

UNITED STATES BANKRUPTCY COURT Southern District of New York PROOF OF CLAIM

Name of Debtor: Jennifer Convertibles, Inc. Case Number: 10-13779

NOTE: This form should not be used to make a claim for an administrative expense 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.

Name of Creditor (the person or other entity to whom the debtor owes money or property): (KSKIM) Porter Square Equity Partners, LLC, c/o KS Partners
Name and address where notices should be sent: c/o Thomas M. Dillon, Esq. 233 Main Street, Lancaster, MA 01523
Telephone number: (978) 368-7500
RECEIVED SEP 23 2010 BMC GROUP
Check this box to indicate that this claim amends a previously filed claim.
Court Claim Number: (If known)
Filed on:

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

1. Amount of Claim as of Date Case Filed: \$ 130,183.81
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: Com. real estate lease (See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor:
3a. Debtor may have scheduled account as: See addendum (See instruction #3a on reverse side.)

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 setoff and provide the requested information.
Nature of property or right of setoff: Real Estate Motor Vehicle Other
Describe:
Value of Property: \$ Annual Interest Rate %
Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ Basis for perfection:
Amount of Secured Claim: \$ Amount Unsecured: \$

5. 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.
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).
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)(-).
Amount entitled to priority: \$
\*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.

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)
DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.
If the documents are not available, please explain:
Date: 09/22/2010
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.
FOR COURT USE ONLY
Jennifer Convertibles
00098

### Summary of Claim Addendum

(KSKIM) Porter Square Equity Partners, LLC \* Proof of Claim in Jennifer Convertibles, Inc.,

Chapter 11 No. 10-13779(ALG)

1. Unpaid pre-petition rent and charges due as rent ("Rent")	
a. Due through June, 31, 2010 per attached Ledger:	\$20,756.76
b. Due from July 1 to July 18, 2010 at \$12,366.89 per month (31 days at \$398.93192 per day x 17 days)	\$6,781.84
	<hr/>
Total Pre-petition Rent:	\$27,538.62
2. Unpaid post-petition rejection damages per §502(b)(6)	
a. September 22 to September 30, 2010 (30 days at \$412.22966 per x 9 days)	\$3,710.07
b. October 1, 2010 to May 31, 2011 lease term (8 months at \$12,366.89) Lease Addendum Attached	\$98,935.12
	<hr/>
Total post- petition, post- Rejection damages	\$102,645.19
	<hr/>
<b>Total Due:</b>	<b>\$130,183.81**</b>

\*Debtor may have scheduled as Porter Square Equity Partners, LLC c/o Everest Partners, LLC

\*\*Does not include additional unpaid post-petition, pre-rejection Rent in the amount \$5,417.21 due under §365(d)(3).

Jul 18 BKAL

Lease Information

Rent Inquires  
 Jennifer Convertibles, Inc.  
 417 Crossways Park Drive  
 Woodbury, NY, 11797

Date 09/21/2010  
 Lease Id t0000305  
 Property psqk  
 Location KSKIMCO PORTER SQUARE EQUITY PARTNERS, LLC  
 Assigned Space(s) 06  
 Customer  
 ICS Code  
 Lease Type Retail  
 Sales Category Sales  
 Lease Term From 04/12/2006 To 05/31/2012  
 Lease Area 2,581 (Net Lease)  
 Monthly Rent 8,388.00  
 Office Phone (800)595-1422  
 Fax No  
 E-Mail

Date	Description	Charges	Payments	Balance
	<b>Balance Forward</b>			<b>0.00</b>
12/01/09	Base Rent (12/2009)	7,958.08		7,958.08
12/01/09	R/E Tax Reimbursement (12/2009)	1,305.92		9,264.00
12/01/09	CAM Reimbursement (12/2009)	2,771.43		12,035.43
12/07/09	Chk# 69877 - JP Morgan		12,035.43	0.00
01/01/10	Base Rent (01/2010)	7,958.08		7,958.08
01/01/10	R/E Tax Reimbursement (01/2010)	1,305.92		9,264.00
01/01/10	CAM Reimbursement (01/2010)	2,771.43		12,035.43
01/11/10	Chk# 70602 - JP Morgan		12,035.43	0.00
02/01/10	Base Rent (02/2010)	7,958.08		7,958.08
02/01/10	R/E Tax Reimbursement (02/2010)	1,305.92		9,264.00
02/01/10	CAM Reimbursement (02/2010)	2,771.43		12,035.43
02/08/10	Chk# 71208 - JP Morgan		12,035.43	0.00
03/01/10	Base Rent (03/2010)	7,958.08		7,958.08
03/01/10	R/E Tax Reimbursement (03/2010)	1,305.92		9,264.00
03/01/10	CAM Reimbursement (03/2010)	2,771.43		12,035.43
03/05/10	Chk# 71984 - JP Morgan		12,035.43	0.00
04/01/10	Base Rent (04/2010)	7,958.08		7,958.08
04/01/10	R/E Tax Reimbursement (04/2010)	1,305.92		9,264.00
04/01/10	CAM Reimbursement (04/2010)	2,771.43		12,035.43
04/12/10	Chk# 72873 - JP Morgan		12,035.43	0.00
04/26/10	Y/E Cam Charges - 2009	678.54		678.54
04/26/10	Y/E R/E Tax Charges - 2009	(4,225.39)		(3,546.85)
05/01/10	Base Rent (05/2010)	7,958.08		4,411.23
05/01/10	R/E Tax Reimbursement (05/2010)	1,138.54		5,549.77
05/01/10	CAM Reimbursement (05/2010)	2,840.10		8,389.87
06/01/10	Base Rent (06/2010)	8,388.25		16,778.12
06/01/10	R/E Tax Reimbursement (06/2010)	1,138.54		17,916.66
06/01/10	CAM Reimbursement (06/2010)	2,840.10		20,756.76
07/01/10	Base Rent (07/2010)	8,388.25		29,145.01
07/01/10	R/E Tax Reimbursement (07/2010)	1,138.54		30,283.55
07/01/10	CAM Reimbursement (07/2010)	2,840.10		33,123.65
08/01/10	Base Rent (08/2010)	8,388.25		41,511.90
08/01/10	R/E Tax Reimbursement (08/2010)	1,138.54		42,650.44
08/01/10	CAM Reimbursement (08/2010)	2,840.10		45,490.54
09/01/10	Chk# 73000 - JP Morgan		12,465.60	33,024.94
09/01/10	BASE RENT	8,388.25	12,465.60	41,413.19

**Lease Information**

**Date** 09/21/2010  
**Lease Id** t0000305  
**Property** psgk  
**Location** KSKIMCO PORTER SQUARE EQUITY PARTNERS, LLC  
**Assigned Space(s)** 06  
**Customer**  
**ICS Code**  
**Lease Type** Retail  
**Sales Category** Sales  
**Lease Term** From 04/12/2006 To 05/31/2012  
**Lease Area** 2,581 (Net Lease)  
**Monthly Rent** 8,388.00  
**Office Phone** (800)595-1422  
**Fax No**  
**E-Mail**

**Rent Inquires**  
**Jennifer Convertibles, Inc.**  
**417 Crossways Park Drive**  
**Woodbury, NY, 11797**

Date	Description	Charges	Payments	Balance
09/01/10	R/E Tax Reimbursement (09/2010)	1,138.54		42,551.73
09/01/10	CAM Reimbursement (09/2010)	2,840.10		45,391.83
09/07/10	Chk# 75584 - JP Morgan		8,725.92	36,665.91

## FOURTH AMENDMENT TO LEASE

March 20, 2002

1. Reference is made to lease dated January 27, 1989, by and between Irving H. Busny and Gerald N. Fandetti, Trustees of BFS&J Realty, as landlord and Cambridge Convertibles, Inc., as tenant, with respect to premises in a Shopping Center known as Porter Square Galleria, Cambridge, Massachusetts. Porter Square Equity Partners, LLC, a Massachusetts Limited Liability Company (hereinafter "Landlord") is the present holder of the landlord's interest in said lease. Jennifer Convertibles, Inc., a Delaware corporation (hereinafter "Tenant") is the current holder of the tenant's interest in said lease. Said lease as amended by Amendment dated June 4, 1992, by Second Amendment dated June 27, 1997, by Third Amendment dated July 18, 1997, and by Assignment of Lease Agreement dated September 1, 2000, is hereinafter referred to as "the Lease".

2. Landlord and Tenant agree that the Lease is amended in the following respects:

(A) The Term of the Lease is hereby extended for an additional period of ten (10) years commencing on June 1, 2002, so that the Term of the Lease shall now expire on ~~May 31, 2012~~ ("the extended period").

(B) The Minimum Rent payable by Tenant to Landlord during the extended period shall be payable at the following annual rates:

During the first two (2) months of the extended period -- no Minimum Rent shall be payable;

During the balance of the first (2) years of the extended period -- \$69,687.00 per annum;

During the third (3rd) and fourth (4th) years of the extended period -- \$85,173.00 per annum;

During the fifth (5th) and sixth (6th) years of the extended period -- \$90,335.00 per annum;

During the seventh (7th) and eighth (8th) years of the extended period -- \$95,497.00 per annum; and

During each year of the balance of the extended period -- \$100,659.00 per annum,

in each case payable in equal monthly installments of one twelfth (1/12th) of the annual Minimum Rent.

3. Tenant shall continue to pay all Percentage Rent and Additional Rent payable pursuant to Sections 5.3, 5.4, 5.5, 5.7 and 5.8 of the Lease.

4. The address for notices and other communications authorized or required under the Lease to be directed to Tenant shall be directed to Tenant at

Jennifer/Amend 4 rev1  
#5545  
3/7/2002

419 Crossways Park Drive, Woodbury, New York 11797, with a copy to Bernard Wincig, Esquire, Wincig & Wincig, 574 Fifth Avenue, New York, NY 10036.

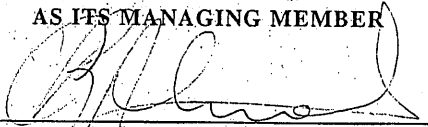
5. Except as expressly modified herein the Lease shall remain unmodified and in full force and effect.

6. The provisions of this Fourth Amendment to Lease shall be binding upon and shall inure to the benefit of Landlord and Tenant and their respective legal representatives, successors and assigns.

In Witness Whereof, Landlord and Tenant have caused this Fourth Amendment to Lease to be executed as an instrument under seal as of the day and year first above written.

LANDLORD:

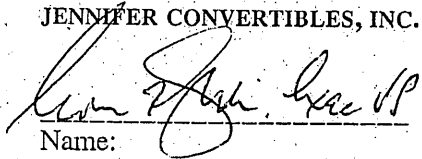
PORTER SQUARE EQUITY  
PARTNERS, LLC  
BY: EVEREST PARTNERS, LLC  
AS ITS MANAGING MEMBER



Costas Alexakos, as its Managing  
Member and not individually

TENANT:

JENNIFER CONVERTIBLES, INC.



Name:

Title:

ATTEST:

\_\_\_\_\_  
Name:

Title:

# SCHMITT & DILLON

COUNSELORS AT LAW

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TELEPHONE: 978-368-7500  
FACSIMILE: 978-368-7501

September 22, 2010

BY FAX FED EX OVERNIGHT

BMC Group, Inc.  
Attn Jennifer Convertibles Claims Processing  
18750 Lake Drive East  
Chanhassen, MN 55317

Re: (KSKIM) Porter Square Equity Partners, LLC proof of claim in Jennifer Convertibles, Inc. Case No. 10-13779

Dear Sir or Madam:

Please find enclosed an original Proof of Claim in the above matter, along with a Summary of Claim Addendum, Tenant Ledger, and Fourth Amendment to Lease.

Please also find enclosed a copy of these documents to be date-filed stamped and returned to me in the enclosed self-addressed, stamped envelope.

Very truly yours,

  
Thomas M. Dillon

TMD/ss

cc: Client