commencement of the case (11 U.S.C. § 503(b)(9)). Include the amount of such claim in the space for "Amount entitled to priority" above.

**6. CREDITS:** The amount of all payments on this claim has been credited for the purpose of making this proof of claim.  
**7. SUPPORTING DOCUMENTS:** Attach redacted copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of evidence of perfection of a security interest. (See instruction 7 and definition of "redacted" on reverse side.) If the documents are not available, please explain.  
**DATE-STAMPED COPY:** To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim. **DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.**

The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received on or before 4:00 pm, prevailing Eastern Time on August 6, 2010 for Non-Governmental Claimants OR on or before November 15, 2010 for Governmental Units.  
**BY MAIL TO:**  
BMC Group, Inc  
Attn: Barcalounger Corporation Claims Processing  
PO Box 3020  
Chanhassen, MN 55317-3020  
**BY HAND OR OVERNIGHT DELIVERY TO:**  
BMC Group, Inc  
Attn: Barcalounger Corporation Claims Processing  
18750 Lake Drive East  
Chanhassen, MN 55317

**THIS SPACE FOR COURT USE ONLY**  
Barcalounger  
  
00343

**DATE**  
08/16/2010

**SIGNATURE:** The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.  
  
Darren W. Bentley, Agent and Attorney

# INSTRUCTIONS FOR PROOF OF CLAIM FORM

*The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.*

## ITEMS TO BE COMPLETED IN PROOF OF CLAIM FORM (IF NOT ALREADY PROPERLY FILLED IN)

<p><b>Court, Name of Debtor, and Case Number:</b> Fill in the name of the federal judicial district where the bankruptcy case was filed (for example Central District of California), the name of the debtor in the bankruptcy case, and the bankruptcy case number. If you received a notice of the case from the Claims Agent, BMC Group, some or all of this information may have been already completed.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"><b>Debtor Name</b></td> <td style="width: 40%;"><b>Case No</b></td> </tr> <tr> <td>American of Martinsville, Inc.</td> <td>10-11638</td> </tr> <tr> <td>Barcalounger Corporation</td> <td>10-11637</td> </tr> </table>	<b>Debtor Name</b>	<b>Case No</b>	American of Martinsville, Inc.	10-11638	Barcalounger Corporation	10-11637	<p><b>5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).</b> If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority. Claims entitled to administrative priority under 11 U.S.C. § 503(b)(9) should be asserted by filling in the appropriate information on this Proof of Claim form. All other administrative claims must be asserted by an appropriate "request" under 11 U.S.C. § 503(a) and should not be asserted on this Proof of Claim form.</p> <p><b>6. Credits:</b> An authorized signature on this proof of claim serves as an acknowledgment that, when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.</p> <p><b>7. Supporting Documents:</b> Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). Do not send original documents, as attachments may be destroyed after scanning.</p> <p><b>Date and Signature:</b> The person filing this proof of claim <u>must</u> sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.</p> <p><b>Date-Stamped Copy</b> <b>Return claim form and attachments, if any.</b> If you wish to receive an acknowledgement of your claim, please enclose a self-addressed stamped envelope and a second copy of the proof of claim form with any attachments to the Claims Agent, BMC Group, at the address on the front of this form.</p> <p><i>Please read – important information: upon completion of this claim form, you are certifying that the statements herein are true.</i></p> <p>Be sure all items are answered on the claim form. If not applicable, insert "Not Applicable."</p>
<b>Debtor Name</b>	<b>Case No</b>						
American of Martinsville, Inc.	10-11638						
Barcalounger Corporation	10-11637						
<p><b>Creditor's Name and Address:</b> Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).</p> <p><b>1. Amount of Claim as of Date Case Filed:</b> State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete item 4. Check the box if interest or other charges are included in the claim.</p> <p><b>2. Basis for Claim:</b> State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.</p> <p><b>3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:</b> State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.</p> <p><b>3a. Debtor May Have Scheduled Account As:</b> Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.</p> <p><b>4. Secured Claim:</b> Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.</p>							

### DEFINITIONS

**DEBTOR**  
A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

**CREDITOR**  
A creditor is any person, corporation, or other entity to whom the debtor owed a debt on the date that the bankruptcy case was filed.

**CLAIM**  
A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.

**PROOF OF CLAIM**  
A form telling the bankruptcy court how much the debtor owed a creditor at the time the bankruptcy case was filed (the amount of the creditor's claim). This form must be filed with the court-appointed Claims Agent, BMC Group, at the address listed on the reverse side of this page.

**SECURED CLAIM Under 11 U.S.C. §506(a)**  
A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors.

The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

**UNSECURED NONPRIORITY CLAIM**  
If a claim is not a secured claim it is an unsecured claim. A claim may be partly secured and partly unsecured if the property on which a creditor has a lien is not worth enough to pay the creditor in full.

**UNSECURED PRIORITY CLAIM Under 11 U.S.C. §507(a)**  
Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

**Evidence of Perfection**  
Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other

### INFORMATION

document showing that the lien has been filed or recorded.

**Redacted**  
A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

**Offers to Purchase a Claim**  
Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.

ONCE YOUR CLAIM IS FILED YOU CAN OBTAIN OR VERIFY YOUR CLAIM NUMBER BY VISITING [www.bmcgroup.com](http://www.bmcgroup.com)

**VIRGINIA: IN THE CIRCUIT COURT OF HENRY COUNTY**

**FURNITURE EQUIPMENT &  
SOLUTIONS, INC.,** )  
 )  
 )  
 **Plaintiff** )  
 )  
 v. )  
 )  
 **AMERICAN OF MARTINSVILLE, INC.,** )  
 )  
 **Serve:** )  
 )  
 **Defendant.** )

Case No. CL-10-173

**ORDER**

On this day, Furniture Equipment & Solutions, Inc. ("FES"), appeared ex parte before this Court, by counsel, and represented to the Court the following:

1. FES is engaged in the business of providing interior amenities to health care facilities.
2. American was, until recently, engaged in the business of manufacturing furniture in Henry County and Martinsville, Virginia.
3. In January of 2010, FES placed an order with American for the purchase of certain assisted living or hospital furniture or equipment (the "Equipment") at the price of \$50,000.00 (the "Order").
4. In January of 2010, pursuant to the Order, FES delivered to American a down payment on the purchase price in the amount of \$25,000.00 (the "Down Payment"), and American accepted the Down Payment. The Down Payment was security for FES' payment of the purchase price of the Order.

5. In January of 2010, pursuant to the Order, FES delivered to American certain fabric at a cost and with a value of \$12,000.00 (the "Fabric") to be used by American in manufacturing the Equipment, and American accepted the Fabric.
6. American has failed and refused to deliver the Equipment to FES pursuant to the Order, and, upon information and belief, FES has failed and refused to commence the manufacturing of the Equipment pursuant to the Order.
7. American has failed and refused to return the Down Payment and the Fabric to FES.
8. American has failed and refused to communicate in any manner with FES regarding the Order, the Down Payment, or the Fabric.
9. American has closed its Redd Level Plant in Henry County, Virginia, locked the doors of its main headquarters in Martinsville, Virginia, is no longer in business, and, upon information and belief, is in the current and immediate process of transferring or otherwise disposing of any and all of the assets in its possession or control, including without limitation, the Down Payment and the Fabric.
10. Upon information and belief, the Down Payment has been deposited by American in any of American's various bank accounts with financial institutions in Henry County and Martinsville, Virginia (the "Bank Accounts").
11. Upon information and belief, the Fabric remains at American's Red Level Plant in Henry County, Virginia.
12. The use, transfer or disposition of the Down Payment and the Fabric by American will significantly impact FES in financial terms. Indeed, the financial impact will likely cause FES irreparable harm unless American is temporarily and permanently enjoined from using, transferring, or otherwise disposing of the Down Payment and the Fabric, and from transferring, withdrawing, paying, or otherwise disposing of any funds in the Bank

Accounts.

Upon these representations, the Court finds that FES is likely to succeed on the merits, that FES would sustain irreparable injury unless American is enjoined as requested in the Complaint, and that such injunction would maintain the status quo.

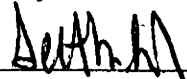
WHEREFORE, this Court ORDERS, ADJUDGES, AND DECREES that American of Martinsville, Inc. is enjoined and prohibited from using, transferring, or otherwise disposing of the Down Payment and the Fabric, and from transferring, withdrawing, paying, or otherwise disposing of any funds in the Bank Accounts. This Order shall be in effect for 90 days from the date entered. If at that time, Furniture Equipment & Solutions, Inc. needs additional temporary protection, it may set a hearing to extend the duration of this Order.


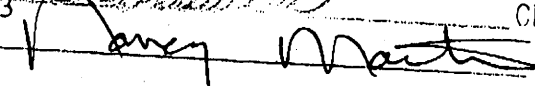
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\_\_\_\_\_  
Judge

Prepared by:

W. Huntington Byrnes, Esq. VSB #46714  
Seth M. Land, VSB #75101  
**CLEMENT & WHEATLEY**  
549 Main Street (24541)  
P.O. Box 8200  
Danville, Virginia 24543-8200  
Phone: (434) 793-8200  
Fax: (434) 793-8436  
*Counsel for Furniture Equipment & Solutions, Inc.*

  
\_\_\_\_\_

COPY TEST.  
  
BY  CLERK  
D.C.

LAW OFFICES

# CLEMENT & WHEATLEY

Main Office

549 Main Street  
P.O. Box 8200  
Danville, Virginia 24543-8200  
Telephone (434) 793-8200  
Facsimile (434) 793-8436

*A Professional Corporation*

Rutledge C. Clement (1906-1979)  
C. Stuart Wheatley (1905-1982)  
Joseph M. Winston, Jr., *Retired*

[www.clementwheatley.com](http://www.clementwheatley.com)

South Boston Office

Cordura Security Building, Suite 111  
554 North Main Street, P.O. Box 246  
South Boston, Virginia 24592-0246  
Telephone (434) 575-8200  
Facsimile (434) 575-8436

August 16, 2010

**VIA CERTIFIED U.S. MAIL, RETURN  
RECEIPT REQUESTED (7009-1680-0000-2727-8731)**

Barcalounger Corporation, et al.  
C/O BMC Group, Inc.  
PO Box 3020  
Chanhassen, MN 55317-3020

RE: American of Martinsville, Inc. 10-11638  
Proof of Claim of Furniture & Equipment  
Solutions, Inc.

To Whom it May Concern:

Enclosed please find a Proof of Claim filed on behalf of Furniture & Equipment Solutions, Inc ("FES"), which should be considered timely filed for the reasons stated below:

FES was a party in litigation with American of Martinsville, Inc. ("AMI"), when AMI filed for bankruptcy protection (Furniture Equipment & Solutions, Inc., v. American of Martinsville, Inc., CL10-173, Henry County Circuit Court of Virginia). Pursuant to the Order (I) ESTABLISHING BAR DATES FOR FILING PROOFS OF CLAIM AND (II) APPROVING THE FORM AND MANNER OF NOTICE THEREOF ("Bar Date Order"), entered July 6, 2010, BMC should have served on FES by first-class U.S. mail, postage prepaid (or equivalent service): (a) the Bar Date Notice; and (b) the Proof of Claim Form. However, FES never received any such notice from BMC and did not learn of the Bar Date Order until after the bar date had run.

Please feel free to contact me if you have any questions related to this claim. Thanking you, I remain

Yours truly



Warren W. Bentley

DWB/sdf

Enclosures

cc: Gary Nelson (w/enc.)