

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

In re:

JENNIFER CONVERTIBLES, INC.,¹

Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**FINAL ORDER PURSUANT TO SECTIONS 105(a), 363(c), AND 503(b)(1) OF THE
BANKRUPTCY CODE AUTHORIZING THE DEBTORS TO HONOR PREPETITION
OBLIGATIONS TO CUSTOMERS AND OTHERWISE CONTINUE
CUSTOMER PROGRAMS IN THE ORDINARY COURSE OF BUSINESS**

Upon the motion, dated July 19, 2010 (the “Motion”)² of Jennifer Convertibles, Inc. and its affiliated debtors, as debtors in possession (collectively, the “Debtors”), for an order authorizing the Debtors, pursuant to sections 105(a), 363(c), and 503(b)(1) of title 11 of the United States Code (the “Bankruptcy Code”), for an order authorizing the Debtors to honor certain prepetition obligations to customers and otherwise continue Customer Programs, in the ordinary course of business, all as more fully set forth in the Motion; and. upon consideration of the Declaration of Rami Abada in Support of the Debtors’ Chapter 11 Petitions and Request for First Day Relief; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of

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).

² All Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion on an interim basis (the “Interim Hearing”); and the Court having entered an order on July 22, 2010 granting the Motion on an interim basis; and the Final Hearing having been held on August 4, 2010 (together with the Interim Hearing, the “Hearings”); and the appearances of all interested parties having been noted in the record of the Hearings; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Debtors are authorized and empowered, but not directed, pursuant to sections 105(a), 363, and 503(b) of the Bankruptcy Code, to continue, renew, replace, implement, modify, and/or terminate the Customer Programs, as they deem appropriate, in the ordinary course of business and without further application of the Court.
3. The Debtors are authorized but not directed, in their sole discretion, to honor all prepetition obligations relating to the Customer Programs, in the ordinary course of business, in the same manner and on the same basis as the Debtors honored such obligations prior to commencement of these chapter 11 cases.
4. The relief granted herein shall not constitute an approval or assumption of any Customer Program or related agreement or policy pursuant to section 365 of the Bankruptcy Code.

5. Nothing in this Order or the Motion shall be construed as prejudicing or waiving any rights the Debtors may have to contest the amount or basis of any prepetition or postpetition obligations relating to the Customer Programs.

6. The Debtors' Banks are authorized, when requested by the Debtors, to receive, process, honor and pay all checks drawn on or direct deposit and funds transfer instructions relating to the Debtors' accounts and any other transfers that are related to the Customer Programs and the costs and expenses incident thereto; provided, however, that sufficient funds are available in the accounts to make such payments; provided further, however, that the Banks may rely on the representations of the Debtors regarding which checks that were drawn or instructions that were issued by the Debtors before the Commencement Date should be honored postpetition pursuant to an Order of this Court and the Banks shall not have any liability to any party for relying on the representations of the Debtors as provided herein.

7. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

8. Bankruptcy Rule 6003 has been satisfied.

9. The requirements of Bankruptcy Rule 6004(a) are waived, and notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order.

10. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: August 4, 2010
New York, New York

/s/ Allan L. Gropper

UNITED STATES BANKRUPTCY JUDGE