



UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK (MANHATTAN)		PROOF OF CLAIM	
In re: Jennifer Convertibles, Inc.		Case Number: 10-13779(ALG) <i>jointly administered</i>	
<small>NOTE: See Reverse for List of Debtors/Case Numbers/ important details. 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.</small>			
Name of Creditor and Address: the person or other entity to whom the debtor owes money or property		<input type="checkbox"/> 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.	
 25239791001962 PMAIC LOCKBOX 9831 380 Sentry Parkway PO BOX 8300 PHILADELPHIA PA 19178 Blue Bell, PA 19422 attn: Vito Nigro		<input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
Creditor Telephone Number (610) 397-5000		RECEIVED OCT 22 2010 BMC GROUP	
Name and address where payment should be sent (if different from above):			
Payment Telephone Number ()		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 <input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Claim Number (if known): Filed on: _____	
1. AMOUNT OF CLAIM AS OF DATE CASE FILED \$ 338,810.00 plus 2010 audit policy 2010.00 <small>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. If all or part of your claim qualifies as an administrative expense under 11 U.S.C. § 503(b)(9), complete item 6.</small> <input type="checkbox"/> 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: Various Workers Comp Insurance Policies		<small>(See instructions #2 and #3a on reverse side.)</small> 3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR: 9818 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: Describe: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Property: \$ _____ Annual Interest Rate: _____ % if any: \$ _____ Basis for Perfection: _____ Secured Claim Amount: \$ _____ Unsecured Claim Amount: \$ _____ Amount of arrearage and other charges <u>as of time case filed</u> included in secured claim, DO NOT include the priority portion of your claim here.			
5. PRIORITY CLAIM <input type="checkbox"/> 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: <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> 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). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> 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). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> 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. Unsecured Priority Claim Amount: \$ _____ Include ONLY the priority portion of your unsecured claim here.			
6. AMOUNT OF CLAIM THAT QUALIFIES AS AN ADMINISTRATIVE EXPENSE UNDER 11 U.S.C. § 503(b)(9): \$ _____ <small>See instruction #6 on reverse side</small>			
7. CREDITS: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.			
8. SUPPORTING DOCUMENTS: <u>Attach redacted copies of supporting documents</u> , 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 8 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 5:00 pm, prevailing Eastern Time on October 25, 2010 for Non-Governmental Claimants OR on or before 5:00 pm, prevailing Eastern Time on January 18, 2011 for Governmental Units. BY MAIL TO: BMC Group, Inc Attn: Jennifer Convertibles Claims Processing PO Box 3020 Chanhassen, MN 55317-3020		THIS SPACE FOR COURT USE ONLY Jennifer Convertibles  00255	
DATE 10/21/10		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. Vito A Nigro VP + Treasurer	

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>Court, Name of Debtor, and Case Number: 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: 50%;">Debtor Name</td> <td style="width: 50%;">Case No</td> </tr> <tr> <td>See attached sheet</td> <td></td> </tr> </table> <p>Creditor's Name and Address: 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>1. Amount of Claim as of Date Case Filed: State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete item, 4, 5 and 6. Check the box if interest or other charges are included in the claim.</p> <p>2. Basis for Claim: 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>3. Last Four Digits of Any Number by Which Creditor Identifies Debtor: State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.</p> <p>3a. Debtor May Have Scheduled Account As: 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>4. Secured Claim: 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>	Debtor Name	Case No	See attached sheet		<p>5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a). 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.</p> <p>6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9): State the value of any goods received by the debtor within 20 days before the date of commencement for which the goods have been sold to the debtor in the ordinary course of the debtor's business.</p> <p>7. Credits: 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>8. Supporting Documents: 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>Date and Signature: 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>Date-Stamped Copy Return claim form and attachments, if any. 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>Please read – important information: upon completion of this claim form, you are certifying that the statements herein are true.</p> <p>Be sure all items are answered on the claim form. If not applicable, insert "Not Applicable."</p>
Debtor Name	Case No				
See attached sheet					

DEFINITIONS

INFORMATION

<p>DEBTOR A debtor is the person, corporation, or other entity that has filed a bankruptcy case.</p> <p>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.</p> <p>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.</p> <p>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</p> <p>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.</p>	<p>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.</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>Evidence of Perfection Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other</p>	<p>document showing that the lien has been filed or recorded.</p> <p>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.</p> <p>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.</p>
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ONCE YOUR CLAIM IS FILED YOU CAN OBTAIN OR VERIFY YOUR CLAIM NUMBER BY VISITING www.bmcgroup.com

JENNIFER CONVERTIBLES, INC.
C/O BMC GROUP, INC.
PO BOX 3020
CHANHASSEN, MN 55317

CHAPTER 11 FILED 7/18/2010
SOUTHERN DISTRICT OF NEW YORK (MANHATTAN) BANKRUPTCY COURT
CASE NO: 10-13779 (ALG)

STATEMENT FOR PENNSYLVANIA MANUFACTURERS ASSOC. INS. CO.
ACCOUNT # 41-79-81-8

POLICY 200500, 200600, 200700, 200800 & 200900 – WORKERS COMPENSATION
COVERAGE 2/3/05 to 2/3/06, 2/3/06 to 2/3/07, 2/3/07 to 2/3/08, 2/3/08 to 2/3/09, 2/3/09
to 2/3/10 (RETRO-ILR POLICIES)

ULTIMATE LOSSES AND PREMIUMS (see attached)	\$261,363.00 DUE
POLICY 200500; RETRO ADJUSTMENT #5 (see attached)	0.00
POLICY 200600; RETRO ADJUSTMENT #4 (see attached)	3,460.00 CR
POLICY 200700; RETRO ADJUSTMENT #3 (see attached)	30,331.00 CR
POLICY 200800; RETRO ADJUSTMENT #2 (see attached)	9.00 CR
POLICY 200900; RETRO ADJUSTMENT #1 (see attached)	111,247.00 DUE
SUBTOTAL DUE PMA	\$338,810.00 DUE
 POLICY 201000 – WORKERS COMPENSATION COVERAGE 2/3/10 TO 2/3/11- FIXED COST, NO RETRO ADJUSTMENTS	
AUDIT DUE @ EXPIRATION	\$ TO BE DETERMINED
 <u>TOTAL PROOF OF CLAIM: \$338,810.00 PLUS AUDIT OF THE 2010 POLICY</u>	

Jennifer Convertibles

Account #: 4179818

Data Valued as of: 10/1/2010

Product	Policy	Incurred Loss Only	Incurred ALAE	Limited Incurred Loss & LAE	Paid Loss Only	Paid ALAE	Limited Paid Loss & LAE	Ultimate Loss & LAE	Ultimate Retro Premium	Current Booked Retro Premium	Outstanding Premium
Retro-ILR	200500	7,169	301	7,470	7,170	303	7,473	7,471	130,495	130,495	0
Retro-ILR	200600	68,543	11,645	80,188	68,544	11,645	80,189	93,591	209,685	194,226	15,459
Retro-ILR	200700	95,699	8,506	104,205	79,319	8,306	87,625	148,500	289,760	234,190	55,570
Retro-ILR	200800	20,522	5,939	26,461	20,521	5,939	26,460	63,180	163,340	120,333	43,007
Retro-ILR	200900 *	188,862	20,308	209,170	88,992	11,083	100,075	337,220	472,580	325,252	147,328
Total				427,494			301,823	649,963	1,265,859	1,004,496	261,363

* Ultimate Losses and Premiums are subject to the aggregate attachment point



PENNSYLVANIA MANUFACTURERS' ASSOCIATION
INSURANCE COMPANY
P.O. BOX 3031 - BLUE BELL, PA 19422-0754

INSURED
JENNIFER CONVERTIBLES
RISK PARTNERS INC
709 STOKES ROAD
MEDFORD NJ 08055

RETROSPECTIVE ADJUSTMENT

POLICY NUMBER 200500	ACCOUNT NUMBER 41-79-81-8
POLICY EFFECTIVE DATE 02/03/05	POLICY EXPIRATION DATE 02/03/06
PLAN TYPE EO/FO ONE YEAR	ADJUSTMENT NUMBER 05
BSU - D.O. - STATE 96 25 MULTI	DATE OF THIS NOTICE 10/12/10

	PREMIUM	DIVIDEND RETURN	NET PREMIUM
1. Standard Premium	321,841		
2. Incurred Losses	7,470		
3. Incurred Losses UNLIMITED per ACCIDENT	7,470		
4. Minimum Premium: [1] x .400	128,736		
5. Maximum Premium: [1] x 1.500	482,762		
6. Basic Premium: [1] x .364	117,150		
7. Converted Losses: [3] x Loss Conversion Factor 1.100	8,218		
8. Retrospective Premium: ([6] + [7] *) x Tax Multiplier S x Schedule ** Not less than [4] nor greater than [5] **	130,495	0	130,495
9. Retrospective Premium at Previous Adjustment 10/12/09	130,495	0	130,495
10. Net Premium Now Due	0	0	0

TOTAL PREVIOUS ASSESSMENT \$7,687
SUBJECT TO FURTHER ADJUSTMENT

RETRO ASSESSMENT \$7,687 NET DUE \$0

Standard Premium Subject to Retro Rating	321,841		
Non-Ratable Premium	5,573		
State Surcharge	11,834		
Total Audited Premium	339,248	0	339,248

Exhibit B



PENNSYLVANIA MANUFACTURERS' ASSOCIATION
INSURANCE COMPANY
P.O. BOX 3031 - BLUE BELL, PA 19422-0754

INSURED
JENNIFER CONVERTIBLES
RISK PARTNERS INC
709 STOKES ROAD
MEDFORD NJ 08055

RETROSPECTIVE ADJUSTMENT

POLICY NUMBER 200600	ACCOUNT NUMBER 41-79-81-8
POLICY EFFECTIVE DATE 02/03/06	POLICY EXPIRATION DATE 02/03/07
PLAN TYPE FO / EO ONE YEAR	ADJUSTMENT NUMBER 04
BSU - D.O. - STATE 96 25 MULTI	DATE OF THIS NOTICE 10/12/10

	PREMIUM	DIVIDEND RETURN	NET PREMIUM
1. Standard Premium	354,191		
2. Incurred Losses	80,188		
3. Incurred Losses UNLIMITED per ACCIDENT	80,188		
4. Minimum Premium: [1] x .400	141,676		
5. Maximum Premium: [1] x 1.50	531,287		
6. Basic Premium: [1] x .274	97,048		
7. Converted Losses: [3] x Loss Conversion Factor 1.100	88,206		
8. Retrospective Premium: ([6] + [7] *) x Tax Multiplier S x Schedule ** Not less than [4] nor greater than [5] **	194,226	0	194,226
9. Retrospective Premium at Previous Adjustment 10/12/09	197,686	0	197,686
10. Net Premium Now Due INSURED	3,460	0	3,460

TOTAL PREVIOUS ASSESSMENT \$10,239 TOTAL RETRO ASSESSMENT \$10,239 NET DUE \$0
SUBJECT TO FURTHER ADJUSTMENT

Standard Premium Subject to Retro Rating	354,191		
Non-Ratable Premium	6,912		
State Surcharge	18,849		
Total Audited Premium	379,952	0	379,952

Exhibit C

INSURED



PENNSYLVANIA MANUFACTURERS' ASSOCIATION
INSURANCE COMPANY
P.O. BOX 3031 - BLUE BELL, PA 19422-0754

INSURED
JENNIFER CONVERTIBLES
RISK PARTNERS INC
709 STOKES ROAD
MEDFORD NJ 08055

RETROSPECTIVE ADJUSTMENT

POLICY NUMBER 200700	ACCOUNT NUMBER 41-79-81-8
POLICY EFFECTIVE DATE 02/03/07	POLICY EXPIRATION DATE 02/03/08
PLAN TYPE FO / EO ONE YEAR	ADJUSTMENT NUMBER 03
BSU - D.O. - STATE 96 25 MULTI	DATE OF THIS NOTICE 10/12/10

	PREMIUM	DIVIDEND RETURN	NET PREMIUM
1. Standard Premium	350,001		
2. Incurred Losses	99,977		
3. Incurred Losses UNLIMITED per ACCIDENT	99,977		
4. Minimum Premium: [1] x .669 X 159135.45 (NOT LESS THAN \$104,479)	106,462		
5. Maximum Premium: [1] x 3.65 X 159135.45 (NOT LESS THAN \$570,028)	580,844		
6. Basic Premium: [1] x S (NOT LESS THAN \$98,857)	114,970		
7. Converted Losses: [3] x Loss Conversion Factor 1.10	109,974		
8. Retrospective Premium: ([6] + [7] *) x Tax Multiplier S x Schedule ** Not less than [4] nor greater than [5] **	234,190	0	234,190
9. Retrospective Premium at Previous Adjustment 10/23/09	263,724	0	263,724
10. Net Premium Now Due INSURED	29,534	0	29,534

TOTAL PREVIOUS ASSESSMENT \$19,191
SUBJECT TO FURTHER ADJUSTMENT

TOTAL RETRO ASSESSMENT \$18,394

NET DUE INSURED \$797

Standard Premium Subject to Retro Rating	35,001		
Non-Ratable Premium	7,165		
State Surcharge	24,085		
Total Audited Premium	381,251	0	381,251

Exhibit D



PENNSYLVANIA MANUFACTURERS' ASSOCIATION
INSURANCE COMPANY
P.O. BOX 3031 - BLUE BELL, PA 19422-0754

INSURED
JENNIFER CONVERTIBLES
RISK PARTNERS, INC.
709 STOKES ROAD
MEDFORD NJ 08055

RETROSPECTIVE ADJUSTMENT

POLICY NUMBER 200800	ACCOUNT NUMBER 41-79-81-8
POLICY EFFECTIVE DATE 02/03/08	POLICY EXPIRATION DATE 02/03/09
PLAN TYPE EO/FO ONE YEAR	ADJUSTMENT NUMBER 02
BSU - D.O. - STATE 96 25 MULTI	DATE OF THIS NOTICE 10/12/10

	PREMIUM	DIVIDEND RETURN	NET PREMIUM
1. Standard Premium	266,987		
2. Incurred Losses	26,461		
3. Incurred Losses UNLIMITED per ACCIDENT	26,461		
4. Minimum Premium: [1] x .532 X 156715.39 Not Less Than \$88,674)	88,674		
5. Maximum Premium: [1] x 3.148 X 156715.39 (Not Less Than \$524,617)	524,617		
6. Basic Premium: [1] x .504 X 156715.39 (Not Less Than \$83,905)	83,905		
7. Converted Losses: [3] x Loss Conversion Factor 1.10	29,108		
8. Retrospective Premium: ([6] + [7] *) x Tax Multiplier S x Schedule ** Not less than [4] nor greater than [5] **	120,333	0	120,333
9. Retrospective Premium at Previous Adjustment 10/12/09	120,365	0	120,365
10. Net Premium Now Due INSURED	32	0	32

TOTAL AUDITED ASSESSMENT \$11,358 TOTAL RETRO ASSESSMENT \$11,381 NET DUE PMA \$23
SUBJECT TO FURTHER ADJUSTMENT

Standard Premium Subject to Retro Rating	266,987		
Non-Ratable Premium	6,863		
State Surcharge	18,737		
Total Audited Premium	292,587	0	292,587

Exhibit E

INSURED



PENNSYLVANIA MANUFACTURERS' ASSOCIATION
INSURANCE COMPANY
P.O. BOX 3031 - BLUE BELL, PA 19422-0754

INSURED
JENNIFER CONVERTIBLES
RISK PARTNERS, INC.
709 STOKES ROAD
MEDFORD NJ 08055

RETROSPECTIVE ADJUSTMENT

POLICY NUMBER 200900	ACCOUNT NUMBER 41-79-81-8
POLICY EFFECTIVE DATE 02/03/09	POLICY EXPIRATION DATE 02/03/10
PLAN TYPE EO/FO ONE YEAR	ADJUSTMENT NUMBER 01
BSU - D.O. - STATE 96 25 MULTI	DATE OF THIS NOTICE 10/12/10

	PREMIUM	DIVIDEND RETURN	NET PREMIUM
1. Standard Premium	221,157	0	221,157
2. Incurred Losses	207,689		
3. Incurred Losses UNLIMITED per ACCIDENT	207,689		
4. Minimum Premium: [1] x 0.452 X 120819.78 NOT LESS THAN \$68,332	68,332		
5. Maximum Premium: [1] x 3.127 X 120819.78 NOT LESS THAN \$472,580	472,580		
6. Basic Premium: [1] x S NOT LESS THAN \$65,078	86,097		
7. Converted Losses: [3] x Loss Conversion Factor 1.10	228,459		
8. Retrospective Premium: ([6] + [7] *) x Tax Multiplier S x Schedule ** Not less than [4] nor greater than [5] **	325,252	0	325,252
9. Retrospective Premium at Previous Adjustment			
10. Net Premium Now Due PMA	104,095	0	104,095

TOTAL AUDITED ASSESSMENT \$13,360
SUBJECT TO FURTHER ADJUSTMENT

TOTAL RETRO ASSESSMENT \$20,512

NET DUE PMA \$7,152

Standard Premium Subject to Retro Rating	221,157		
Non-Ratable Premium	6,623		
State Surcharge	13,360		
Total Audited Premium	241,140	0	241,140

Exhibit F

INSURED

JENNIFER CONVERTIBLES
419 CROSSWAYS PARK DRIVE
WOODBURY NY 11803-0000

ATTACHED ARE DOCUMENTS FOR THE FOLLOWING NAMED INSURED:

JENNIFER CONVERTIBLES
419 CROSSWAYS PARK DRIVE
WOODBURY NY 11803

Exhibit G

Abridged version of Policy 201000-4179818
A full copy will be provided upon request



**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY
INSURANCE POLICY**

380 Sentry Parkway, P.O. Box 3031, Blue Bell, PA 19422-0754

1-888-476-2669

www.pmagroup.com

INSURED COPY

**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY
INSURANCE POLICY - INFORMATION PAGE**

INSURER:
PENNSYLVANIA MANUFACTURERS'
ASSOCIATION INSURANCE

POLICY NO: 201000-41-79-81-8

RENEWAL OF: 200900-41-79-81-8

NCCI Company No: 11916

Account No: 4179818

RISK ID #917175837

ITEM 1. NAMED INSURED AND MAILING ADDRESS:

JENNIFER CONVERTIBLES
419 CROSSWAYS PARK DRIVE
WOODBURY NY 11803

PRODUCER NAME AND ADDRESS:

USA RISK PARTNERS, INC.
709 STOKES ROAD
MEDFORD NJ 08055

PRODUCER NO: 0526

LEGAL ENTITY: CORPORATION

OTHER WORKPLACES NOT SHOWN ABOVE: (See Extension Of Information Page)

ITEM 2. POLICY PERIOD: From: 02-03-2010 To: 02-03-2011

Effective 12:01 A.M. Standard Time at the Insured's mailing address.

ITEM 3. COVERAGE:

- A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:

CA CT DC FL GA IL MA MD MI NC NH NJ NV NY PA VA

- B. Employers' Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3.A. The limits of liability under Part Two are:

Bodily Injury by Accident:	\$	500,000	each accident
Bodily Injury by Disease:	\$	500,000	policy limit
Bodily Injury by Disease:	\$	500,000	each employee

- C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:
All states except North Dakota, Ohio, Washington and Wyoming.

- D. This Policy includes these Endorsements and Schedules:
See Schedule of Forms and Endorsements.

ITEM 4. PREMIUM: The premium for this Policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required on the Workers Compensation Classification Schedule is subject to verification and change by audit.

		Total Estimated	
Minimum Premium:	\$	1,130	Annual Premium: \$ 344,571
Audit Period:	ANNUAL		

Issued At: **25 MOUNT LAUREL**

Date: **02-09-10**

Countersigned by _____

**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY
INSURANCE POLICY - INFORMATION PAGE**

INSURER:
PENNSYLVANIA MANUFACTURERS'
ASSOCIATION INSURANCE

POLICY NO: 201000-41-79-81-8
PRIOR POLICY NO: 2009004179818
NCCI Company No: 11916
Account No: 4179818

N. J. Taxpayer Identification No. 112824646000

ITEM 1. NAMED INSURED AND MAILING ADDRESS:

JENNIFER CONVERTIBLES
419 CROSSWAYS PARK DRIVE
WOODBURY NY 11803

PRODUCER NAME AND ADDRESS:

USA RISK PARTNERS, INC.
709 STOKES ROAD
MEDFORD NJ 08055

PRODUCER NO: 0526

LEGAL ENTITY: CORPORATION

OTHER WORKPLACES NOT SHOWN ABOVE: (See Extension Of Information Page)

ITEM 2. POLICY PERIOD: From: 02-03-2010 To: 02-03-2011

Effective 12:01 A.M. Standard Time at the Insured's mailing address.

ITEM 3. COVERAGE:

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:
CA CT DC FL GA IL MA MD MI NC NH NJ NV NY PA VA

B. Employers' Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3.A. The limits of liability under Part Two are:

Bodily Injury by Accident:	\$	500,000	each accident
Bodily Injury by Disease:	\$	500,000	policy limit
Bodily Injury by Disease:	\$	500,000	each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:
All states except North Dakota, Ohio, Washington, and Wyoming.

D. This Policy includes these Endorsements and Schedules:
See Schedule of Forms and Endorsements.

ITEM 4. PREMIUM: The premium for this Policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required on the Workers Compensation Classification Schedule is subject to verification and change by audit. **See Classification Schedule.**

Minimum Premium:	\$	1,130	Total Estimated	
Audit Period:	ANNUAL		Annual Premium:	\$ 344,571

Issued At: **25 MOUNT LAUREL**

Date: **02-09-10**

Countersigned by

Policy Number
201000-41-79-81-8

SCHEDULE OF FORMS AND ENDORSEMENTS

PENNSYLVANIA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY

Named Insured JENNIFER CONVERTIBLES

Effective Date: 02-03-2010
12:01 A.M., Standard Time

Agent Name USA RISK PARTNERS, INC.

Agent No. 0526

WORKERS COMPENSATION FORMS AND ENDORSEMENTS

DS-000701	07-09	NOTICE OF ELEC TO ACCEPT OR REJECT DED
DS-000702	07-09	NOTICE OF ELEC TO ACCEPT OR REJECT DED
DS-090701	07-09	NOTICE OF ELEC OR REJECT INS DED
DS-090702	07-09	NOTICE OF ELEC INS DED FOR FL DEATH/MED
DS-200601	07-09	NOTICE OF ELEC TO ACCEPT OR REJECT DED
DS-280701	07-09	NOTICE OF ELEC TO ACCEPT OR REJECT DED
R LETTER		RENEWAL POLICYHOLDER COVER LETTER
NYPHN	10-04	NY SECURITY FUND RECOUPMENT PHN
WC 00 00 01 A		WC INFORMATION PAGE
WC 00 00 01 B		NJ WC INFORMATION PAGE
WC 04 00 05		CA EXTENSION OF INFORMATION PAGE
WC 89 04 15		WC CLASSIFICATION SCHEDULE
WC 00 00 01 A		SCHEDULE OF LOCATIONS
DISCLOSURE		IL INDUSTRIAL COMMISSION
WC 00 00 00 A		INSURANCE POLICY
WC 00 01 06 A		LONGSHORE & HARBOR WC ACT COVERAGE ENDT
WC 00 04 04		PENDING RATE CHANGE ENDT
WC 00 04 06		PREMIUM DISCOUNT ENDT
WC 00 04 06 A		PREMIUM DISCOUNT ENDT
WC 00 04 06		PREMIUM DISCOUNT ENDT
WC 00 04 14		NOTIFICATION OF CHANGE IN OWNERSHIP ENDT
WC 00 04 19		PREMIUM DUE DATE ENDORSEMENT
WC 00 04 21 C		CATASTROPHE (OTHER THAN CERT ACTS) ENDT
WC 00 04 22 A		TERRORISM RISK PGM REAUTH ACT DISCL ENDT
WC 04 01 01 A		CA LONGSHORE & HARBOR WC ACT COVG ENDT
WC 04 03 01 A		CA POLICY AMENDATORY ENDORSEMENT
WC 04 03 60 A		CA EMPLOYERS' LIAB COV AMENDATORY ENDT
WC 04 04 21		CA OPTIONAL PREMIUM INCREASE ENDORSEMENT
WC 04 06 01 A		CA CANCELATION ENDT
WC 06 03 01		CT APPLICATION OF WORKERS COMPENSATION
WC 06 03 03 B		CT WC FUNDS COVERAGE ENDT
WC 06 06 01		CT NONRENEWAL ENDT

WC 89 06 14

Policy Number
201000-41-79-81-8

SCHEDULE OF FORMS AND ENDORSEMENTS

PENNSYLVANIA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY

Named Insured JENNIFER CONVERTIBLES

Effective Date: 02-03-2010
12:01 A.M., Standard Time

Agent Name USA RISK PARTNERS, INC.

Agent No. 0526

WC 08 06 01		DC CANCELTION ENDT
WC 09 03 03		FL EMPLOYERS LIAB COV. ENDT
WC 09 04 03 A		FL TERRORISM RISK INS PROGRAM REAUTH ACT
WC 09 06 06		FL EMPLOYMENT AND WAGE INFO RELEASE
WC 10 06 01 A		GA CANCELTION NONRENEWAL & CHANGE ENDT
WC 12 03 06		IL WC & EMPL LIAB POLICY EXCLUSION ENDT
WC 12 06 01 C		ILLINOIS AMENDATORY ENDORSEMENT
WC 19 06 01 E	01-09	MD CANCELTION AND NONRENEWAL ENDT
WC 20 03 01		MA LIMITS OF LIABILITY ENDT
WC 20 03 02 A	09-08	MA ASSESSMENT CHARGE
WC 20 03 03 C		MA NOTICE TO POLICYHOLDER ENDT
WC 20 04 05		MA PREMIUM DUE DATE ENDT
WC 20 06 01 A		MA CANCELTION ENDT
WC 21 00 11		MI NOTICE TO POLICYHOLDER
WC 21 03 03		MI NOTICE TO POLICYHOLDER ENDT
WC 21 03 04		MI LAW ENDORSEMENT
WC 21 04 02		MI TERRORISM RISK INSURANCE EXT ACT ENDT
WC 27 04 01		NV PREMIUM TRANSITION FACTOR
WC 27 06 01 C		NV CANCELTION AND NONRENEWAL ENDT
WC 28 06 01		NH SOLE REPRESENTATIVE ENDT
WC 28 06 04		NH AMENDATORY ENDT
WC 29 03 06 B		NJ PART TWO EMPLOYERS LIABILITY ENDT
WC 29 04 06 V	01-09	NJ PREMIUM DISCOUNT ENDORSEMENT
WC 31 03 08		NY LIMIT OF LIABILITY ENDT
WC 31 03 19 E		NY CONST CLASS PREM ADJ ENDT
WC 32 03 01 B		NC AMENDED COVERAGE ENDT
WC 34 03 01 B		OH EMPLOYERS LIABILITY COVERAGE ENDT
WC 37 06 01		SPECIAL PA ENDT -- INSPECTION OF MANUALS
WC 37 06 02		PA NOTICE
WC 37 06 03 A		PA ACT 86-1986 ENDT
WC 37 06 04		PA EMPLOYER ASSESSMENT ENDT
WC 45 06 02		VA AMENDATORY ENDT
PN 04 99 01 C		CA POLICYHOLDER NOTICE
PN 04 99 02 B		CA WC INSURANCE RATING LAWS
PN 04 99 03		NOTICE REQUIRED BY LAW - CALIFORNIA

WC 89 06 14

Policy Number
201000-41-79-81-8

SCHEDULE OF FORMS AND ENDORSEMENTS

PENNSYLVANIA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY

Named Insured **JENNIFER CONVERTIBLES**

Effective Date: **02-03-2010**
12:01 A.M., Standard Time

Agent Name **USA RISK PARTNERS, INC.**

Agent No. **0526**

PN049904

CA POLICYHOLDER NOTICE - CIGA

PN 04 99 06

CA POLICYHOLDER NOTICE - DUAL WAGE/ERECT

2619

NOTICE TO PENNSYLVANIA POLICYHOLDERS

CA002

NOTICE TO CALIFORNIA POLICYHOLDERS

C7
C5

PREMIUM PAYMENT SCHEDULE

Premium payments are payable and due to the Company on the dates indicated

Payment Method: K - 35% & 3 EQUAL QUARTERLY

Date Due	Amount	Type
02-03-10	\$109,516.39	RENEWAL INSTALLMENT
02-03-10	\$11,083.46	STATUTORY SURTAX INSTALLMENT
05-03-10	\$67,795.87	RENEWAL INSTALLMENT
05-03-10	\$6,861.18	STATUTORY SURTAX INSTALLMENT
08-03-10	\$67,795.87	RENEWAL INSTALLMENT
08-03-10	\$6,861.18	STATUTORY SURTAX INSTALLMENT
11-03-10	\$67,795.87	RENEWAL INSTALLMENT
11-03-10	\$6,861.18	STATUTORY SURTAX INSTALLMENT

GROSS PREMIUM \$ 312,904.00

TOTAL STATUTORY SURCHARGE \$ 31,667.00

STATUTORY TAX IS NOT SUBJECT TO BROKER COMMISSION

POLICY NO.	ISSUED TO
201000-41-79-81-8	JENNIFER CONVERTIBLES
ISSUED BY	
PENNSYLVANIA MANUFACTURERS ASSOC INSURANCE CO	

Date Issued 02-09-10



Pennsylvania Manufacturers' Association Insurance Company
Manufacturers Alliance Insurance Company
Pennsylvania Manufacturers Indemnity Company
Mid-Atlantic States Casualty Company
380 Sentry Parkway, P.O. Box 3031, Blue Bell, PA 19422-0754

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

GENERAL SECTION

A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

B. Who Is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's com-

pensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

D. State

State means any state of the United States of America, and the District of Columbia.

E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

PART ONE - WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

E. Other Insurance

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

F. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

G. Recovery From Others

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

H. Statutory Provisions

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
5. This insurance conforms to the parts of the workers compensation law that apply to:
 - a. benefits payable by this insurance; or
 - b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law. Nothing in these paragraphs relieves you of your duties under this policy.

This space is for the attachment of the Information Page as in the policy provided, and when so attached, forms a part of the policy.

PART TWO – EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay

We will pay all sums you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, includes damages:

1. for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
 2. for care and loss of services; and
 3. for consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;
- provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and
4. because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. Exclusions

This insurance does not cover:

1. liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. bodily injury intentionally caused or aggravated by you;
6. bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
9. bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;

10. bodily injury to a master or member of the crew of any vessel;
11. fines or penalties imposed for violation of federal or state law; and
12. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.
A disease is not bodily injury by accident unless it results directly from bodily injury by accident.
2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease-each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.
Bodily injury by disease does not include disease that results directly from a bodily injury by accident.
3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. Actions Against Us

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

PART THREE – OTHER STATES INSURANCE

A. How This Insurance Applies

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the work-

ers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.

4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

PART FOUR – YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses and other information we may need.
3. Promptly give us all notices, demands and legal papers re-

lated to the injury, claim, proceeding or suit.

4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE – PREMIUM

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. all your officers and employees engaged in work covered by this policy; and
2. all other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined af-

ter this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy. If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancellation table and procedure. Final premium will not be less than the minimum premium.

F. Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

PART SIX – CONDITIONS

A. Inspection

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent. If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

D. Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the

cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

3. The policy period will end on the day and hour stated in the cancellation notice.

4. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

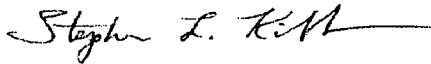
E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

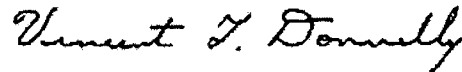
F. Disposition of Profits

Article VI, Section 1 of our By-Laws provides for the distribution of profits as follows: "The Board of Directors, after setting aside such sums as may be necessary under the law or in the judgment of the Board of Directors for contingency funds, may apportion among the policyholders such sums as the Board of Directors shall deem to be in the best interest of the Company. Such apportionment among the policyholders shall be made in such manner as the Board of Directors shall from time to time direct. In connection with such apportionment, the Board of Directors may make reasonable classification of policies or lines of insurance and may determine what policies or lines of insurance and the extent to which policyholders may participate in the profits of the Company."

In Witness Whereof, the COMPANY has caused this policy to be signed by its President, or a Vice-President and Secretary, at Blue Bell, PA.



Secretary



President



Direct Dial (610) 397-5170
Suzanna_ellefsen@pmagroup.com

October 21, 2010

VIA OVERNIGHT MAIL

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

Re: Jennifer Convertibles, Inc., USBC, SD NY (Manhattan)
Case No. 10-13779 (ALG) jointly administered
PMA Insurance Co. Account No. 4179818
Proof of Claim Amount: \$338,810.00 plus audit on 20100 policy

Dear Sir/Madam:

Enclosed please find the Proof of Claim, Statement and supporting documents to be filed on behalf of Pennsylvania Manufacturers Association Insurance Company (PMAIC) in the above- captioned action. I have also enclosed a copy of the Proof of Claim sheet and a self addressed, stamped envelope. Kindly file the originals by October 25, 2010 and return a stamped filed/ received copy of the Proof of Claim sheet in the return envelope along with the claim number, if possible.

If you have any questions or require additional policy material, please do not hesitate to contact the undersigned.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Suzanna E. Ellefsen", written over a horizontal line.

Suzanna E. Ellefsen

Encls. Proof of Claim, statement and exhibits
