

**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(b), AND 541 OF THE
BANKRUPTCY CODE AUTHORIZING DEBTORS TO PAY
PREPETITION SALES TAXES, USE TAXES, ADMISSIONS TAXES AND
OTHER GOVERNMENTAL ASSESSMENTS**

Upon the motion, dated July 19, 2010 (the “Motion”)² of Jennifer Convertibles, Inc. (“Jennifer Convertibles”) and its affiliated debtors, as debtors in possession (collectively, “Debtors”), for an order pursuant to sections 105(a), 363(b) and 541 of the Bankruptcy Code, authorizing the Debtors to pay prepetition Taxes, 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 the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having determined that the legal

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.

and factual bases set forth in the Motion establish just cause for the relief granted herein; and a hearing having been held to consider the relief requested in the Motion on an interim basis (the “Interim Hearing”); and the Final Hearing having been held on August 4, 2010 (the “Hearing”); and the appearances of all interested parties having been noted in the record of the Hearings; 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(b), and 541 of the Bankruptcy Code, to pay all prepetition Taxes due and owing, and to continue paying such Taxes in the ordinary course of business, including, but not limited to, those listed on Exhibit A of the Motion, consistent with the practices and policies in effect as of the commencement of the Debtors’ chapter 11 cases, including, without limitation, through the issuance of postpetition checks.
3. The Banks and all other applicable banks or financial institutions are authorized and directed to accept, honor, and rely upon all representations from the Debtors and funds transfer instructions relating to the Debtors’ accounts and any other transfers that are related to the Taxes and the costs and expenses incident thereto; provided, however, that sufficient funds are available in the accounts to make such payments; and provided further that any such bank or financial institution may rely on the representations of the Debtors regarding which checks that were drawn or instructions that were issued by the Debtors before the Petition Date should be honored postpetition pursuant to an Order of this Court and that any such bank or financial

institution shall not have any liability to any party for relying on the representations of the Debtors as provided herein.

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

5. Bankruptcy Rule 6003(b) has been satisfied.

6. 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.

7. 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