

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

PROOF OF CLAIM



YOUR CLAIM IS SCHEDULED AS:

In re: **Jennifer Convertibles, Inc.**

Case Number: **10-13779**

Schedule/Claim ID **s122**
Amount/Classification
\$131,612.90 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.

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

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.

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

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

25239790002185
301 E 66TH ST ASSOC LTD PTNSH
C/O OSSA PROPERTIES INC
301 E 66TH STREET
NEW YORK, NY 10021

Creditor Telephone Number **(212) 879-6198**

RECEIVED

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

OCT 25 2010

Check this box to indicate that this claim amends a previously filed claim.

Claim Number (if known):

Filed on:

BMC GROUP

Payment Telephone Number **(212) 879-6198**

1. AMOUNT OF CLAIM AS OF DATE CASE FILED **\$ 221,192.00**

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.
If all or part of your claim is entitled to priority, complete item 5.
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.

2. BASIS FOR CLAIM:

UNPAID 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

Nature of property or right of setoff:

Describe:

Real Estate Motor Vehicle Other

Value of Property: \$

Annual Interest Rate: %

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

Secured Claim Amount: \$

DO NOT include the priority portion of your claim here.

Unsecured Claim Amount: \$

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 Governmental Units

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

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

THIS SPACE FOR COURT USE ONLY

Jennifer Convertibles



00307

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.
ANTHONY BARRETT VP

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: 70%;">Debtor Name</td> <td style="width: 30%;">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 <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><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

DEBTOR

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

CREDITOR

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

CLAIM

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

PROOF OF CLAIM

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

SECURED CLAIM Under 11 U.S.C. §506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors.

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

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

UNSECURED NONPRIORITY CLAIM

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

UNSECURED PRIORITY CLAIM Under 11 U.S.C. §507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Evidence of Perfection

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

INFORMATION

document showing that the lien has been filed or recorded.

Redacted

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

Offers to Purchase a Claim

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

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

10/21/10

Ossa Properties, Inc.

11:52 am

User: MANAGER

Occupant Ledger

Page: 9

Chronological History

Date	Code	Description	Invoice	Amount	Balance
3/10/09	RCM	Pymt. Batch 818 Check 061185		(27,682.38)	83,047.64
3/10/09	RCM	Pymt. Batch 818 Check 061932		(27,682.38)	55,365.26
4/01/09	RCM	Rent - Commercial		23,034.19	78,399.45
4/01/09	RET	Real Estate Tax		4,648.19	83,047.64
4/01/09	RCM	\$20K/Mo.RntEffective3/1/09 -AB		(3,034.19)	80,013.45
4/01/09	RET	\$20K/Mo.RntEffective3/1/09 -AB		(4,648.19)	75,365.26
5/01/09	RCM	Rent - Commercial		20,000.00	95,365.26
5/01/09	RCM	Rent - Commercial*04/2009ADJ		(3,034.19)	92,331.07
5/01/09	RET	Real Estate Tax*04/2009ADJ		(4,648.19)	87,682.88
6/01/09	RCM	Rent - Commercial		20,000.00	107,682.88
6/04/09	RCM	Pymt. Batch 069 Check 063607		(27,682.38)	80,000.50
6/04/09	RCM	Pymt. Batch 069 Check 065085		(20,000.00)	60,000.50
7/01/09	RCM	Rent - Commercial		20,000.00	80,000.50
7/01/09	SVC	SVC*CypressAC5/22Rpr=1/2Cost		1,192.13	81,192.63
7/10/09	RCM	Pymt. Batch 220 Check 065724		(20,000.00)	61,192.63
8/01/09	RCM	Rent - Commercial		20,000.00	81,192.63
8/05/09	RCM	Pymt. Batch 286 Check 066513		(20,000.00)	61,192.63
9/01/09	RCM	Rent - Commercial		20,000.00	81,192.63
9/03/09	RCM	Pymt. Batch 371 Check 066676		(20,000.00)	61,192.63
9/11/09	RCM	Pymt. Batch 405 Check 067760		(20,000.00)	41,192.63
10/01/09	RCM	Rent - Commercial		20,000.00	61,192.63
10/01/09	RCM	Pymt. Batch 437 Check 068278		(20,000.00)	41,192.63
11/01/09	RCM	Rent - Commercial		20,000.00	61,192.63
11/30/09	RCM	Pymt. Batch 628 Check 068963		(20,000.00)	41,192.63
12/01/09	RCM	Rent - Commercial		20,000.00	61,192.63
1/01/10	RCM	Rent - Commercial		20,000.00	81,192.63
2/01/10	RCM	Rent - Commercial		20,000.00	101,192.63
2/25/10	RCM	Pymt. Batch 876 Check 071425		(20,000.00)	81,192.63
3/01/10	RCM	Rent - Commercial		20,000.00	101,192.63
3/05/10	RCM	Pymt. Batch 906 Check 072055		(20,000.00)	81,192.63
4/01/10	RCM	Rent - Commercial		20,000.00	101,192.63
5/01/10	RCM	Rent - Commercial		20,000.00	121,192.63
6/01/10	RCM	Rent - Commercial		20,000.00	141,192.63
7/01/10	RCM	Rent - Commercial		20,000.00	161,192.63
8/01/10	RCM	Rent - Commercial		20,000.00	181,192.63
9/01/10	RCM	Rent - Commercial		20,000.00	201,192.63
9/05/10	RCM	Pymt. Batch 380 Check 075497		(20,000.00)	181,192.63
10/01/10	RCM	Rent - Commercial		20,000.00	201,192.63
11/01/10	RCM	Rent - Commercial		20,000.00	221,192.63

THIRD AMENDMENT TO LEASE AGREEMENT

DATED: SEPTEMBER , 2008
OWNER: 301 EAST 66, LLC
TENANT: JENNIFER CONVERTIBLES, INC.
PREMISES: Store # One (1), # Two and # Three (3) at 1274 Second Avenue,
New York, New York
ORIGINAL LEASE: Dated APRIL, 1994; executed by Tenant APRIL 13, 1994 and
executed by Owner APRIL 15, 1994
FIRST AMENDMENT TO LEASE: Dated SEPTEMBER 29, 1994
SECOND AMENDMENT TO LEASE: Dated JULY, 2004, executed AUGUST 16, 2004

WHEREAS, by Original Lease dated April 1994 (the "Lease"), Owner Leased the Premises to Tenant, for the rents and on such other terms, covenants and conditions as are more particularly set forth in the Lease; and

WHEREAS, the Lease was amended by First Amendment to Lease; and

WHEREAS, the Lease was assigned by written Assignment of Lease to Tenant, Jennifer Convertibles, Inc.; and

WHEREAS, the Lease was further amended by Second First Amendment to Lease; and

WHEREAS, pursuant to the terms of the Lease, First Amendment to Lease and Second Amendment to Lease the term of the Lease is to expire on September 30, 2008; and

WHEREAS, the parties to the Lease are desirous of extending the term of the Lease an additional six (6) months;

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and legal sufficiency of which Owner and Tenant hereby acknowledge, Owner and Tenant, intending to be legally bound, do hereby agree as follows:

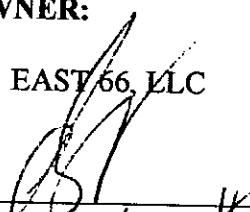
1. **Lease Term:** The term of the Lease is hereby extended for a period of six (6) months, commencing October 1, 2008 and expiring on March 31, 2009. Thereafter, the term shall automatically renew for successive six (6) month periods, until such time as the Lease is terminated as hereinafter provided.
2. **Rent:** The fixed rent for the extended Lease Term shall be at the rate of \$276,410.32 per annum; \$23,034.19 per month.

3. **Right of Early Termination:** After the third (3rd) month of the extended lease term, either party hereto may terminate the Lease upon ninety (90) days written notice of termination to the other party, which termination shall be effective at the close of the calendar month in which the ninety (90) day period expires.

4. **Lease Confirmation:** As hereby supplemented and modified, the Lease, the First Amendment to Lease and the Second Amendment to Lease and all of the terms, covenants and conditions and obligations thereof, including the continuing obligation of the Tenant to pay additional rent charges (including real estate taxes and water charges) set forth therein, are hereby ratified and confirmed and shall remain in full force and effect.

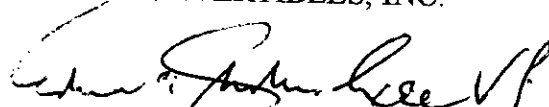
OWNER:

301 EAST 66, LLC


BY: A. Barnett member
TITLE: #1 301 member

TENANT:

JENNIFER CONVERTIBLES, INC.


BY: EDWARD B. SEINER
TITLE: EXECUTIVE V.P.

ACKNOWLEDGMENTS

STATE OF NEW YORK)
COUNTY OF) ss.:

On Sept 18, 2008, before me, the undersigned personally appeared Edward B. Scuderi, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.



Notary Public

OWEN WINCIG
NOTARY PUBLIC, State of New York
No. 02W14714599
Qualified in New York County
Commission Expires Feb. 28, 2011

STATE OF NEW YORK)
COUNTY OF Queens) ss.:

On Sept. 25, 2008, before me, the undersigned personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.



Notary Public

CECILIA L. CAPIRAL - MATERN
NOTARY PUBLIC, STATE OF NEW YORK
No. 01CA5045758
Qualified in Queens County
Commission Expires June 20, 2011



Jennifer Convertibles, Inc., 417 Crossways Park Drive, Woodbury, NY 11797 516/496-1900

August 31, 2010

Anthony Barrett
301 East 66 LLC
c/o Ossa Properties, Inc.
301 East 66th Street
New York, NY 10065

SEP 02 2010

Re: Jennifer Convertibles Inc., 1274 Second Avenue, New York, NY

Dear Mr. Barrett:

Please be advised that the above-referenced premises was vacated by Jennifer Convertibles, Inc. on August 31, 2010, and we hereby tender possession of said premises to Landlord. The keys were personally handed to Andrew Lasso upon the closing of the store.

Thank you.

Very truly yours,


Leslie Falchok
SVP-Administration

cc: Michael Fox, Olshan Grundman Frome et al

Notice of termination

90 days required

rent due for Sep, Oct, Nov 2010.