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**UNITED STATES BANKRUPTCY COURT
THE SOUTHERN DISTRICT OF NEW YORK**

In re:

JENNIFER CONVERTIBLES, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**NOTICE OF ORDER: (A) APPROVING THE DISCLOSURE
STATEMENT; (B) FIXING THE VOTING RECORD DATE; (C) APPROVING
THE SOLICITATION MATERIALS AND PROCEDURES FOR DISTRIBUTION
THEREOF; (D) APPROVING THE FORMS OF BALLOTS AND
ESTABLISHING PROCEDURES FOR VOTING ON THE DEBTORS' JOINT
PLAN OF REORGANIZATION; (E) SCHEDULING A HEARING AND
ESTABLISHING NOTICE AND OBJECTION PROCEDURES IN
RESPECT OF THE CONFIRMATION OF DEBTORS' JOINT PLAN OF
REORGANIZATION; AND (F) GRANTING RELATED RELIEF**

TO ALL CREDITORS, EQUITY INTEREST HOLDERS AND PARTIES IN INTEREST IN
THE ABOVE-CAPTIONED CHAPTER 11 CASES, PLEASE TAKE NOTICE THAT:

1. Approval of Disclosure Statement and Solicitation Procedures. On December 21, 2010, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered an order (the "Disclosure Statement Order") approving, among other things, (a) the *Disclosure Statement With Respect to the Joint Chapter 11*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, if applicable, are: (i) Jennifer Convertibles, Inc. (4646); (ii) Jennifer Convertibles Boylston MA, Inc. (7904); (iii) Jennifer Chicago Ltd. (0505); (iv) Elegant Living Management, Ltd. (5049); (v) Hartsdale Convertibles, Inc. (1681); (vi) Jennifer Management III Corp. (3552); (vii) Jennifer Purchasing Corp. (7319); (viii) Jennifer Management II Corp. (9177); (ix) Jennifer Management V Ltd. (9876); (x) Jennifer Convertibles Natick, Inc. (2227); (xi) Nicole Convertibles, Inc. (5985); (xii) Washington Heights Convertibles, Inc. (0783).

Plan of Reorganization for Jennifer Convertibles, Inc. and its Affiliated Debtors (Docket No. 338) dated November 19, 2010 (as the same may be amended, modified and/or supplemented after the date thereof, the “Disclosure Statement”), as providing adequate information for Holders of Claims² in the above-captioned cases for the debtors and debtors in possession (collectively, the “Debtors”) to make a decision as to whether to accept or reject the *Debtors’ Joint Chapter 11 Plan of Reorganization for Jennifer Convertibles, Inc. and its Affiliated Debtors* (Docket No. 339) dated November 19, 2010 (as the same may be amended, modified and/or supplemented after the date thereof, the “Plan”) and (b) the procedures for solicitation of votes to accept or reject the Plan and the tabulation of such votes on the Plan (the “Solicitation Procedures”).

VOTING ON THE PLAN

2. Record Date. Pursuant to the Disclosure Statement Order, holders of Claims against the Debtors as of **December 20, 2010 at 4:00 p.m. Eastern Time**, the voting record date established by the Disclosure Statement Order (the “Record Date”), will receive the appropriate solicitation materials, including a copy of this notice (collectively, the “Solicitation Materials”).
3. Voting Classes. Holders of Claims as of the Record Date that are entitled to vote to accept or reject the Plan include Holders of Claims in Class 2 (Mengnu Unsecured Claims) and Class 3 (General Unsecured Claims).
4. Voting Deadline. Any Holder of a Claim that the Debtors believe is entitled to vote on the Plan has been mailed the Solicitation Materials that includes a ballot form (a “Ballot”) and appropriate instructions for voting on the Plan. For any vote to accept or reject the Plan to be counted, a Ballot must be completely filled out, executed and returned so that it is actually received by the Debtors’ Claims Agent no later than **January 18, 2011 at 4:00 p.m. Eastern Time** (the “Voting Deadline”) at the following address: BMC Group, Inc., Attention: Jennifer Convertibles Claims Processing, PO Box 3020, Chanhassen, MN 55317-3020.

Creditors who are entitled to vote on the Plan are urged to read all instructions on their Ballots carefully to ensure that their Ballots are properly completed and timely submitted. ***Any Ballot received after the Voting Deadline will not be counted (unless the Voting Deadline is extended) and failure to follow the voting instructions accompanying the Ballot may also disqualify your vote.***

TEMPORARY ALLOWANCE OF CLAIMS FOR VOTING

5. Temporary Allowance of Claims. Creditors that are not entitled to vote on the Plan or that disagree with the Claim amount indicated on the Ballot they receive on account of a Claim in a Voting Class may nevertheless still be able to vote their Claim (or vote a different Claim amount) if a “Voting Resolution Event” occurs in accordance with, and

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan or the Disclosure Statement, as applicable.

subject to, the procedures set forth in the Disclosure Statement Order prior to the Voting Deadline of **January 18, 2011 at 4:00 p.m. Eastern Time.**

6. Voting Resolution Event. Each of the following events constitutes a Voting Resolution Event solely with respect to the temporary allowance of claims for voting purposes: (a) an order of the Bankruptcy Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing; (b) an order of the Bankruptcy Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing; (c) a stipulation or other agreement is executed between the Holder of such Claim and the Debtors (in consultation with the Creditors' Committee) resolving the Objection and allowing such Claim in an agreed-upon amount; (d) a stipulation or other agreement is executed between the Holder of each Claim and the Debtors (in consultation with the Creditors' Committee) temporarily allowing the Holder of such Claim to vote its Claim in an agreed upon amount; or (e) the pending objection to such Claim is voluntarily withdrawn by the Debtors. This is intended only as a summary of the procedures for the temporary allowance of Claims for voting purposes. Please refer to the Disclosure Statement Order and attached Solicitation Procedures for a comprehensive description of the requirements for the temporary allowance of Claims solely for voting purposes.

CONFIRMATION OF THE PLAN

7. Confirmation Hearing. A hearing to consider confirmation of the Plan (the "Confirmation Hearing") will be held on **January 25, 2011 at 11:00 a.m. Eastern Time**, or as soon thereafter as counsel may be heard, at the United States Bankruptcy Court for the Southern District of New York, Room 617, 1 Bowling Green, New York, New York 10004-1408 before the Honorable Allan L. Gropper, United States Bankruptcy Judge. *The Confirmation Hearing may be continued from time to time without further notice, including by announcement of the adjourned date(s) at the Confirmation Hearing or any continued hearing.*
8. Objection Deadline. **January 18, 2011 at 4:00 p.m. Eastern Time**, is the deadline for objecting to confirmation of the Plan (unless otherwise agreed by the Debtors or by order of the Bankruptcy Court).
9. Objection Procedures. Any Objection to confirmation of the Plan must be filed and served in accordance with the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York and shall (i) set forth the name of the objector, the nature and amount of Claims or Interests held or asserted by the objector against the Debtors' Estates or Property, (ii) be in writing, (iii) state with particularity the basis for the Objection and specific grounds therefore and (iv) be electronically filed with the Bankruptcy Court in accordance with General Order M-242 (which can be found at www.nysb.uscourts.gov) by registered users of the Bankruptcy Court's case filing system and, by all other parties in interest, on a CD ROM, preferably in Portable Document Format (PDF), Microsoft Word, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers) and served, with a

copy to chambers, so that it is actually received on or before January 18, 2011 at 4:00 p.m. Eastern Time, by the following notice parties:

Counsel to the Debtors: Olshan Grundman Frome Rosenzweig & Wolosky LLP
Park Avenue Tower
65 East 55th Street
New York, NY 10022
Attention: Michael S. Fox, Esq.

Counsel to the Creditors' Committee: Kelley Drye & Warren LLP
101 Park Avenue
New York, NY 10017
Attention: James S. Carr, Esq.

Counsel for Mengnu, as Plan Sponsor: Neiger LLP
317 Madison Avenue
21st Floor
New York, NY 10017
Attn: Edward Neiger, Esq

United States Trustee: Office of the United States Trustee
33 Whitehall Street, 21st Floor
New York, NY 10004
Attention: Nazar Khodorovsky

10. Effect of Confirmation. Subject to the satisfaction of the conditions set forth in Article XIV of the Plan, the Plan will be consummated on the Effective Date. Among other things, on the Effective Date, certain release, injunction, exculpation and discharge provisions set forth in Article XII of the Plan will become effective. You should read the provisions contained in Article XII of the Plan very carefully so that you understand how confirmation and consummation of the Plan will affect you and any Claim, Equity Interest in the Debtors, right or action you may have against the Debtors. **THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED UNDER THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, INCLUDING SECTIONS 524 AND 1141 OF THE BANKRUPTCY CODE, AND BY ALL OTHER APPLICABLE LAW.**

ADDITIONAL INFORMATION

11. Additional Copies of Documents. Copies of the Plan and the Disclosure Statement are available for review at the Office of the Clerk, United States Bankruptcy Court for the Southern District of New York, 1 Bowling Green, New York, New York 10004-1408, and on the Bankruptcy Court's website at www.nysb.uscourts.gov. Copies of the Plan, the Disclosure Statement, and the materials comprising the Solicitation Packages are also available free of charge on the website of the Debtors' Claims Agent at

<http://www.bmcgroup.com/jenniferconvertibles> or upon request from the Claims Agent by calling (888) 909-0100.

12. Plan Supplement Documents. On or before January 14, 2011, the Debtors will file certain documents, agreements, schedules and exhibits with the Bankruptcy Court that relate to implementation of the Plan, including exit credit agreements and new organizational documents (collectively, the “Plan Supplement”). With respect to the Plan Supplement, the rights of any party to object to the Plan based on information contained in the Plan Supplement is reserved. Notice of the filing will be provided to known creditors and other parties in interest informing parties that printed copies of the Plan Supplement will be available free of charge upon request to the Claims Agent.

New York, New York
Dated: December 21, 2010

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