

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

PROOF OF CLAIM

In re:
Barcalounger Corp.

Case Number:
10-11637

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.

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

Name of Creditor and Address: the person or other entity to whom the debtor owes money or property

Ian J. Gazes as Ch. 7 Trustee of the
Estate of Fortunoff Holdings LLC
c/o Gazes LLC
32 Avenue of the Americas
New York, NY 10013

Creditor Telephone Number (212) 765-9000

Name and address where payment should be sent (if different from above):

RECEIVED

NOV. 12 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 \$ 12,380.00

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:

11 U.S.C. Sec. 547 and 550

(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

Secured Claim Amount: \$ _____

DO NOT include the priority portion of your claim here.

Unsecured Claim Amount: \$ _____

Nature of property or right of setoff:

Real Estate Motor Vehicle Other _____

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: _____

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.

THIS SPACE FOR COURT USE ONLY

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



DATE
11/8/10

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.

[Handwritten Signature]

GAZES LLC
Attorneys for the Chapter 7 Trustee of Fortunoff
Holdings, LLC and Fortunoff Card Company LLC
32 Avenue of the Americas
New York, New York 10013
(212) 765-9000

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

FORTUNOFF HOLDINGS, LLC, and
FORTUNOFF CARD COMPANY, LLC,

Debtors.

Chapter 7 (Converted)
Case No. 09-10497 (RDD)
(Jointly Administered)

In re:

IAN J. GAZES AS CHAPTER 7 TRUSTEE OF
THE ESTATE OF FORTUNOFF HOLDINGS,
LLC, and FORTUNOFF CARD COMPANY,
LLC,

Adv. Pro. No.

Plaintiff,

v.

Barcalounger Corp.,

Defendant.

COMPLAINT TO AVOID AND RECOVER TRANSFERS PURSUANT TO 11 U.S.C. §§
547 AND 550 AND TO DISALLOW CLAIMS PURSUANT TO 11 U.S.C. § 502(d)

Ian J. Gazes, as the Chapter 7 Trustee (the "Trustee") of the Estates (the "Estates") of Fortunoff Holdings LLC ("Fortunoff Holdings") and Fortunoff Card Company, LLC ("Fortunoff Card" and with Fortunoff Holdings, the "Debtors"), by his attorneys, Gazes LLC, states as follows, in support of his complaint (the "Complaint") against Barcalounger Corp. (the "Defendant"):

NATURE OF THE ACTION

1. The Complaint seeks to avoid and recover pursuant to 11 U.S.C. §§ 547(b) and 550(a) a certain transfer made by Fortunoff Holdings to the Defendant in the ninety (90) day period preceding the filing of the Debtors' bankruptcy cases and to disallow any claim of the Defendant against the Debtors' estates pursuant to 11 U.S.C. § 502(d).

JURISDICTION, VENUE, STATUTORY PREDICATES AND PARTIES

2. The Court has jurisdiction over this adversary proceeding, which arises under Title 11 of the United States Code (the "Bankruptcy Code"), pursuant to 28 U.S.C. §§ 157 and 1334.

3. The adversary proceeding is a core proceeding pursuant to 28 U.S.C. § 157. Venue in this District is proper under 28 U.S.C. § 1409(a).

4. The statutory predicates for this adversary proceeding are §§ 502, 547, and 550 of the Bankruptcy Code.

5. Upon information and belief, the Defendant is a corporation with an office located at 1450 Atlantic Avenue, Rocky Mount NC 27801.

BACKGROUND

6. On February 5, 2009 (the "Petition Date"), the Debtors each filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. By order dated February 6, 2009, the Court directed the joint administration of the Debtors' bankruptcy cases [Docket No. 32].

7. On October 1, 2009, the Court entered an order converting the Debtors' Chapter 11 bankruptcy cases to cases under Chapter 7 [Docket No. 945]. Thereafter, Ian J. Gazes was appointed interim Chapter 7 Trustee, who now serves as the permanent Trustee in these cases.

**COUNT I – TO AVOID PREFERENTIAL TRANSFERS
PURSUANT TO 11 U.S.C. § 547(b)**

8. Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 through 7 above as if fully set forth herein.

9. On or within the 90 days preceding the Petition Date, Fortunoff Holdings made a transfer (the "Transfer") to the Defendant in the amount of \$12,380.00, on the date set forth in Exhibit A to the Complaint which is incorporated by reference herein.

10. The Transfer was made to or for the benefit of the Defendant, a creditor of Fortunoff Holdings.

11. The Transfer was made on account of an antecedent debt owed by Fortunoff Holdings to the Defendant.

12. The Transfer was made while Fortunoff Holdings was insolvent.

13. The Transfer enabled the Defendant to receive more than it would have if (a) the Transfer had not been made; (b) Fortunoff Holdings' bankruptcy case were a case under Chapter 7 of the Bankruptcy Code; and (c) the Defendant received payment of its debt to the extent provided for under the Bankruptcy Code

14. By reason of the foregoing, the Transfer should be avoided and set aside as preferential.

COUNT II – TO RECOVER PREFERENTIAL TRANSFERS
PURSUANT TO 11 U.S.C. § 550

15. Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 through 14 above as if fully set forth herein.

16. Defendant was (a) the initial transferee of the Transfer or (b) the immediate or mediate transferee of such initial transferee or the person for whose benefit the Transfer was made.

17. Pursuant to 11 U.S.C. § 550(a), the Trustee is entitled to recover from Defendant an amount to be determined at trial that is not less than \$12,380.00 plus interest

EXHIBIT A

Vendor	Check #	Clear Date	Amount
BARCALOUNGER			
	807374	1/5/2009	\$ 12,380.00
BARCALOUNGER Total			\$ 12,380.00

November 8, 2010

Via First Class Mail

BMC Group, Inc.
Attn: Barcalounger Corporation Claims Processing
PO Box 3020
Chanhassen, MN 55317-3020

Re: In re Barcalounger Corporation; Ch. 11 Case No. 10-11637


Dear Sir/Madam:

Enclosed please find the Proof of Claim of Ian J. Gazes as Chapter 7 Trustee of the Estate of Fortunoff Holdings, LLC with Exhibit A for filing in connection with the above-referenced bankruptcy case.

Please acknowledge receipt of this letter and the Proof of Claim with Exhibit A by signing this letter below and returning same to me in the self addressed pre-paid envelope enclosed.

Thank you for your attention to this matter.

Very truly yours,
Gazes LLC

By: 
David Dinoso

Acknowledgement of Receipt of Proof of Claim with Exhibit A:

_____, 2010

By: _____