

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK (MANHATTAN)

PROOF OF CLAIM

YOUR CLAIM IS SCHEDULED AS:
Schedule/Claim ID s488

In re:
Jennifer Convertibles, Inc.

Case Number:
10-13779

Amount/Classification
\$4,815.15 Unsecured

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.

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.

The amounts reflected above constitute your claim as scheduled by the Debtor or pursuant to a filed claim. If you agree with the amounts set forth herein, and have no other claim against the Debtor, you do not need to file this proof of claim EXCEPT as stated below.

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

If the amounts shown above are listed as Contingent, Unliquidated or Disputed, a proof of claim must be filed.

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

25239790001739
MBK HOLDINGS, LLC
511 MILLBURN AVE
SHORT HILLS, NJ 07078

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

Creditor Telephone Number (908) 531-4242

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

RECEIVED
OCT 25 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 \$ 23,887.83

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.

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. See attachment

2. BASIS FOR CLAIM:
Collection of rent

(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.

Nature of property or right of setoff:

Unsecured Claim Amount: \$

Describe:

Amount of arrearage and other charges as of time case filed included in secured claim.

Real Estate Motor Vehicle Other

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.

Unsecured Priority Claim Amount: \$

Include ONLY the priority portion of your unsecured claim here.

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).

- 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.

6. AMOUNT OF CLAIM THAT QUALIFIES AS AN ADMINISTRATIVE EXPENSE UNDER 11 U.S.C. § 503(b)(9): \$

See instruction #6 on reverse side

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: 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 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

THIS SPACE FOR COURT USE ONLY

Governmental Units
BY MAIL TO:
BMC Group, Inc
Attn: Jennifer Convertibles Claims Processing
PO Box 3020
Chanhassen, MN 55317-3020

BY HAND OR OVERNIGHT DELIVERY TO:
BMC Group, Inc
Attn: Jennifer Convertibles Claims Processing
18750 Lake Drive East
Chanhassen, MN 55317

Jennifer Convertibles
00275

DATE
10-21-2010

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.
Mark D. Bigos, Managing Member, MBK Holdings, LLC

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: 60%;">Debtor Name</td> <td style="width: 40%;">Case No</td> </tr> <tr> <td colspan="2">See attached sheet</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 must 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><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>
Debtor Name	Case No				
See attached sheet					

DEFINITIONS

<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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INFORMATION

ONCE YOUR CLAIM IS FILED YOU CAN OBTAIN OR VERIFY YOUR CLAIM NUMBER BY VISITING www.bmcgroup.com

MBK HOLDINGS, LLC
511 Millburn Avenue, Short Hills, NJ 07078
(973) 376 8300

To: Jennifer Convertibles, Inc.
417 Crossways Park Drive
Woodbury, NY 11797

Re: Stores 1 & 2, 700 Morris Turnpike, Short Hills, New Jersey

INVOICE

CAM & Insurance Charges, Taxes

June 25, 2010 through July 27, 2010

Water:	\$167.97
Management:	450.00
Maintenance:	160.50
JCP&L	
Real estate tax (balance):	6,397.88
Security:	727.60
Wall repair (3d installment)	2,970.00

Total: \$10,873.95

\$10,873.95 = \$1.08 per square foot. $\$1.08 \times 5,878.27$ square feet =
\$6,348.53

Jennifer Convertible's share: **\$6,348.53**

Late fees (835.20 rent @5% for rent not paid within 10 days of due
date as per lease terms) **835.20**

July rent: 16,704.10

Total due: \$23,887.83

LEASE AGREEMENT

This Agreement is made on 17th day of June, 2010.

BETWEEN MBK Holdings, LLC, a New Jersey limited liability company, having an office located at 511 Millburn Avenue, Short Hills, New Jersey 07078, herein designated as Landlord,

AND JENNIFER CONVERTIBLES, INC., a Delaware corporation, having an office located at 417 Crossways Park Drive, Woodbury, New York 11797, herein designated as the Tenant;

WITNESSETH that, the Landlord does hereby lease to the Tenant and the Tenant does hereby rent from the Landlord, the following described premises: Store #2, being a portion of premises commonly known as 688-700 Morris Turnpike, Short Hills, New Jersey, (consisting of approximately 2,918.27 square feet) for a term of two years three months commencing on January 1, 2010, and ending on March 31, 2012, to be used and occupied only and for no other purpose than retail sale of furniture and furnishings.

Upon the following Conditions and Covenants:

1st: Payment of Rent. The Tenant covenants and agrees to pay to the Landlord Base Rent for and during the term hereof, in the following manner: Beginning January 1, 2010, the annual Base Rent will be \$99,513.00, payable in equal monthly installments of \$8,292.75 on the first day of each month.

2nd: Repairs and Care. The Tenant has examined the premises and has entered into this lease without any representations on the part of the Landlord as to the condition thereof. The Tenant shall take good care of the premises and shall at the Tenant's own cost and expense, make all repairs, including painting and decorating, and shall maintain the premises in good condition and state of repair, and at the end or other expiration of the term hereof, shall deliver up the rented premises in good order and condition, wear and tear from a reasonable use thereof, and damage by the elements not resulting from the neglect or fault of the Tenant, excepted. The Tenant shall neither encumber nor obstruct the sidewalks, driveways, yards, entrances, hallways and stairs, but shall keep and maintain the same in a clean condition, free from debris, trash, refuse, snow and ice.

3rd: Compliance with Laws, Etc. The Tenant shall promptly comply with all laws, ordinances, rules, regulations, requirements and directives of the Federal, State and Municipal Governments or Public Authorities and of all their departments, bureaus and subdivisions, applicable to and affecting the said premises, their use and occupancy, for the correction, prevention and abatement of nuisances, violations or other grievances in, upon or connected with the said premises, during the term hereof; and shall promptly comply with all orders, regulations, requirements and directives of the Board of Fire Underwriters of similar authority and of any insurance companies which have issued or are about to issue policies of insurance covering the said premises and its contents, for the prevention of fire or other casualty, damage or injury, at the Tenant's own cost and

54th: Powers of Attorney. Any and all powers of attorney or other such rights granted by Tenant to Landlord, and any penalties, liquidated damages or other such obligations upon Tenant as a result of a breach by Tenant of any provision(s) of said Lease together with all self-help provisions granted to the Landlord, are hereby deleted therefrom.

55th: Plate Glass. Tenant is permitted to self-insure plate glass.


56th: Payment for Services. In no event shall Tenant be required to pay with respect to any utility service or service provided or designated by Landlord, an amount in excess of the amount that Tenant would be required to pay if purchasing directly from such utility or other company.

57th: Warranties. (a) Landlord represents and warrants that the bathrooms, HVAC system, plumbing system and electrical system will be in good working order at the date of delivery of the premises and that the roof will be free of leaks and the sidewalk free of repair and that the Landlord has not received any notices of any violations of the applicable building code.

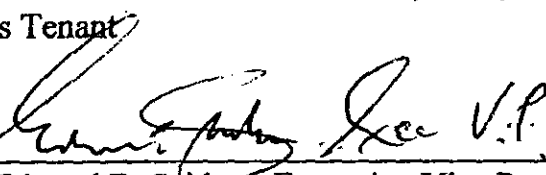
(b) The air conditioning unit which is presently installed in the demised premises is the property of the Landlord. Tenant is hereby granted the right to use said equipment. It is understood that during the term of this Lease Tenant will pay for all costs of maintenance of the air conditioning equipment; in addition, Tenant will pay all costs of maintenance, repairs and replacements of the heating and ventilation systems.

58th: Air Conditioning System. It shall be the Tenant's obligation to maintain the existing air conditioning system. Notwithstanding anything to the contrary herein, in the event repairs to the existing air conditioning system are required, or, in the event the existing air conditioning system must be replaced, it shall be the obligation of the Landlord to make the necessary repairs to, or replace, the existing air conditioning system.

MBK Holdings, LLC, as Landlord

By: 
Mark D. Bigos, Member

JENNIFER CONVERTIBLES, INC.,
as Tenant

By: 
Edward B. Seidner, Executive Vice President

LEASE AGREEMENT

~~EFFECTIVE~~
~~APRIL~~
This Agreement is made on ~~March~~ ^{APRIL} 1, 2002

BETWEEN BARLAX, a New Jersey partnership, having an office located at 40 Main Street, Chatham, New Jersey 07928, herein designated as Landlord,

AND JENNIFER LEATHER SHORT HILLS N.J., INC., a New Jersey corporation, having an office located at 419 Crossways Park Drive, Woodbury, New York 11979, herein designated as the Tenant;

WITNESSETH that, the Landlord does hereby lease to the Tenant and the Tenant does hereby rent from the Landlord, the following described premises: Store #1, being a portion of premises commonly known as 688-700 Morris Turnpike, Short Hills, New Jersey, (consisting of approximately 2,960 square feet) for a term of ten (10) years commencing on April 1, 2002, and ending on March 31, 2012; to be used and occupied only and for no other purpose than retail sale of furniture and furnishings.

Upon the following Conditions and Covenants:

1st: Payment of Rent. The Tenant covenants and agrees to pay to the Landlord Base Rent for and during the term hereof, in the following manner: Beginning April 1, 2002, through March 31, 2007, the annual Base Rent shall be \$91,760.00, payable in equal monthly installments of \$7,646.67 on the first day of each month. Beginning April 1, 2007, the annual Base Rent will be increased by ten per cent (10%) to \$100,936.00, payable in equal monthly installments of \$8,411.34 on the first day of each month.

2nd: Repairs and Care. The Tenant has examined the premises and has entered into this lease without any representations on the part of the Landlord as to the condition thereof. The Tenant shall take good care of the premises and shall at the Tenant's own cost and expense, make all repairs, including painting and decorating, and shall maintain the premises in good condition and state of repair, and at the end or other expiration of the term hereof, shall deliver up the rented premises in good order and condition, wear and tear from a reasonable use thereof, and damage by the elements not resulting from the neglect or fault of the Tenant, excepted. The Tenant shall neither encumber nor obstruct the sidewalks, driveways, yards, entrances, hallways and stairs, but shall keep and maintain the same in a clean condition, free from debris, trash, refuse, snow and ice.

3rd: Compliance with Laws, Etc. The Tenant shall promptly comply with all laws, ordinances, rules, regulations, requirements and directives of the Federal, State and Municipal Governments or Public Authorities and of all their departments, bureaus and subdivisions, applicable to and affecting the said premises, their use and occupancy, for the correction, prevention and abatement of nuisances, violations or other grievances in, upon or connected with the said premises, during the term hereof, and shall promptly comply with all orders, regulations, requirements and directives of the Board of Fire Underwriters of similar authority and of any insurance companies which have issued or are about to issue policies of insurance covering the said premises and its contents, for the prevention of fire or other

(b) The air conditioning unit which is presently installed in the demised premises is the property of the Landlord. Tenant is hereby granted the right to use said equipment. It is understood that during the term of this Lease Tenant will pay for all costs of maintenance of the air conditioning equipment; in addition, Tenant will pay all costs of maintenance, repairs and replacements of the heating and ventilation systems.

58th: Air Conditioning System. It shall be the Tenant's obligation to maintain the existing air conditioning system. Notwithstanding anything to the contrary herein, in the event repairs to the existing air conditioning system are required, or, in the event the existing air conditioning system must be replaced, it shall be the obligation of the Landlord to make the necessary repairs to, or replace, the existing air conditioning system.

BARLAX, as Landlord

By: Philip Lax
Philip Lax, Managing Partner

JENNIFER LEATHER SHORT HILLS NJ, INC.
as Tenant

By: [Signature]
President